



public works
& infrastructure

Department:
Public Works and Infrastructure
REPUBLIC OF SOUTH AFRICA

**DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
DURBAN REGIONAL OFFICE**

REFERENCE NUMBER – DBN23/10/02

VOLUME 3 OF 3: CONTRACT

**SERVICE DESCRIPTION: SAPS: NEWCASTLE COMPLEX, H.J VAN ECK
COMPLEX-COMPLETE REPAIRS AND RENOVATIONS TO BUILDING**

SUBMITTED BY:

Company Name :

CSD / CIDB registration number:/.....

Physical Address: _____

Postal Address: _____

Contact No. _____

Email _____

CLOSING DATE: 21 NOVEMBER 2023

**TENDER BOX LOCATION: PHYSICAL ADDRESS: National Department of Public Works,
157 Monty Naicker, Durban, 4001**

TENDER BOX NUMBER: DBN23/10/02

Enquiries: For technical enquiries contact Mr. Mbambiseni Vilakazi, Mobile number: 0725949868,
e-mail Mbambiseni.vilakazi@dpw.gov.za and for other enquiries contact Ms. Zanele Luthuli
Telephone number – 031 314 7072 e-mail zanele.luthuli@dpw.gov.za or Nobuhle Gwala 031 314
7021 e-mail Nobuhle.Gwala@dpw.gov.za

THE CONTRACT

Volume 3 of 3: Part A

INDEX

DESCRIPTION	PAGE	DOCUMENTS
VOLUME 3: Contract		Separation sheet
Part C1: Agreement and Contract Data		Separation sheet
C1.2 Contract Data		Separation sheet
Contract Data	1 to 31	DPW-04(EC)
MOU Agreement	1 to 22	NDPW & Municipal agreement
C1.3 Form of Guarantee		Separation sheet
Form of Guarantee	1 to 2 / 1 to 3	DPW-10.1(EC) / DPW-10.3(EC)
Part C2: Pricing Data		Separation sheet
C2.1 Pricing Instructions		Separation sheet
Pricing Instructions	1 to 9	PG-02.2(EC)
Part C3: Scope of Work		Separation sheet
C3 Scope of Work		Separation sheet
Scope of Work	1 to 21	PG-01.2(EC)
HIV / Aids Specification and Schedules	1 to 15	Standard PW1544 Specification and Schedules
Occupational Health & Safety Specification	1 to 56	Project specific. Prepared by Principal Agent
Other technical specifications that are required		
Part C4: Site Information		Separation sheet
C4 Site Information		Separation sheet
Site Information	1 to 1	PG-03.2(EC)

PART C1: AGREEMANT AND CONTRACT DATA

C1.2: CONTRACT DATA

DPW-04 (EC): CONTRACT DATA: JBCC PRINCIPAL BUILDING AGREEMENT (Edition 6.2 of May 2018)

Project title:	INEWCASTLE SAPS H.J VAN EYK COMPLEX: COMPLETE REPAIR AND RENOVATION TO THE ENTIRE BUILDING
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Tender / Quotation no:	DBN23/09/02	WCS no:	046032	Reference no:	6217/0208/26/2
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	<p>The Conditions of Contract are clauses 1 to 30 of the JBCC® Principal Building Agreement (Edition 6.2 of May 2018) prepared by the Joint Building Contracts Committee.</p> <p>Contractors are cautioned to read the JBCC PBA and Contract Data (DPW-04 (EC)) together as some clauses in the JBCC PBA have been amended in the Contract Data (DPW-04 (EC)).</p> <p>Copies of these conditions of contract may be obtained through most regional offices of the Association of South African Quantity Surveyors, Master Builders Association, South African Association of Consulting Engineers, South African Institute of Architects, Association of Construction Project Managers, Building Industries Federation South Africa, South African Property Owners Association or Specialist Engineering Contractors Committee.</p> <p>Bidders to note that materials procured for the works should be from South African manufactures and suppliers. Imported materials shall only be considered under exceptional circumstances, based on compelling technical justifications, and subject to the approval by the NDPWI.</p>
	<p>CONTRACT VARIABLES</p> <p>THE SCHEDULE</p> <p>The schedule is the listed variables in this agreement and contains all variables referred to in this document including specific changes made to JBCC® documentation. It is divided into part 1: contract data completed by the employer and part 2: contract data completed by the tenderer. Part 1 must be completed in full and included in the tender documents. Both the part 1 and part 2 form part of this agreement.</p> <p>Spaces requiring information must be filled in, shown as ‘not applicable’ or deleted but not left blank. Where choices are offered, the non-applicable items are to be deleted. Where insufficient space is provided the information should be annexed hereto and cross referenced to the applicable clause of the schedule. Reference to clause numbers in the JBCC Principal Building Agreement are shown in [square brackets] in this contract data e.g. [3.1].</p>

PART 1: CONTRACT DATA COMPLETED BY THE EMPLOYER:

A PROJECT INFORMATION

A 1.0 Works [1.1]

Works description	Refer to document PG01.2 (EC) – Scope of Works for detailed description
	Repairs and Renovations to entire building

Any reference to words "Bid" or Bidder" herein and/or in any other documentation shall be construed to have the same meaning as the words "Tender" or "Tenderer".

Tender / Quotation no: DBN23/09/02

A 2.0 Site [1.1]

Erf / stand number	
Site address	Corner of Allen Street and HJ van Eck Drive
Township / Suburb	Amajuba Park
City / Town	Newcastle
Province	KwaZulu-Natal
Local authority	Newcastle Local Municipality
GPS Coordinates	-27°71'47.1"W; 29°95'71.7"N

A 3.0 EMPLOYER AND ITS REPRESENTATIVE

A 3.1 Employer:

Official Name of Organ of State / Public Sector Body	Government of the Republic of South Africa in its Department of Public Works & Infrastructure		
Business registration number	Not applicable	VAT number	Not applicable
E-mail	mbambiseni.vilakazi@dpw.gov.za	Telephone	
Postal address	DEPARTMENT PUBLIC WORKS AND INFRASTRUCTURE Private Bag X54315 DURBAN 4000		
Physical address	Corner Aliwal and West Street DURBAN 4001		

A 3.2 Employer's representative:

Name	M.T VILAKAZI	Telephone number	031 314 7000
E-mail	mbambiseni.vilakazi@dpw.gov.za	Mobile number	072 594 9868
Postal address	DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE PRIVATE BAG X54315 DURBAN 4000		
Physical address	Corner Aliwal and West Street DURBAN 4001		

Any reference to words "Bid" or Bidder" herein and/or in any other documentation shall be construed to have the same meaning as the words "Tender" or "Tenderer".

Tender / Quotation no: DBN23/09/02

A 4.0	Principal Agent [1.1; 6.2]	Discipline	ARCHITECT
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Name	COOTE CLARKSON ARCHITECTS		
Legal entity of above		Contact person	ANDREW CLARKSON
Practice number		Telephone number	036 631 1690
Country	SOUTH AFRICA	Mobile number	082 893 7633
E-mail			
Postal address	PO BOX 475 LADYSMITH 3370		
Physical address	50 FRANCIS DRIVE LADYSMITH 3370		

A 5.0	Agent [1.1; 6.2]	Discipline	QUANTITY SURVEYOR
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Name	RUBIQUANT QUANTITY SURVEYORS		
Legal entity of above		Contact person	WEICH MORRISON
Practice number		Telephone number	058 622 3453
Country	SOUTH AFRICA	Mobile number	082 906 1658
E-mail	weich@rubiquant.co.za		
Postal address	P.O. BOX 710 HARRISMITH 9880		
Physical address	37 BESTER STREET HARRISMITH 9880 insert postal code		

A 6.0	Agent [1.1; 6.2]	Discipline	ELECTRICAL ENGINEER
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Name	FULS ENGINEERS AND PROJECT MANAGERS CC		
Legal entity of above		Contact person	
Practice number		Telephone number	
Country	SOUTH AFRICA	Mobile number	083 272 4612
E-mail	info@fulsengineers.co.za		
Postal address	P.O. BOX 1783 ERMELO 2350		
Physical address	72 PET STREET ERMELO 2350		

Tender / Quotation no: DBN23/09/02

A 7.0	Agent [1.1; 6.2]	Discipline	CIVIL ENGINEER
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Name	DLV PROJECT MANAGERS AND ENGINEERS (Pty) Ltd		
Legal entity of above		Contact person	
Practice number		Telephone number	034 980 7242
Country	SOUTH AFRICA	Mobile number	
E-mail	info@dlveng.co.za		
Postal address	PO BOX 1460 VRYHEID 3100		
Physical address	114 MARK STREET VRYHEID 3100		

A 8.0	Agent [1.1; 6.2]	Discipline	STRUCTURAL ENGINEER
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Name	ANDERSON VOGT CONSULTING CC		
Legal entity of above		Contact person	
Practice number		Telephone number	034 212 3142
Country	SOUTH AFRICA	Mobile number	
E-mail			
Postal address	P.O. BOX 772 DUNDEE 3000		
Physical address	94 VICTORIA STREET DUNDEE 3000		

A 9.0	Agent [1.1; 6.2]	Discipline	MECHANICAL ENGINEER
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Name	GFK CONSULTING ENGINEERS		
Legal entity of above		Contact person	
Practice number		Telephone number	034 982 3425
Country	SOUTH AFRICA	Mobile number	
E-mail			
Postal address	P.O. BOX 2266 VRYHEID 3100		
Physical address	119 DEPUTASIE STREET VRYHEID 3100		

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Tender / Quotation no: DBN23/09/02

A 10.0	Agent [1.1; 6.2]	Discipline	HEALTH AND SAFETY
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Name	DEPARTMENT OF PUBLIC WORKS		
Legal entity of above		Contact person	
Practice number		Telephone number	
Country	SOUTH AFRICA	Mobile number	
E-mail			
Postal address			
Physical address			

A 11.0	Agent [1.1; 6.2]	Discipline	
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Name			
Legal entity of above		Contact person	
Practice number		Telephone number	
Country		Mobile number	
E-mail			
Postal address			
Physical address			

A 12.0	Agent [1.1; 6.2]	Discipline	
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Name			
Legal entity of above		Contact person	
Practice number		Telephone number	
Country		Mobile number	
E-mail			
Postal address			
Physical address			

Any reference to words "Bid" or Bidder" herein and/or in any other documentation shall be construed to have the same meaning as the words "Tender" or "Tenderer".

Tender / Quotation no: DBN23/09/02

B CONTRACT INFORMATION

B 1.0 Definitions [1.1]

Bills of quantities: System/Method of measurement	Standard system of measurement of building works 7 th edition
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B 2.0 Law, regulations and notices [2.0]

Law applicable to the works, state country [2.1]	Law of the Republic of South Africa
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B 3.0 Offer and acceptance [3.0]

Currency applicable to this agreement [3.2]	South African Rand
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B 4.0 Documents [5.0]

The original signed agreement is to be held by the principal agent [5.2], if not, indicate by whom	Employer
Number of copies of construction information issued to the contractor at no cost [5.6] (3 Copies of all relevant construction documentation – this to includes 1 priced Bills of Quantities and 2 unpriced Bills of Quantities)	3

Documents comprising the agreement	Page numbers
The JBCC® Principal Building Agreement, Edition 6.2 May 2018	1 to 30
DPW-04 (EC): CONTRACT DATA: JBCC PRINCIPAL BUILDING AGREEMENT (Edition 6.2 of May 2018)	1 to 31
The JBCC® General Preliminaries for use with the JBCC® Principal Building Agreement, Edition 6.2 May 2018	
Drawings as per drawing register issued with the tender	
Specifications issued with the tender	
Schedules issued with the tender	
Bills of Quantities issued with the tender	
Addenda as issued during tender stage, if applicable	As issued

B 5.0 Employer’s agents [6.0]

Authority is delegated to the following agents to issue contract instructions and perform duties for specific aspects of the works [6.2] [6.7 [CD]]	Principal Agent
Principal agent’s and agents’ interest or involvement in the works other than a professional interest [6.3]	

Tender / Quotation no: DBN23/09/02

B 6.0 Insurances [10.0]

Insurances by contractor			
NB: Insurances submitted must be issued by either an insurance company duly registered in terms of the Insurance Act [Long-Term Insurance Act, 1998 (Act 52 of 1998) or Short-Term Insurance Act, 1998 (Act 53 of 1998)] or by a bank duly registered in terms of the Banks Act, 1990 (Act 94 of 1990). Insured amounts to include VAT.			
	New works [10.1.1] With a deductible not exceeding 5% of each and every claim	Contract sum plus 10%	Not Applicable
Or	Works with practical completion in sections [10.2] With a deductible not exceeding 5% of each and every claim	Contract sum plus 10%	Not Applicable
Or	Works with alterations and additions [10.3] (reinstatement value of existing structures with or including new works) With a deductible not exceeding 5% of each and every claim	Contract sum plus 10%	Applicable
	Direct contractors [10.1.1; 10.2] where applicable, to be included in the contract works insurance	RPQS to determine value	Not Applicable
	Free issue [10.1.1; 10.2] where applicable, to be included in the contract works insurance	RPQS to determine value	Not Applicable
	Escalation, professional fees and reinstatement costs must be included in the above respective insurances		Applicable
	Supplementary insurance [10.1.2; 10.2]	Contract sum plus 10%	Applicable
	Public liability insurance [10.1.3; 10.2]	R 5 000 000	Applicable
	Removal of lateral support insurance [10.1.4; 10.2]	R PQS to determine value	Applicable
	Other insurances [10.1.5]		
	Hi Risk Insurance Refer B18.0 [10.1.5.1]	R PQS to determine value	Not Applicable
	Other insurances: If applicable, description 1:	R PQS to determine value	Not Applicable
	Other insurances; If applicable, description 2:	R PQS to determine value	Not Applicable

Tender / Quotation no: DBN23/09/02

B 7.0 Obligations of the employer [12.1]

Existing premises will be in use and occupied [12.1.2]	Applicable
If applicable, description:	
Restriction of working hours [12.1.2]	Applicable
If applicable, description:	
Natural features and known services to be preserved by the contractor [12.1.3]	Applicable
If applicable, description:	
Restrictions to the site or areas that the contractor may not occupy [12.1.4]	Applicable
If applicable, description:	
Supply of free issue of material and goods [12.1.10]	Not Applicable
If applicable, description:	

B 8.0 Appointment of Nominated Subcontractors [14.0]

Not Applicable	If applicable, description of specialisation
Specialisation 1	
Specialisation 2	
Specialisation 3	
Specialisation 4	
Specialisation 5	

B 9.0 Appointment of Selected Subcontractors [15.0]

Not Applicable	If applicable, description of specialisation
Specialisation 1	
Specialisation 2	
Specialisation 3	
Specialisation 4	
Specialisation 5	

Tender / Quotation no: DBN23/09/02

B 10.0 Appointment of Direct Contractors [16.0]

Not Applicable	If applicable, description of extent of work [12.1.11]
Extent of work	
Extent of work	
Extent of work	
Extent of work	
Extent of work	

B 11.0 Works to be completed in sections [20.1]

Not Applicable	If applicable, description of sections
Section 1	
Section 2	
Section 3	
Section 4	
Section 5	
Section 6	
Remainder of the works.	

B 12.0 Contract period [B18: 1.2], Construction period [B18: 1.1], Possession of site [12.1.5], Practical Completion [19.0; 20.0], Works Completion Refer B18.0 [19.8], Final Completion [21] and Penalties [24.0]

B12.1 Contract Period

Contract period [B18: 1.2]: Period in months as indicated, include the time from the date of award (commencement date) for submitting contractual obligatory documents, submission of Health & Safety Plan and approval, period for obtaining the Construction Permit (if applicable), the Construction Period and the Defect Liability Period up to and including Final Completion	
The contract period is determined as follows (Period/s indicated in months):	
Period to submit contractual obligatory documents including submission and approval of health and safety plan by the appointed Health & Safety Agent	1

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Tender / Quotation no: DBN23/09/02

Period to obtain Construction Permit from Department of Labour upon approval of the Health & Safety Plan by the appointed Health & Safety Agent	1
Total construction period for the Works as a whole up to and including Practical Completion, as indicated below [24.1]	24
Period to achieve Works Completion Refer B18.0 [19.8]	1
Defect liability period up to and including Final Completion	3
Total Contract Period [B18: 1.2]	30
Penalty amount per calendar day for late submission of contractual obligatory documents: Ten percent (10%) of the penalty amount per calendar day for late Practical Completion, excluding VAT. [24.1]	R 15 000.00

B12.2 Construction Period for completion of the Works as a whole

Construction period [B18: 1.2] and Practical Completion for the Works as a whole [19.0] The time for achieving Practical Completion of the whole of the Works is measured from the date of possession of the site by the contractor inclusive of all public holidays, special non-working days and builders' holiday shut down periods.	Applicable
The date for practical completion for the works as a whole shall be the period in months as indicated, starting from the date of possession of the site by the contractor inclusive of all special non-working days and builders' holiday shut down periods [12.2.7; 24.1]	24 Months
Period for inspection in working days by the principal agent [19.3]	7
Penalty amount per calendar day for late Practical Completion, excluding VAT. [24.1]	R15 000.00
Penalty amount per calendar day for late Works Completion Refer B18.0 [19.8]: Thirty percent (30%) of penalty amount per calendar day for late Practical Completion, excluding VAT.	R 4 500.00
Penalty amount per calendar day for late Final Completion [21]: Fifteen percent (15%) of penalty amount per calendar day for late Practical Completion, excluding VAT.	R 2 250.00

B12.3 Construction Period for completion of the Works in portions

Construction period [B18: 1.1] and Practical completion for portions of the Works [20.0]	Not Applicable					
Portions of the Works in sections:	1	2	3	4	5	6
Period for inspection by the principal agent in working days [19.3]						
The date for practical completion shall be the period in months as indicated from the date of possession of the site by the contractor [12.2.7; 24.1]						

Any reference to words "Bid" or Bidder" herein and/or in any other documentation shall be construed to have the same meaning as the words "Tender" or "Tenderer".

Tender / Quotation no: DBN23/09/02

The date for practical completion for the whole of the Works, if applicable shall be the period in months as indicated from the date of possession of the site by the contractor inclusive of all public holidays, special non-working days and builders' holiday shut down periods [12.2.7; 24.1]	N/A
Penalty for late Practical Completion, <i>if completion in sections is required</i> , excluding VAT	
The penalty amount per day for failing to complete section 1 of the Works is:	R
The penalty amount per day for failing to complete section 2 of the Works is:	R
The penalty amount per day for failing to complete section 3 of the Works is:	R
The penalty amount per day for failing to complete section 4 of the Works is:	R
The penalty amount per day for failing to complete section 5 of the Works is:	R
The penalty amount per day for failing to complete section 6 of the Works is:	R
The penalty amount per day for failing to complete the whole of the Works, if applicable, is:	R
Penalty amount per calendar day for late Works Completion Refer B18.0 [19.8]: To be calculated at Thirty percent (30%) of penalty / calendar day to complete Select , excluding VAT	
Penalty amount per calendar day for late Final Completion [21]: To be calculated at Fifteen percent (15%) of penalty / calendar day to complete Select , excluding VAT	

B 13.0 Criteria to achieve Practical Completion [19.0; 20.0]

Criteria to achieve Practical Completion not covered in the definition of practical completion	
13.1	Obtain Occupation Certificate from the relevant authority prior to issuing the Practical Completion certificate
13.2	All relevant CoCs
13.3	All guarantees
13.4	Training on electrical, security and mechanical installations if contractually required
13.5	Maintenance / operating manuals
13.6	CPG and cidb BUILD programme achievement certificates submitted with substantiating documentation
13.7	
13.8	
13.9	
13.10	

Tender / Quotation no: DBN23/09/02

Any reference to words "Bid" or Bidder" herein and/or in any other documentation shall be construed to have the same meaning as the words "Tender" or "Tenderer".

B 14.0 Defects liability period [21.0]

Extended defects liability period: Refer B18.0 [21.13]

Applicable	If applicable, description of applicable elements
14.1	Emergency generator/s
14.2	Air conditioning system and plant
14.3	Security system/s (e.g. Access control, Intruder alarm, etc.)
14.4	Electrical equipment (e.g. Electric operated doors, Electric motors, etc.)
14.5	Lifts
14.6	Mechanical equipment (e.g. Fire detection, Fire suppression system, Kitchen equipment, etc.)
14.7	Civil works
14.8	Landscaping including automated systems (irrigation)
14.9	
14.10	

B 15.0 Payment [25.0]

Date of month for issue of regular payment certificates Refer B18.0 [25.2]	20th
Contract price adjustment / Cost fluctuations Refer [25.3.4; 26.9.5]	Applicable
If applicable, method to calculate	CPAP
Employer shall pay the contractor within: Refer B18.0 [25.10]	Thirty (30) calendar days

B 16.0 Dispute resolution [30.0]

Mediation	Applicable
Name of nominating body	Association of Arbitrators (Southern Africa)
Appointment of Mediator	State Attorney
Litigation	Court with Jurisdiction

Tender / Quotation no: DBN23/09/02

B 17.0 JBCC® General Preliminaries - selections

Any reference to words "Bid" or Bidder" herein and/or in any other documentation shall be construed to have the same meaning as the words "Tender" or "Tenderer".

Provisional bills of quantities [P2.2]		Applicable
Availability of construction information [P2.3]		Applicable
Previous work - dimensional accuracy - details of previous contract(s) [P3.1]		Applicable
Previous work - defects - details of previous contract(s) [P3.2]		Applicable
Inspection of adjoining properties - details [P3.3]		Not Applicable
Handover of site in stages - specific requirements [P4.1]		Not Applicable
Enclosure of the works - specific requirements [P4.2]		Applicable
Geotechnical and other investigations - specific requirements [P4.3]		Applicable
Existing premises occupied - details [P4.5]		Applicable
Services - known - specific requirements [P4.6]		Applicable
Water [P8.1]	By contractor	Applicable
	By employer	Not Applicable
	By employer – metered	Not Applicable
Electricity [P8.2]	By contractor	Applicable
	By employer	Not Applicable
	By employer – metered	Not Applicable
Ablution and welfare facilities [P8.3]	By contractor	Applicable
	By employer	Not Applicable
Communication facilities - specific requirements [P8.4]		Applicable
Protection of the works - specific requirements [P11.1]		Applicable
Protection / isolation of existing works and works occupied in sections - specific requirements [P11.2]		Applicable
Disturbance - specific requirements [P11.5]		Applicable
Environmental disturbance - specific requirements [P11.6]		Applicable

Tender / Quotation no: DBN23/09/02

B 18.0 SPECIFIC CHANGES MADE TO JBCC® DOCUMENTATION

[Details of changes made to the provisions of JBCC standard documentation]

Any reference to words "Bid" or Bidder" herein and/or in any other documentation shall be construed to have the same meaning as the words "Tender" or "Tenderer".

1.2 Definitions

The following definitions replace corresponding definitions or are added to the definitions in the JBCC PRINCIPAL BUILDING AGREEMENT (Edition 6.2 of May 2018), whatever the case may be.

ADVERSE WEATHER CONDITIONS: Adverse weather and inclement weather has the same meaning and used interchangeably and means any weather conditions i.e.: Rain, wind, snow, frost, temperature (cold or heat) that are not in the norm for the area where the construction takes place and during which no work is possible on site.

AGREEMENT: The completed Form of Offer and Acceptance, the completed JBCC® Principal Building Agreement and contract data for organs of state and other public sector bodies, the contract drawings, the priced document and any other documents reduced to writing and signed by the authorised representative or representatives of the parties.

CONSTRUCTION PERIOD: The period commencing on the date of possession of the **site** by the **contractor** and ending on the date of **practical completion**.

CONTRACT PERIOD: The period commencing on the date of the letter of acceptance and ending on the date of final completion.

COST FLUCTUATION shall mean contract price adjustment provision (CPAP) for the adjustment of fluctuation in the cost of labour, plant, material and goods as stated in the schedule.

DEFAULT INTEREST: No clause.

GUARANTEE FOR CONSTRUCTION: A security in terms of the DPWI's Guarantee for Construction form/s, obtained by the contractor from an institution approved by the employer [CD].

INTEREST: The interest rates applicable on this contract, whether specifically indicated in the relevant clauses or not, will be the rate as determined by the Minister of Finance from time to time, in terms of section 80(1)(b) of the Public Finance Management Act, 1999 (Act No 1 of 1999) as amended, calculated as simple interest, in respect of debts owing to the State, and will be the rate as published by the Minister of Justice and Correctional Services from time to time, in terms of section 1(2) of the Prescribed Rate of Interest Act, 1975 (Act No 55 of 1975) as amended, calculated as simple interest, in respect of debts owing by the State.

LETTER OF ACCEPTANCE: The letter of formal acceptance of the Contractor's or Service Provider's Tender / Bid, issued and signed by the Employer.

PAYMENT CERTIFICATE: A certificate issued at regular agreed intervals [CD] by the principal agent to the parties certifying the amount due and payable in terms of clause 25.3.

PRINCIPAL AGENT: The person or entity appointed by the **employer** and named in the **contract data for organs of state and other public sector bodies**. In the event of a **principal agent** not being appointed, then all the duties and obligations of a **principal agent** as detailed in the **agreement** shall be fulfilled by the employer's representative as named in the **contract data for organs of state and other public sector bodies**.

Tender / Quotation no: DBN23/09/02

CONTRACT SPECIFIC DATA

Any reference to words "Bid" or Bidder" herein and/or in any other documentation shall be construed to have the same meaning as the words "Tender" or "Tenderer".

The following contract specific data, referring to the General Conditions of Contract for Construction Works, JBCC PRINCIPAL BUILDING AGREEMENT (Edition 6.2 of May 2018), are applicable to this Contract:	
3.3	Replace clause with the following: This agreement shall come into force on the date of letter of acceptance and continue to be of force and effect until the end of the latent defects liability period [22.0] notwithstanding termination [29.0] or the certification of final completion [21.0] and final payment [25.0].
4.2	Refer to clause 6.7 [CD].
4.3	Replace clause with the following: Where a contractor cedes any right or any monies due to or to become due under this agreement as security in favour of a financial institution, the prior written consent of the employer, which consent shall not be unreasonably withheld, must be obtained.
5.2	Replace last sentence with the following: The original signed agreement shall be held by the Employer.
5.4	Replace clause with the following: The Bills of Quantities shall not be used as a specification of material and goods or methods unless so instructed by the Principal Agent. The contractor may not use the Bills of Quantities for purpose of ordering material. All dimensions and quantities must be determined on site before ordering. In the event of discrepancy between the drawings and Bills of Quantity, the drawings shall take preference.
5.5	Replace clause with the following: The parties may publish or disclose on any platform only the contract scope and contract amount.
6.5	Replace clause with the following: Where the principal agent and/or an agent fails to act or is unable to act or ceases to be the principal agent or an agent in terms of this agreement, the employer may appoint another principal agent and/or an agent, be it temporary or permanently.
6.7	Add the following as clause 6.7: In terms of the clauses listed hereunder, the employer has retained its authority and has not given a mandate to the principal agent, notwithstanding other provisions in the contract. The employer shall sign all documents in relation to clauses 4.2, 14.1.4, 14.4.1, 14.6, 15.1.4, 15.4.1, 23.1, 23.2, 23.3, 23.7, 23.8, 26.1, 26.7, 26.12.
7.2	Replace first sentence with the following: Any design responsibility undertaken by a subcontractor shall not devolve on the contractor except for items that require specific component design and or compatibility design and or shop drawings and or the assembly thereof.
8.4	Replace clause with the following: The contractor shall bear the full risk of damage to and/or destruction of the works by whatever cause during construction of the works and hereby indemnifies and holds harmless the employer against any such damage. The contractor shall take such precautions and security measures and other steps for the protection and security of the works as the contractor may deem necessary.
9.2.7	Add the following to the end of the first sentence: "... due to no fault of the contractor".

Tender / Quotation no: DBN23/09/02

9.2.9	No clause.
9.2.10	No clause.
9.3	Add the following as clause 9.3: The employer's rights to claim damages for the contractor's omissions and actions will not be affected.
10.1	Replace clause with the following: The party responsible shall effect and keep the respective insurances [CD] in force, in favour of the employer as beneficiary, from the date of possession of the site until the issue of the certificate of practical completion and with an extension to cover the contractor's obligations after the date of practical completion [8.2.2].
10.1.5.1	Add the following as clause 10.1.5.1: Hi Risk Insurance In the event of the project being executed in a geological area classified as a "High Risk Area", that is an area which is subject to highly unstable sub-surface conditions that might result in catastrophic ground movement evident by sinkhole or doline formation the following will apply:
10.1.5.1.1	Add the following as clause 10.1.5.1.1: Damage to the works The contractor shall, from the date of possession of the site until the date of the certificate of practical completion, bear the full risk of and hereby indemnifies and holds harmless the employer against any damage to and/or destruction of the works consequent upon a catastrophic ground movement as mentioned above. The contractor shall take such precautions and security measures and other steps for the protection of the works as he may deem necessary. When so instructed to do so by the principal agent, the contractor shall proceed immediately to remove and/or dispose of any debris arising from damage to or destruction of the works and to rebuild, restore, replace and/or repair the works, at the contractor's own costs.
10.1.5.1.2	Add the following as clause 10.1.5.1.2: Injury to persons or loss of or damage to property The contractor shall be liable for and hereby indemnifies and holds harmless the employer against any liability, loss, claim or proceeding arising at any time during the period of the contract whether arising in common law or by statute, consequent upon personal injuries to or the death of any person whomsoever resulting from, arising out of or caused by a catastrophic ground movement as mentioned above. The contractor shall be liable for and hereby indemnifies the employer against any and all liability, loss, claim or proceeding consequent upon loss of or damage to any moveable, or immovable property, or personal property, or property contiguous to the site, whether belonging to or under the control of the employer or any other body or person whomsoever arising out of or caused by a catastrophic ground movement, as mentioned above, which occurred during the period of the contract.
10.1.5.1.3	Add the following as clause 10.1.5.1.3: It is the responsibility of the contractor to ensure that he has adequate insurance to cover his risk and liability as mentioned in 10.1.5.1.1 and 10.1.5.1.2. Without limiting the contractor's obligations in terms of the contract, the contractor shall, within twenty-one (21) calendar days of the date of letter of acceptance, but before commencement of the works, submit to the employer proof of such insurance policy.

Tender / Quotation no: DBN23/09/02

10.1.5.1.4	<p>Add the following as clause 10.1.5.1.4: The employer shall be entitled to recover any and all losses and/or damages of whatever nature suffered or incurred consequent upon the contractor's default of his obligations as set out in 10.1.5.1.1; 10.1.5.1.2 and 10.1.5.1.3. Such losses or damages may be recovered from the contractor or by deducting the same from any amounts still due under this contract or under any other contract presently or hereafter existing between the employer and the contractor and for this purpose all these contracts shall be considered one indivisible whole.</p>
10.2	<p>Replace clause with the following: Where practical completion in sections is required [20.0), or where the works is for alterations and additions, the contractor shall effect and keep in force contract works insurance [10.1.1], supplementary insurance [10.1.2], public liability insurance [10.1.3] and where applicable, removal of lateral support insurance [10.1.4] and other insurances [10.1.5) in favour of the employer as beneficiary.</p>
10.6	No clause.
10.11	<p>Add the following as clause 10.11 In the event that an insurer dispute the amount of the claim to be paid to the employer, the contractor shall be liable to the employer for the difference between the claim (as determined by the employers QS appointed on the project) made by the employer and the amount that the insurer is willing to pay.</p>
11.1	<p>Add the following to clause 11.1. In respect of contracts with a contract sum up to R1 million, the security to be provided by the contractor to the employer will be a payment reduction of five per cent (5%) of the value certified in the payment certificate (excluding VAT).</p> <p>In respect of contracts with a contract sum above R1 million, the contractor shall have the right to select the security to be provided in terms of C 1.0 Securities, as stated in the schedule. Such security shall be provided to the employer within fifteen (15) working days from contract commencement date. Should the contractor fail to select the security to be provided or should the contractor fail to provide the employer with the selected security within fifteen (15) working days from the contract commencement date, the security in terms of C 1.0 Option C shall be deemed to have been selected.</p> <p>The payment reduction of the value certified in a payment certificate shall be <i>mutatis mutandis</i> in terms of 25.12.1 - 25.12.5.</p>
11.1.1	No clause.
11.1.2	No clause.
11.2.2	No clause.
11.3	No clause.
11.4.1	<p>Replace clause 11.4.1 with the following: Hand over the site to the contractor and withhold an amount equal to ten per cent (10%) of each interim payment certificate until practical completion is achieved. The value certified shall be subject to the adjustments in terms of 25.12.6 to 25.12.10.</p>
11.5	No clause.
11.6	No clause.

Tender / Quotation no: DBN23/09/02

Any reference to words "Bid" or Bidder" herein and/or in any other documentation shall be construed to have the same meaning as the words "Tender" or "Tenderer".

Page 17 of 31

For Internal & External Use

Effective date: 21 July 2023

Version: 2023/04

11.7	No clause.
11.8	No clause.
11.9	No clause.
11.10	No clause.
11.11	Add the following as clause 11.11 Where the security as a cash deposit of ten per cent (10%) of the contract sum (excluding VAT) has been selected:
11.11.1	Add the following as clause 11.11.1 The contractor shall furnish the employer with a cash deposit equal in value to ten percent (10%) of the contract sum (excluding VAT) within fifteen (15) working days from the contract commencement date. Failure to furnish the employer with a cash deposit within fifteen (15) working days clause 11.4 will apply <i>mutatis mutandis</i> .
11.11.2	Add the following as clause 11.11.2 The employer shall be entitled to recover expense and loss from the cash deposit in terms of 27.0 provided that the employer notifies the Contractor in which event the employer's entitlement shall take precedence over his obligations to refund the cash deposit security or portions thereof to the contractor.
11.11.3.	Add the following as clause 11.11.3 Within fifteen (15) working days of the date of practical completion of the works the employer shall reduce the cash deposit to an amount equal to three per cent (3%) of the contract value (excluding VAT).
11.11.4	Add the following as clause 11.11.4 Within fifteen (15) working days of the date of final completion of the works the employer shall reduce the cash deposit to an amount equal to one per cent (1%) of the contract value (excluding VAT).
11.11.5	Add the following as clause 11.11.5 On the date of payment of the amount in the final payment certificate, the employer shall refund the remainder of the cash deposit to the contractor.
11.11.6	Add the following as clause 11.11.6 The parties expressly agree that neither the employer nor the contractor shall be entitled to cede the rights to the deposit to any third party.
11.12	Add the following as clause 11.12 Where security as a variable construction guarantee of ten percent (10%) of the contract sum (excluding VAT) has been selected:
11.12.1	Add the following as clause 11.12.1 The contractor shall furnish the employer with an acceptable variable construction guarantee equal in value to ten per cent (10%) of the contract sum (excluding VAT) within fifteen (15) working days after issuance of the letter of acceptance. Failure to submit an acceptable variable construction guarantee within fifteen (15) working days clause 11.4 will apply <i>mutatis mutandis</i> .
11.12.2	Add the following as clause 11.12.2 The variable construction guarantee shall reduce and expire in terms of the Variable Construction Guarantee form included in the invitation to tender.

Tender / Quotation no: DBN23/09/02

Any reference to words "Bid" or Bidder" herein and/or in any other documentation shall be construed to have the same meaning as the words "Tender" or "Tenderer".

Page 18 of 31

11.12.3	Add the following as clause 11.12.3 The employer shall return the variable construction guarantee to the contractor within fourteen (14) calendar days of it expiring.
11.12.4	Add the following as clause 11.12.4 Where the employer has a right of recovery against the contractor in terms of 27.0, the employer shall issue a written demand in terms of the variable construction guarantee.
11.13	Add the following as clause 11.13 Where security is a fixed construction guarantee of five per cent (5%) of the contract sum (excluding VAT) and a five per cent (5%) payment reduction of the value certified in the payment certificate (excluding VAT) has been selected:
11.13.1	Add the following as clause 11.13.1 The contractor shall furnish a fixed construction guarantee to the employer equal in value to five per cent (5%) of the contract sum (excluding VAT).
11.13.2	Add the following as clause 11.13.2 The fixed construction guarantee shall come into force on the date of issue and shall expire on the date of the last certificate of practical completion.
11.13.3	Add the following as clause 11.13.3 The employer shall return the fixed construction guarantee to the contractor within fourteen (14) calendar days of it expiring.
11.13.4	Add the following as clause 11.13.4 The payment reduction of the value certified in a payment certificate shall be <i>mutatis mutandis</i> in terms of 25.12.1 - 25.12.5.
11.13.5	Add the following as clause 11.13.5 Where the employer has a right of recovery against the contractor in terms of 27.0, the employer shall be entitled to issue a written demand in terms of the fixed construction guarantee or may recover from the payment reduction or from both.
11.14.1	Add the following as clause 11.14.1 Where security as a cash deposit of five per cent (5%) of the contract sum (excluding VAT) and a payment reduction of five per cent (5%) of the value certified in the payment certificate (excluding VAT) has been selected:
11.14.2	Add the following as clause 11.14.2 The contractor shall furnish the employer with a cash deposit equal in value to five per cent (5%) of the contract sum (excluding VAT) within fifteen (15) working days from the contract commencement date. Failure to submit a cash deposit within fifteen (15) working days clause 11.4 will apply <i>mutatis mutandis</i> .
11.14.3	Add the following as clause 11.14.3 Within fifteen (15) working days of the date of practical completion of the works the employer shall refund the cash deposit in total to the contractor.
11.14.4	Add the following as clause 11.14.4 The payment reduction of the value certified in a payment certificate shall be <i>mutatis mutandis</i> in terms of 25.12.1 - 25.12.5.
11.14.5	Add the following as clause 11.14.5 Where the employer has a right of recovery against the contractor in terms of 27, the employer may recover from the payment reduction or cash deposit or from both.

Tender / Quotation no: DBN23/09/02

Any reference to words "Bid" or Bidder" herein and/or in any other documentation shall be construed to have the same meaning as the words "Tender" or "Tenderer".

Page 19 of 31

11.15	Add the following as clause 11.15 Where security as a payment reduction of ten per cent (10%) of the value certified in the payment certificate (excluding VAT) has been selected:
11.15.1	Add the following as clause 11.15.1 The payment reduction of the value certified in a payment certificate shall be <i>mutatis mutandis</i> in terms of 25.12.6 to 25.12.10.
11.15.2	Add the following as clause 11.15.2 The employer shall be entitled to recover expense and loss from the cash deposit in terms of 27.0 provided that the employer notifies the Contractor in which event the employer's entitlement shall take precedence over his obligations to refund the cash deposit security or portions thereof to the contractor.
11.16	Add the following as clause 11.16 Payments made by the guarantor to the employer in terms of the fixed or variable construction guarantee shall not prejudice the rights of the employer or contractor in terms of this agreement.
11.17	Add the following as clause 11.17 Should the contractor fail to furnish the security in terms of 11.2 the employer, in his sole discretion, and without notification to the contractor, is entitled to change the contractor's selected form of security to that of a ten per cent (10%) payment reduction of the value certified in the payment certificate (excluding VAT).
12.1.1	No Clause.
12.1.5	Replace clause with the following: Give possession of the site to the contractor within ten (10) working days after approval of the Health and Safety Plan or the issue of a construction permit by the Department of Labour, if applicable, after the contractor complied with the terms of 12.2.22.
12.1.6	No clause.
12.1.8	No clause.
12.2.2	Replace clause with the following: The priced Bills must be submitted to the Employer within fourteen (14) calendar days from date of request. Where the priced document contains errors or discrepancies and/or prices considered by the employer or principal agent to be imbalanced or unreasonable the employer or principal agent and the contractor shall adjust such prices without any change to the contract sum .
12.2.5	Replace clause with the following: Effect and keep in force insurances in favour of the employer as beneficiary where the contractor is responsible for providing insurances [10.0] [CD].
12.2.13	Replace clause with the following: Designate a competent person full time on site to continuously administer and control the works on site and to receive and implement notices and contract instructions on behalf of the contractor.
12.2.22	Insert the following clause as 12.2.22: Within fourteen (14) working days of the date of the letter of acceptance submit to the principal agent an acceptable health and safety plan, required in terms of the Occupational Health and Safety Act, 1993 (Act No 85 of 1993).

Tender / Quotation no: DBN23/09/02

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Page 20 of 31

12.2.23	Insert the following clause as 12.2.23: The contractor shall within reasonable time inform the agents regarding inspection of the works before covering / closing [B 12.0].
14.1.4	Refer to clause 6.7 [CD].
14.1.5	No clause.
14.4.1	Replace "principal agent" with "employer" [6.7 [CD]].
14.6	Refer to clause 6.7 [CD].
15.0	See clause 6.7 above for clauses, 15.5.
15.1.2	Replace clause with the following: The principal agent shall call for tenders from a list of tenderers agreed between the contractor and the employer.
15.1.4	Refer to clause 6.7 [CD].
15.1.5	No clause.
15.4.1	Replace "principal agent" with "employer" [6.7 [CD]].
17.4	Replace clause with the following: The contractor shall comply with and duly execute all contract instructions except any contract instruction for additional work issued after the date of practical completion other than making good physical loss and repairing damage to the works in terms of 8.0 and 21.
17.6	Add the following as clause 17.6: Minutes of meetings shall not constitute a site instruction unless reduced to a written contract instruction issued by the principal agent in terms of this contract / agreement.
19.5	Replace clause with the following: On issue of the only or last certificate of practical completion the employer shall be entitled to possession of the works and the site. On issue of the certificate of practical completion for a section, the employer shall be entitled to possession of such section.
19.8	Add the following as: 19.8 WORKS COMPLETION (1) Within seven (7) calendar days of the date of practical completion the principal agent shall issue to the contractor a works completion list defining the outstanding work and defects apparent at the date of practical completion to be completed or rectified to achieve works completion. (2) Where, in the opinion of the contractor, the works completion list has been completed the contractor shall notify the principal agent who shall inspect within seven (7) calendar days of receipt of such a notice. Where, in the opinion of the principal agent, the Works Completion list: (2)(a) Has been satisfactorily completed, the principal agent shall forthwith issue a certificate of Works Completion to the contractor with a copy to the employer

Tender / Quotation no: DBN23/09/02

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Page 21 of 31

<p>19.8 Continued</p>	<p>(2)(b) Has not been satisfactorily completed, the principal agent shall forthwith identify the works completion list items that are not yet complete and inform the contractor thereof. The contractor shall repeat the procedure in terms of 19.8(2)</p> <p>(3) Should the principal agent not issue a works completion list, in terms of 19.8 (1) or 19.8 (2) (b), within seven (7) calendar days from the end of the inspection period, the contractor shall notify the employer and principal agent. Should the principal agent not issue such Works Completion list within seven (7) calendar days of receipt of such notice, the employer may within seven (7) calendar days issue to the contractor a Works Completion list. Should the employer:</p> <p>(3)(a) Not issue such works completion list within seven (7) calendar days, then the certificate of Works Completion shall be deemed to have been issued on the date of expiry of the initial notice period and works completion shall be deemed to have been achieved on such date</p> <p>(3b) Issue a works completion list and the work on Works Completion list not have been completed or where further defects have become apparent, the employer shall forthwith identify such items on the updated works completion list and notify the contractor. The contractor shall repeat the procedure in terms of 19.8 (2) (b) until such items have been completed to the satisfaction of the employer</p> <p>(4) Should the works completion list not be completed to the satisfaction of the employer within a period of twenty (20) working days of the issue final works completion list the contractor shall be liable to a daily penalty as described in B13.</p> <p>(5) The defects liability period in terms of 21.1 shall commence with the issue or deemed issue of the certificate of Works Completion in terms of 19.8(2)(a) or 19.8(3).</p>
<p>20.2.1.A</p>	<p>Add the following as: 20.2.1.A A certificate of Works Completion [19.8]</p>
<p>21.1</p>	<p>Replace clause 21.1 with the following: The defects liability period for the works shall commence on the calendar day following the date of works completion and end at midnight (00:00) ninety (90) calendar days from the date of works completion [CD] or when work on the list for completion has been satisfactorily attended to [21.6), whichever is the later (if we use works completion).</p>
<p>21.6</p>	<p>Replace clause 21.6 with the following: On the expiry of the ninety (90) calendar days defects liability period [21.1] for items not indicated as items with an extended liability as indicated in B14 and on receipt of the contractor's notice to the principal agent.</p> <p>And/or</p> <p>On the expiry of the defects liability period as indicated in B14, for items indicated in B14 and on receipt of the contractor's notice to the principal agent, the principal agent shall:</p> <p>(1) inspect the works And within ten (10) working days either issue a list for final completion detailing all outstanding work or defects that must be attended to, or rectified to achieve final completion or</p> <p>(2) issue the certificate of final completion to the contractor with a copy to the employer for that part of the works where defects liability period has expired.</p>
<p>21.6.1.</p>	<p>Omit clause.</p>

Tender / Quotation no: DBN23/09/02

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21.6.2	Omit clause.
21.13	Add the following as clause 21.13 The ninety (90) calendar day defects liability period for the works [21.1] is replaced with an extended defects liability period of three hundred and sixty-five (365) calendar days in respect of the listed applicable elements in B14.
21.14	Add the following as clause 21.14 Penalties will be applied if the items on the completion list have not been attended to within a period of ninety (90) calendar days [21.1]. If additional defect items have being added to the list during this period, then the Principal Agent and Contractor will agree on a revised completion date. Failing in achieving the revised date will result in penalties being applied [B12.0].
22.3.2	No clause.
23.1	Refer to clause 6.7 [CD].
23.2	Refer to clause 6.7 [CD].
23.2.13	No clause.
23.3	Replace 23.3 with the following: Further circumstances that delays practical completion due to any other cause beyond the contractor's reasonable control that could not have reasonably been anticipated and provided for which the contractor may be entitled to a revision of the date for practical completion, with or without an adjustment of the contract value as determined by the Employer [6.7 CD].
23.7	Refer to clause 6.7 [CD].
23.8	Refer to clause 6.7 [CD].
24.1	Replace clause 24.1 with the following: Where the contractor fails to bring the works , or a section thereof, to practical-, works-, or final- completion by the applicable completion date [B10 CD], or the revised applicable completion date, the contractor shall be liable to the employer for the penalty [B10 CD].
24.2	Replace clause 24.2 with the following: Where the employer elects to levy such penalty the employer , or the principal agent on instruction from the employer , shall give notice thereof to the contractor . The principal agent shall determine the penalty due from the later of the date for practical- works-, or final- completion [B10 CD], or the revised date for practical- works-, or final- completion , up to and including the earlier of:
24.2.1	Replace clause 24.2.1 with the following: The actual or deemed date of practical-, works- or final- completion of the works , or a section thereof [23.7.1].
25.2	Replace clause 25.2 with the following: The principal agent shall issue at regular agreed intervals [CD] payment certificates, to the contractor with a copy to the employer, up to and including practical completion. Interim Payment certificates may be issued to the contractor between practical completion and the final payment certificate. A payment certificate may be for a nil or negative amount.

Tender / Quotation no: DBN23/09/02

Any reference to words "Bid" or Bidder" herein and/or in any other documentation shall be construed to have the same meaning as the words "Tender" or "Tenderer".

Page 23 of 31

25.3	<p>Add the following to clause 25.3:</p> <p>25.3.12 Monthly Local content report.</p> <p>25.3.13 EPWP / NYS payment register, labour reports and certified ID document of EPWP/ NYS beneficiaries, Contract between Contractor and EPWP/ NYS beneficiaries, attendance register (if applicable).</p> <p>25.3.14 Tax Invoice.</p> <p>25.3.15 Labour intensive report.</p> <p>25.3.16 Contract participation goal and cidb BUILD programme reports.</p>
25.5	No Clause.
25.6	<p>Replace clause 25.6 with the following: Materials and goods will only be certified and paid for upon providing proof of full payment to the supplier and proof of transfer of ownership from the supplier to the contractor by the contractor. Once paid, material and goods shall become the property of the employer and shall not be removed from site without the written authority of the Employer.</p>
25.7.5	No Clause.
25.10	<p>Replace clause 25.10 with the following: The employer shall pay the contractor the amount stipulated in an issued payment certificate, correct in all material respects, within thirty (30) calendar days from the date of receiving the payment certificate and invoice including all other substantiating documentation for items certified in the payment certificate.</p>
25.12	<p>Replace clauses 25.12 to 25.12.3 with the following: The value certified shall be subject to the following percentage adjustments :</p> <p>(Clauses 25.12.1 to 25.12.5 shall be applicable to a contract sum up to R1 million. In the event of a contract sum more than R1 million for Options D & E (C 1.0 Securities [11.0]) Clauses 25.12.1 to 25.12.5 shall be applicable)</p> <p>25.12.1 Where a security is selected in terms of C 1.0 Securities [11.0] the value of the works in terms of 25.1 and of the materials and goods in terms of 25.4 shall be certified in full. The value certified shall be subject to the following percentage adjustments:</p> <p>25.12.2 Ninety-five per cent (95%) of such value in interim payment certificates issued up to the date of practical completion.</p> <p>25.12.3 Ninety-seven per cent (97%) of such value in interim payment certificates issued on the date of works completion and up to but excluding the date of final completion.</p> <p>25.12.4 Ninety-nine per cent (99%) of such value in interim payment certificates issued on the date of final completion and up to but excluding the final payment certificate in terms of 26.</p> <p>25.12.5 One hundred per cent (100%) of such value in the final payment certificate in terms of 26 except where the amount certified is in favour of the employer. In such an event the payment reduction shall remain at the adjustment level applicable to the final payment certificate.</p>

Tender / Quotation no: DBN23/09/02

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<p>25.12 Continued</p>	<p>(Clauses 25.12.6 to 25.12.10 shall be applicable to a contract sum more than R1 million for Option C (C 1.0 Securities [11.0])</p> <p>25.12.6 Where security is a payment reduction in term of Option C, the value of the works in terms of 25.1 and materials and goods in terms of 25.4 shall be certified in full. The value certified shall be subject to the following percentage adjustments:</p> <p>25.12.7 Ninety per cent (90%) of such value in interim payment certificates issued up to the date of practical completion.</p> <p>25.12.8 Ninety-seven per cent (97%) of such value in interim payment certificates issued on the date of practical completion and up to but excluding the date of final completion.</p> <p>25.12.9 Ninety-nine per cent (99%) of such value in interim payment certificates issued on the date of final completion and up to but excluding the final payment certificate in terms of 26.</p> <p>25.12.10 One hundred per cent (100%) of such value in the final payment certificate in terms of 26 except were the amount certified is in favour of the employer. In such an event the payment reduction shall remain at the adjustment level applicable to the final payment certificate.</p>
<p>26.1</p>	<p>Refer to clause 6.7 [CD].</p>
<p>26.4.3</p>	<p>Omit clause.</p>
<p>26.7</p>	<p>Refer to clause 6.7 [CD].</p>
<p>26.10</p>	<p>Replace 26.10 with the following: The principal agent shall prepare the final account in consultation with the employer and issue the final account, to the contractor within sixty (60) working days of the date of practical completion.</p>
<p>26.12</p>	<p>Refer to clause 6.7 [CD].</p>
<p>27.1. 2</p>	<p>Replace 27.1.2 with the following: Interest due to late payment only.</p>
<p>27.1.4</p>	<p>Replace 27.1.4 with the following: Interest due to late payment only.</p>
<p>27.1.5</p>	<p>No clause.</p>
<p>27.5</p>	<p>Add the following as clause 27.5: Where the employer decides to recover an amount due in terms of 27.2 from a construction guarantee, cash deposit or retention money held as security, the employer shall issue a written demand to the contractor before recovering the amount. Should such amount not be paid to the employer within fourteen (14) calendar days of the date-of notice by the employer, the employer may recover such an amount from the security.</p>

Tender / Quotation no: DBN23/09/02

Any reference to words "Bid" or Bidder" herein and/or in any other documentation shall be construed to have the same meaning as the words "Tender" or "Tenderer".

Page 25 of 31

27.6	Add the following as clause 27.6: Where a provisional sequestration or provisional liquidation order has been granted or where an order has been granted which commences sequestration, liquidation, bankruptcy, receivership, winding-up or any similar effect, against the contractor or this agreement is cancelled in terms of 29, the employer may issue a demand to the guarantor in terms of the construction guarantee or advance payment guarantee held as security.
28.0	No clause.
28.1	No clause.
28.1.1	No clause.
28.1.2	No clause.
28.1.3	No clause.
28.1.4	No clause.
28.1.5	No clause.
28.2	No clause.
28.3	No clause.
28.4	No clause.
29.1.4	Add the following as clause 29.1.4: The contractor's estate has been sequestrated, liquidated or surrendered in terms of the insolvency laws in force within the Republic of South Africa.
29.1.5	Add the following as clause 29.1.5: The contractor has engaged in corrupt or fraudulent practices in competing for or in executing the contract.
29.1.6	Add the following as clause 29.1.6: Honour his obligations in terms of clauses 10.1.5.1.3, 11.4.1 and 12.2. sub-clauses 5, 6, 8, 9, 10, 11, 12, 13, 15, 16, 19, 20, 22.
29.7	Replace clause 29.7 with the following: The employer, on notice to the contractor, may recover damages from the contractor from the date of termination including, but not limited to, additional costs incurred in the completion, consultant cost, rental of alternative accommodation, invitation of completion tenders, salaries of officials and safeguarding the site, of the remaining work [25.3.7; 27.1.3].
29.9	Replace clause 29.9 with the following: The employer has the right of recovery against the contractor , where applicable, [CD] from: The guarantee for construction (variable) until the final payment has been made; or The guarantee for construction (fixed) until the date of practical completion; or The payment reduction until the final payment is made; or The cash deposit made as security until the final payment is made.
29.14.1	No clause.
29.14.3	No clause.

Tender / Quotation no: DBN23/09/02

Any reference to words "Bid" or Bidder" herein and/or in any other documentation shall be construed to have the same meaning as the words "Tender" or "Tenderer".

Page 26 of 31

29.14.4	No clause.
29.14.5	No clause.
29.14.6	No clause.
29.14.7	No clause.
29.15	No clause.
29.16	No clause.
29.17.3	No clause.
29.17.6	No clause.
29.21.5	No clause.
29.22	No clause.
29.23	No clause.
29.25.3	No clause.
29.25.4	No clause.
29.27	No clause.
30.2	Replace clause 30.2 with the following: Where such disagreement is not resolved within ten (10) working days of receipt of such notice it shall be deemed to be a dispute and shall be submitted to Mediation as a first method of dispute resolution failing which the parties will resort to Litigation.
30.3 to 30.7.7	No clauses.
30.8	Replace clause 30.8 with the following: The parties may, by agreement and at any time before Litigation, refer a dispute to mediation, in which event:
30.8.1	No clause.
30.8.2	Replace clause 30.8.2 with the following: The appointment of a mediator, the procedure, and the status of the outcome shall be agreed between the parties.
30.8.3	Replace clause 30.8.3 with the following: Regardless of the outcome of a mediation the parties shall bear their own costs concerning the Mediation and equally share the costs of the mediator and related expenses.
30.9	Replace clause 30.9 with the following: Institution of Litigation shall be commenced and process served within three (3) year from the date of existence of the dispute, failing which the dispute shall lapse.
30.10	No clause.
30.12	No clause.

Tender / Quotation no: DBN23/09/02

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B 19.0 CONTRACT PARTICIPATION GOAL TARGETS AND CIDB B.U.I.L.D. PROGRAMME

The contractor shall achieve in the performance of the contract the following Contract Participation Goals (CPGs) as described in PG-01.2 (EC): Scope of Work and PG-02.2 (EC): Pricing Assumptions and in accordance with the feasibility study, which forms part of the specifications in the CPG Section of the Specification of this contract.

(a)	Minimum Targeted Local Manufacturers of Material Contract Participation Goal, in accordance with the cidb Standard for Contract Participation Goals for Targeting Enterprises and Labour through Construction Works Contracts as published in the Government Gazette Notice No. 41237 of 10 November 2017, as amended in cidb Best Practice Project Assessment Scheme Notice No. 43726 of 18 September 2020 – Condition of Contract.	Applicable
(b)	Minimum Targeted Local Building Material Suppliers Contract Participation Goal in accordance with the cidb Standard for Contract Participation Goals for Targeting Enterprises and Labour through Construction Works Contracts as published in the Government Gazette Notice No. 41237 of 10 November 2017, as amended in cidb Best Practice Project Assessment Scheme Notice No. 43726 of 18 September 2020 – Condition of Contract.	Applicable
(c)	Minimum Targeted Local Labour Skills Development Contract Participation Goal in accordance with the cidb Standard for Contract Participation Goals for Targeting Enterprises and Labour through Construction Works Contracts as published in the Government Gazette Notice No. 41237 of 10 November 2017, as amended in cidb Best Practice Project Assessment Scheme Notice No. 43726 of 18 September 2020 – Condition of Contract.	Applicable
(d)	cidb BUILD Programme: Minimum Targeted Enterprise Development Contract Participation Goal in accordance with the cidb Standard for Indirect Targeting for Enterprise Development through Construction Works Contracts, No 36190 Government Gazette, 25 February 2013, as amended in cidb Best Practice Project Assessment Scheme Notice No. 43726 of 18 September 2020 – Condition of Contract.	Applicable
(e)	cidb BUILD Programme: Minimum Targeted Contract Skills Development Goal in accordance with the cidb Standard for Developing Skills through Infrastructure Contracts as published in the Government Gazette Notice No. 48491 of 28 April 2023. and the cidb Best Practice Project Assessment Scheme Notice No. 43726 of 18 September 2020 – Condition of Contract.	Applicable
(f)	DPWI National Youth Service training and development programme (NYS) – Condition of Contract.	Applicable
(g)	Labour Intensive Works – Condition of Contract.	Applicable
(h)		Select
(i)		Select

Tender / Quotation no: DBN23/09/02

PART 2: CONTRACT DATA COMPLETED BY THE TENDERER:

C TENDERER'S SELECTIONS

C 1.0 Securities [11.0]

In respect of contracts with a contract sum up to R1 million, the security to be provided by the contractor to the employer will be a payment reduction of five per cent (5%) of the value certified in the payment certificate (excluding VAT).

In respect of contracts with a contract sum more than R1 million, the security to be provided by the contractor to the employer will be selected by the Contractor as indicated below:

Guarantee for construction: Select Option A, B, C, D or E

Option A	cash deposit of 10 % of the contract sum (excluding VAT)
Option B	variable construction guarantee of 10 % of the contract sum (excluding VAT) (DPW-10.3 EC)
Option C	payment reduction of 10% of the value certified in the payment certificate (excluding VAT)
Option D	cash deposit of 5% of the contract sum (excluding. VAT) and a payment reduction of 5% of the value certified in the payment certificate (excluding. VAT)
Option E	fixed construction guarantee of 5% of the contract sum (excluding VAT) and a payment reduction of 5% of the value certified in the payment certificate (excluding VAT) (DPW-10.1 EC)]

NB: Insurances submitted must be issued by either an insurance company duly registered in terms of the Insurance Act [Long-Term Insurance Act, 1998 (Act 52 of 1998) or Short-Term Insurance Act, 1998 (Act 53 of 1998)] or by a bank duly registered in terms of the Banks Act, 1990 (Act 94 of 1990) on the pro-forma referred to above. No alterations or amendments of the wording of the pro-forma will be accepted.

Guarantee for payment by employer [11.5.1; 11.10]	Not applicable
Advance payment, subject to a guarantee for advance payment [11.2.2; 11.3]	Not applicable

Tender / Quotation no: DBN23/09/02

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C 2.0 Payment of preliminaries [25.0]

Contractor's selection

Select Option A or B

Where the **contractor** does not select an option, Option A shall apply

Payment methods

Option A	The preliminaries shall be paid in accordance with an amount prorated to the value of the works executed in the same ratio as the amount of the preliminaries to the contract sum , which contract sum shall exclude the amount of preliminaries . Contingency sum(s) and any provision for cost fluctuations shall be excluded for the calculation of the aforesaid ratio
Option B	The preliminaries shall be paid in accordance with an amount agreed by the principal agent and the contractor in terms of the priced document to identify an initial establishment charge, a time-related charge and a final dis-establishment charge. Payment of the time-related charge shall be assessed by the principal agent and adjusted from time to time as may be necessary to take into account the rate of progress of the works

Lump sum contract

Where the amount of **preliminaries** is not provided it shall be taken as 7.5% (seven and a half per cent) of the **contract sum**, excluding contingency sum(s) and any provision for cost fluctuations.

C 3.0 Adjustment of preliminaries [26.9.4]

Contractor's selection

Select Option A or B

Where the **contractor** does not select an option, Option A shall apply.

Provision of particulars

The **contractor** shall provide the particulars for the purpose of the adjustment of **preliminaries** in terms of his selection. Where completion in **sections** is required, the **contractor** shall provide an apportionment of **preliminaries** per **section**.

Option A	An allocation of the preliminaries amounts into Fixed, Value-related and Time-related amounts as defined for adjustment method Option A below, within fifteen (15) working days of the date of acceptance of the tender
Option B	A detailed breakdown of the preliminaries amounts within fifteen (15) working days of possession of the site . Such breakdown shall include, inter alia, the administrative and supervisory staff, the use of construction equipment , establishment and dis-establishment charges, insurances and guarantees, all in terms of the programme

Tender / Quotation no: DBN23/09/02

Any reference to words "Bid" or Bidder" herein and/or in any other documentation shall be construed to have the same meaning as the words "Tender" or "Tenderer".

Adjustment methods

The amount of **preliminaries** shall be adjusted to take account of the effect which changes in time and/or value have on **preliminaries**. Such adjustment shall be based on the particulars provided by the **contractor** for this purpose in terms of Options A or B, shall preclude any further adjustment of the amount of **preliminaries** and shall apply notwithstanding the actual employment of resources by the **contractor** in the execution of the **works**.

Option A	<p>The preliminaries shall be adjusted in accordance with the allocation of preliminaries amounts provided by the contractor, apportioned to sections where completion in sections is required</p> <p>Fixed - An amount which shall not be varied.</p> <p>Value-related - An amount varied in proportion to the contract value as compared to the contract sum. Both the contract sum and the contract value shall exclude the amount of preliminaries, contingency sum(s) and any provision for cost fluctuations.</p> <p>Time-related - An amount varied in proportion to the number of calendar days extension to the date of practical completion to which the contractor is entitled with an adjustment of the contract value [23.2; 23.3] as compared to the number of calendar days in the initial construction period [26.9.4].</p>
Option B	<p>The adjustment of preliminaries shall be based on the number of calendar days extension to the date of practical completion to which the contractor is entitled with an adjustment of the contract value [23.2; 23.3] as compared to the number of calendar days in the initial construction period [26.9.4]. The adjustment shall take into account the resources as set out in the detailed breakdown of the preliminaries for the period of construction during which the delay occurred.</p>

Failure to provide particulars within the period stated

Option A	<p>Where the allocation of preliminaries amounts for Option A is not provided, the following allocation of preliminaries amounts shall apply:</p> <p>Fixed - Ten per cent (10%) Value-related - Fifteen per cent (15%) Time-related - Seventy-five per cent (75%)</p> <p>Where the apportionment of the preliminaries per section is not provided, the categorised amounts shall be prorated to the cost of each section within the contract sum as determined by the principal agent</p>
Option B	<p>Where the detailed breakdown of preliminaries amounts for Option B is not provided, Option A shall apply</p>

Lump sum contract

Where the amount of **preliminaries** is not provided it shall be taken as 7.5% (seven and a half per cent) of the **contract sum**, excluding contingency sum(s) and any provision for cost fluctuations.



public works
& Infrastructure

Department:
Public Works and Infrastructure
REPUBLIC OF SOUTH AFRICA

**SAPS: NEWCASTLE HV van Eck COMPLEX- REPAIRS & RENOVATIONS
IMPLEMENTATION OF CONTRACT PARTICIPATION GOALS AND CIDB B.U.L.D
PROGRAMME (WCS 046032)**

**Agreement
Between
The National Department of Public
Works and Infrastructure
&
Newcastle Municipality Community
Project Steering Committee**

Prepared by	Mr MT Vilakazi
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Project Title:	Newcastle: Repairs and Renovations to the H J Van Eck building Complex		
WCS No:	046032	Reference no:	6217/0208/26/2

1. PURPOSE

The purpose of this report is to provide preliminary feasibility study on the Newcastle South African police HJ Van Eck Complex site.

2. BACKGROUND

The National Department of Public Works and Infrastructure (NDPWI) conducted a site conditional survey at HJ Van ECK SAPS Complex building in 2009, to determine the status of all the buildings and extent of repairs and upgrade. The status of HJ Van Eck Building enforced the Department to register a project so that the building can comply with all building standards and regulations

3. PROPERTY INFORMATIONS

The property is owned by the state under custodianship of the National Department of Public Works and Infrastructure. The building is located along HJ Van Eck Drive in the town of Newcastle Barry Hertzog Park KwaZulu-Natal. The building has general GPS co-ordinates of S27 43' 48" E29 57' 27". The building has been constructed of reinforced concrete with masonry infill. The building has a rectangular ground floor footprint of approximately 1000m² with dimensions of 10mx100m. The building comprises four storeys which are accessed by staircases at each end of the building as well in the building's centre.

Newcastle is located in the inland region on the north-west corner of KwaZulu-Natal, a few kilometres south of the Free State, Mpumalanga and Gauteng Province borders, in the foothills of the Drakensberg. The site is fully serviced with bulk services namely water (provided by UThukela District Municipality), electricity (provided by Municipality) and sewerage

4. FEASIBILITY STUDY

The objective for a feasibility study is to outline contract participating goals (CPGs) and CIDB Build programme for construction works contracts, to inform the determination of achievable CPGs and CSDG for targeting labor and small Enterprise in Newcastle local Municipalities and to assess possible risks to NDPWI associated with the specification of such CPGs and CSDG. Newcastle is the third largest city in KwaZulu-Natal with a population of **415,000**. Newcastle is also known as the city of opportunities because of the industries around the city.

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Project Title:	Newcastle: Repairs and Renovations to the H J Van Eck building Complex		
WCS No:	046032	Reference no:	6217/0208/26/2

Newcastle Local Municipality is a Category B municipality situated within the Amajuba District. Newcastle is the third-largest urban center in KwaZulu-Natal and is categorized as a secondary city. The Newcastle Council is the highest decision making body within the Municipality. It is made up of 68 Councilors with 34 Ward Councilors and 34 Party Representatives. The Chairperson of Council is the Speaker. There are ten (10) portfolio committees in the Municipality.

Each an every project community is vital for successful execution and stakeholder engagement will reduce community unrest. No project in the community will be successful without full community support and without effective stakeholder engagement. The costs and benefits of the development need to be fully explained to the people impacted by the development.

Community members need to be made to understand that:

- There will be increased traffic on their access road.
- There will be a visual impact (increased dust, lights) to nearby homesteads.
- Upgraded infrastructure such as electricity and water will be affected.
- There will be about 50 new direct jobs created.

5. Roles and Responsibilities of the NDPWI

- The NDPWI shall facilitate the establishment of Community Project Steering Committee representing the affected communities.
- The NDPWI shall present the Employer's proposed targeting strategy and contract participation goals to be employed on the construction work.
- The NDPWI shall seek agreement with the Community Project Steering Committee, representing the affected communities, on a targeting strategy and contract participation goals to be employed on the construction work.
- The NDPWI shall seek agreement with the Community Project Steering Committee, representing the affected communities, on mediation for resolution of community matters affecting the performance of the construction works contract.
- Establish SCM processes for advertise and award
- Enforce and monitoring the implementation of steering committee agreement from design until construction.

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Project Title:	Newcastle: Repairs and Renovations to the H J Van Eck building Complex		
WCS No:	046032	Reference no:	6217/0208/26/2

5.1. Establishment of the Community Project Steering Committee.

The objective of this committee is to establish Memorandum of Understanding (MOU) and enter into an agreement with the Community Project Steering Committee, representing the Newcastle local communities on the following aspects:

- a) Targeting strategies and contract participation goals to be employed
- b) Establish minimum requirements of beneficiaries for subcontracting, NYS and skills development
- c) Establish respective roles and responsibility of:
 - NDPWI
 - Community Project Steering Committee
 - Community Liaison Officer (CLO)
 - Consultants
 - Contractor
- d) Deliverables and Timeframes
- e) Mediation for resolution of community matters affecting the performance of the construction works
- f) Enter into a written agreement

5.2. Engagement with Community Leaders

The Durban Regional Office of the Department of Public Works and Infrastructure (DPWI) initiated the meeting with Newcastle Municipality Executives and ward Councillor through Mayor's Office in order to introduce new upcoming projects, the repairs and renovations including upgrade at Madedeni Magistrate Court building and repairs and renovations at HJ Van Eck SAPS building.

The meeting between NDPWI, Newcastle Municipality Executive Members (Municipality Mayor, Municipality Deputy Mayor and Municipality Manager) was arranged by the Mayor's Office. The meeting was held on the 09th September 2022 at Newcastle local Municipality at 13h00 with the Municipality Executive, ward Councillors and was deemed successful. The purpose was to inform the community leader about the upcoming projects for the repairs and renovations including upgrade at Madedeni Magistrate Court building and repairs and renovations at HJ Van Eck SAPS building and specifically to gain support and buy-in from all stakeholders.

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Project Title:	Newcastle: Repairs and Renovations to the H J Van Eck building Complex		
WCS No:	046032	Reference no:	6217/0208/26/2

The resolution taken was that Newcastle Municipality Speaker will co-ordinate the committee, in consultation with community councillors, and the Community Project Steering Committee nominated names will be forwarded to NDPWI.

5.3. Community Engagement

The project manager initiated the meeting with the community and contractors around Newcastle through the steering committee to find skills available within the community. During the meeting it was transpire that there is shortage of practical skills to all levels. The existing Amajuba EFT is providing practical exposure not practical experience but it is not enough for Newcastle community to gain practical experience. There is a lot of small enterprise around the Newcastle need to be develop. It was noted that the ward 5 will be targeted will be local labour, local enterprises, etc.

5.4. Community Project Steering Committee

The names in the table below were appointed by the Community leaders for the Repairs and Renovations at HJ van Eck SAPS Building as Community Project Steering Committee.

No.	Name	Surname	Position	Organization
01	Nontethelelo	Khumalo	Ward 5 Councilor	Newcastle Municipality
02	Njabulo	Mabaso	Ward 5 Community member	Community
03	Khayelihle	Khumalo	Ward 5 Community member	Community
04	Nhlakanipho	Mvelase	Ward 5 Community member	Community
05	Lethiwe	Madondo	Ward 5 Community member	Community
06	Thoko	Buthelezi	Ward 5 Community member	Community

5.4.1. Roles and Responsibilities of the Community Project Steering Committee

- The Community Project Steering Committee (CPSC) represents the affected communities, and shall to obtain mandate from the affected ward 5 community and shall represent them in good faith.
- The Community Project Steering Committee seeks agreement with NDPWI on a targeting strategy and contract participation goals to be employed on the construction work.
- The Community Project Steering Community seeks agreement on mediation for the resolution of community matters affecting the performance of the construction works contract.



Project Title:	Newcastle: Repairs and Renovations to the H J Van Eck building Complex		
WCS No:	046032	Reference no:	6217/0208/26/2

5.5. Targeting strategies and contract participation goals to be employed

The beneficiaries should be unemployed with no source of income. The local community must be informed through to all structures available. In order to spread the benefit as broadly as possible in the community, a maximum of one person per household should be employed, taking local circumstances into account. Beneficiaries from other areas may be employed. Beneficiaries from other areas may be considered if they have skills that are required is not available locally.

The following procedures will be used to recruit the beneficiaries.

- a) The identification of potential semi-skilled and unskilled labor that meet the requirements of the targeting data (including targeting area) should take place within the Community Project Steering Committee (CPSC) and led by the Community Liaison Officer (CLO).
- b) A CPSC meeting to identify potential semi-skilled and unskilled must be well advertised in the target area, being cognizant the main language spoken in the area.
- c) A representative from the NDPWI should be present at CPSC meetings.
- d) The following information should be made available at the meeting
 - Project details
 - Type of work available in the project
 - Explanation of work methods to be used
 - Estimate number of unskilled and skilled work opportunities available
- e) The process that will be followed to determine the selected local labor/learner is to be explained to all individuals present.
- f) Different application boxes must be provided for each skill or trade as well as for the unskilled.
- g) The CLO is to draw double the number of applications from each box in full view of the entire meeting. One list to be according to the labor requirements (i.e. the number of opportunities available) and another with the same amount of names for standby-per application box.
- h) Individuals whose names are drawn must be contacted and present themselves at the front of the meeting. (It is compulsory that all applicants attend the CPSC meeting where the selection will take place.
- i) After the drawing process has been completed, the meeting should be informed of an appeal process to be followed should individuals have problem with the drawing process.



Project Title:	Newcastle: Repairs and Renovations to the H J Van Eck building Complex		
WCS No:	046032	Reference no:	6217/0208/26/2

- j) A database of all applications should be compiled after the meeting by the principal contractor to ensure that all applications are captured for future reference should the need arise.
- k) Workers are to be appointed in the order in which they were drawn from the box i.e. in the order on the list.
- l) Should the successful applicant not accept the work, his or her name is to be removed from the list. Should all people on the first list have been given a chance or appointed, the individuals on the second list are provided with an opportunity on a first drawn opportunity basis.
- m) Should all individuals on the two list have been afforded an opportunity, then the individuals whose names have been captured in the database (i.e. the balance of the individuals' who submitted on applications into the respective box) should be provided with an opportunity.
- n) Only individuals who applied through this application process and whose names appear on the database may be appointed as local labor on the project.

6. Community Liaison Officer

The Community Liaison Officer (CLO) is the responsibility of the contractor, the requirements for the appointment and payment of the CLO shall be specified in the contract data. The CLO should be recommended by the Community Project Steering Committee.

6.1. Minimum requirements of Community Liaison Officer

Guidelines for the minimum requirements for the appointment of a Community Liaison Officer are given below:

- a. Should have a Grade 12 with the ability to comprehensively read and write in English and relevant language spoken by the community.
- b. Should be able to demonstrate or provide evidence of knowledge of community and informing good relations within the community.
- c. Should be able to recruit local labour for contract employment.
- d. Should be able to identify local enterprises as suppliers or subcontractors.
- e. Should be reliable and accountable.
- f. Should have an understanding of construction and be able to communicate with principal contractors and sub-contractors.
- g. Should reside in the community.

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Project Title:	Newcastle: Repairs and Renovations to the H J Van Eck building Complex		
WCS No:	046032	Reference no:	6217/0208/26/2

6.2. Roles and Responsibilities of the Community Liaison Officer

The key duties and functions of the Community Liaison Officer include

- a. Represent the community and assist the employer, the employer's agent and the contractor with communication between them and the community.
- b. Inform community regarding the project details, safety precautions and programme.
- c. Be available at the site offices generally between the hours of 07h00 and 09h00 and again from 15h00 until end of working day. Normal working hours will be from 07h00 am till 17h00pm.
- d. Assist with relocation of people, where applicable.
- e. Maintain an up-to-date record of potential employees within the community and provide the contractor with copies of this information.
- f. To identify, screen and nominate labour from the community in accordance with the contractor's requirements and determine, in consultation with the contractor and Community Project Steering Committee the needs of local labour for employment and relevant technical training, where applicable.
- g. Liaise between principal contractor and labour regarding wages and conditions of employment.
- h. Communicate daily with the principal contractor on labour related issues such as numbers and skills.
- i. Identify possible labour disputes, unrest, strikes, etc., in advance and assist in their resolution further communicate with the Community Project Steering Committee.
- j. Have a good working knowledge of the contents of the contract document regarding labour and training matters.
- k. Attend all meetings at which the community and/or labour is represented or discussed.
- l. Attend contract site meetings and report on community and labour issues at these meetings.
- m. Co-ordinate and assist with the obtaining of information regarding the community's needs (questionnaires, etc.)
- n. Inform local labour of their conditions of temporary employment, to ensure their timeous availability and to inform them timeously of when they will be relieved.
- o. Ensure that all labour involved in activities when tasks have been set, are fully informed of the principle of task based work.
- p. Attend disciplinary proceedings to ensure that hearings are fair and reasonable.

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Project Title:	Newcastle: Repairs and Renovations to the H J Van Eck building Complex		
WCS No:	046032	Reference no:	6217/0208/26/2

- q. Keep a daily written record of interviews and community liaison.
- r. Arrange venues for training, if required.
- s. Assist with the training and education of the community regarding the correct usage of the services, where applicable.
- t. Any other duties that may become necessary as the works progress.
- u. CLO must have monthly meeting with Community Project Steering Committee

7. Roles and Responsibilities of the Consultants

- a. The consultants will be monitoring and supervising the contractor as per his designs.
- b. Attend regular site, technical meetings and progress meetings.
- c. Execute the contract administration in terms of the contract between the client and the contractor.
- d. Inspect works for conformity to contract documentation.
- e. Adjudicate and resolve financial claims by the contractor
- f. Assist in the resolution of contractual claims by the contractor and sub-contractor
- g. Assist the client in the resolution of disputes or differences that may arise between the client and the contractor, except mediation, arbitration and litigation.
- h. Establish and maintain financial control system.
- i. To implement the steering committee agreement
- j. To itemize the bill according to steering committee requirements.

8. Roles and Responsibilities of the Main Contractor

- a. The responsibility of the contractor is to execute the project according to the scope.
- b. The contractor is to supervise the sub-contractors.
- c. Provide workplace learning opportunities
 - i) Employed learners (33 percent of the CSDG)
 - ii) Unemployed learners (67 percent of the CSDG)
- d. Appoint a coach/mentor for learners
- e. All learners must be registered on the CIDB SDA LMS
- f. Learners can directly source or through the CIDB SDA
- g. The contractor looks after the site as per the contract from DPWI
- h. The contractor must pay all his labor and sub-contractors according to his/her contract.
- i. Planning and managing.



Project Title:	Newcastle: Repairs and Renovations to the H J Van Eck building Complex		
WCS No:	046032	Reference no:	6217/0208/26/2

- j. Manage daily Jobsite operations.
- k. Provide required equipment and building materials.
- l. Coordinating subcontractors, consultants, and vendors.
- m. Oversee quality, timeline, and budget.
- n. Manage health, safety, and legal issues.
- o. The main point of contact with the employer/client.
- p. The main contractor must submit monthly reports in terms of CPG monthly achievement and accumulative targets achieved including audited supporting document to the NDPWI
- q. To implement steering committee agreement as per tender document

9. CIDB BUILD Programme Requirements

9.1 CONTRACT SKILLS DEVELOPMENT GOAL (CSDG)

- 9.1.1 The contractor shall attain or exceed the contract skills development goal in the performance of the contract or the execution of an order.
- 9.1.2 Where required in terms of the contract or order, a specified proportion of the learners and candidates shall be selected from persons in the employ of the state who meet the relevant eligibility criteria for the relevant programme.
- 9.1.3 Where required in terms of the contract or order, the employer shall advise the contractor of the types of training to be undertaken by the learners and candidates.

9.2 ACHIEVING THE CONTRACT SKILLS DEVELOPMENT GOAL (CSDG)

- 9.2.1 The contractor shall achieve the measurable contract skills development goal by providing opportunities to learners requiring structured workplace learning using one or a combination of any of the following in relation to work directly related to the contract or order:

- Method 1: Structured workplace learning opportunities for learners towards the attainment of a part or a full occupational qualification;
- Method 2: Work integrated learning opportunities for University of Technology or Comprehensive University students completing their national diplomas;
- Method 3: Structured workplace learning opportunities for candidates towards registration in a professional category by a statutory council.

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Project Title:	Newcastle: Repairs and Renovations to the H J Van Eck building Complex		
WCS No:	046032	Reference no:	6217/0208/26/2

9.2.2 Employed learners may not account for more than 33 percent of the contract skills development goal.

9.2.3 Not more than one method may be applied to any individual concurrently in the calculation of the contract skills development goal.

NOTE: The principle is that an individual can only be counted once towards the CSDG.

9.3 CONTRACT SKILLS DEVELOPMENT GOAL CREDITS

9.3.1 Contract skills development credits will not be awarded for learners enrolled as beneficiaries of other funded or subsidised programme

9.3.2 In the case of engineering and construction works, design and build and services contracts:

- a) The contract skills development goals shall be granted by multiplying the number of people employed by the contractors and placed for continuous training opportunities in a three-month period by the notional value
- b) The contractor may source beneficiaries of the contract skills development goal from the CIDB Skills Development Agency (SDA).
- c) All beneficiaries of the Standard must be registered with the CIDB SDA

NOTE:

- i) Where an unemployed learner is employed directly by the contractor, the contractor shall pay the stipend directly to the learner
 - ii) Where an unemployed learner is sourced through an SDA, training provider or skills development facilitator the contractor must pay the stipend to the SDA, training provider or skills development facilitator who in turn will pay the learner
 - iii) The notional cost of providing training opportunities will be increase by CPI on an annual basis. The new, revised costs will be published on the CIDB website on the 1st April in each year.
- 9.3.3 Credits towards the contract skills development goal for professional services contracts shall be granted by submitting the hours of structured workplace learning opportunities provided to P1 and P2 learners as well as professional candidates in accordance with this standard.
- 9.3.4 No more than 45 hours may be claimed per week for any individual.



Project Title:	Newcastle: Repairs and Renovations to the H J Van Eck building Complex		
WCS No:	046032	Reference no:	6217/0208/26/2

9.3.5 Contract skills development goal credits shall be reduced to the extent that they fail to comply with the requirements of this standard.

9.4 COMPLIANCE WITH REQUIREMENTS

9.4.1 The contractor shall submit to the employer's representative:

- a) Within 30 days of the contract coming into effect or the issuing of an order, a contract compliance baseline training plan taking into account the skills mix and type of workers that are to be engaged;
- b) interim contract compliance training reports at intervals which do not exceed 3 months; and
- c) a final contract compliance training report within 15 days of reaching completion, end of the service, the delivery date for all work required or practical completion in the case of professional service, service, design and construct contracts, and engineering and construction works contracts, respectively.

9.4.2 The information contained in the final contract compliance training report shall include the contract skills development goal achieved (in Rands or in hours) in the performance of the contract and a breakdown of the goal achieved in respect of the following:

- a) the name and contact details of the SDA,
- b) the skills mix and skills types achieved on the contract; and
- c) the names, ID numbers and period of employment of each learner and candidate.

9.4.3 The contractor shall keep records of the hours worked and registration particulars towards compliance with this standard. The contractor shall allow the employer's representative to inspect or audit such training records at any time.

9.4.4 The employer's representative shall undertake suitable random audits on records to confirm compliance with requirements.

9.5.5 The learners shall be directly employed by the contractor or SDA. The contractor shall enter into a contract agreement with the CIDB SDAs, training provider or skills development facilitator of their choice participating in the implementation of this standard to:

- a) prepare training plans for registered learners, including details of the scope of experiential work to be covered and expected outcomes;
- b) register learners with the appropriate Sector Education and Training Authority established in terms of the Skills Development Act of 2008 (Act 37 of 2008); N.A.M



Project Title:	Newcastle: Repairs and Renovations to the H J Van Eck building Complex		
WCS No:	046032	Reference no:	6217/0208/26/2

- d) liaise with the supervisor to monitor onsite training progress of learners;
- e) liaise with the supervisor to arrange for summative assessments at appropriate stages of the training; and
- f) liaise with the supervisor to prepare reports for the employer or employer's representative.

9.5 STRUCTURED WORKPLACE LEARNING OPPORTUNITIES FOR LEARNERS

9.5.1 Structured workplace learning opportunities shall be aligned to the curriculum requirements set for the particular part or full occupational qualification or professional designation for which the learner is registered.

9.5.2 A responsible supervisor will be appointed to allocate learning tasks, under the guidance of a competent person, to learners in line with their training plans.

9.5.3 Mentoring associated with structured workplace learning for artisan learners shall be undertaken by an artisan in the applicable trade with a minimum of 3 years of trade specific experience. The number of artisan learners mentored by a single mentor shall, unless otherwise permitted by the National Artisan Moderation Body, not exceed 4 at any one time.

9.5.4 The contractor shall submit to the employer's representative, in respect of each learner:

- a) within one month of commencing work directly related to the contract or order, a workplace training plan together with name of the learner's mentor and supervisor;
- b) within one month of commencing work directly related to the contract or order:
 - i) proof of registration as a learner with the relevant SETA where applicable; and
 - ii) a copy of the mentorship agreement entered into with the learner or the company mentorship agreement entered into with the relevant qualified agency;
 - iii) within two weeks of updating a workplace training plan, the revised workplace training plan;
 - iv) a quarterly progress report and a final report at the end of the structured mentorship period including a log of exposure and interactions with the mentor in sufficient detail to demonstrate compliance with requirements, signed off by the mentor, the supervisor and the learner.

9.5.6 Learners shall be required by the mentor to complete training reports required by the relevant qualifying authority whenever a substantial activity or training period has been completed.

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Project Title:	Newcastle: Repairs and Renovations to the H J Van Eck building Complex		
WCS No:	048032	Reference no:	6217/0208/26/2

9.5.7 The mentor and supervisor shall sign off all reports and logbooks to allow the learner to move to other projects or employment and continue the path towards a qualification.

9.6 STRUCTURED WORKPLACE LEARNING FOR CANDIDATES

9.6.1 Mentoring associated with structured workplace learning for candidates shall be in accordance with the prescripts of the relevant professional body or statutory council.

The contractor shall:

- a) Appoint a supervisor who is actively engaged in work directly associate with the contract to issue tasks, oversee their implementation and provide input to the candidate on an on-going basis;
- b) Identify a suitable mentor for the candidate. If the contractor does not have an in-house mentor, the contractor shall enter into a mentoring agreement with the candidate and an external company as required by the professional body or statutory council; and
- c) Issue each candidate with a portfolio of evidence file which is to be kept up to date with all the documentation issued or prepared including the workplace training plan and all revisions thereof as well as copies of the logbook entries and training experience reports. 9.6.3 The mentor shall from time to time provide an updated workplace training plan for a candidate outlining the activities in which the candidate will be involved, including activities required by the relevant professional body or statutory council. The mentor shall require candidates to maintain a logbook issued by the relevant professional body or statutory council. The mentor shall sign off such logbook at quarterly presentations and progress review meetings.

NOTE: The mentor should ensure where the duration of the contract or order exceeds the minimum time to register in a professional category of registration that candidates are exposed to the full range of activities and work towards assuming the full level of responsibility recommended by the relevant professional body or statutory council. This may require rotations and secondments.

9.6.2 The contractor shall submit to the employer's representative, in respect of each candidate:

- a) within one month of commencing work directly related to the contract or order:

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Project Title:	Newcastle: Repairs and Renovations to the H J Van Eck building Complex		
WCS No:	046032	Reference no:	6217/0208/26/2

- 1) a workplace training plan together with name of the candidates' mentor and supervisor;
 - 2) proof of registration as a candidate with the relevant professional body or statutory council; and
 - 3) register all beneficiaries of the Standard be with the CIDB SDA
- b) within one month of commencing work directly related to the contract or order a copy of the mentorship agreement entered into with the candidate or the company mentorship agreement entered into with a professional body or statutory council;
 - c) within two weeks of updating a workplace training plan, the revised workplace training plan;
 - d) quarterly progress reports and a final report at the end of the structured mentorship period including a log of exposure and interactions with the mentor in sufficient detail to demonstrate compliance with requirements, signed off by the mentor, the supervisor and the candidate.
- 9.6.3 Candidates shall be required by the mentor to complete training reports required by the relevant professional body or statutory council whenever a substantial activity or training period has been completed.
- 9.6.4 The mentor and supervisor shall sign off all reports and logbooks to allow the candidate to move to other projects or employment and continue on the path towards registration where the work related to the contract ends for whatever reason prior to the candidate gaining sufficient experience for registration.

9.7 RECORDS

- 9.7.1 The contractor shall submit all the documentation required in terms of clause 9.4 to 9.6 in a timely manner and according to a prescribed format where applicable.
- 9.7.2 The employer's representative shall certify the value of the credits counted towards the contract skills development goal, if any, whenever a claim for payment is issued to the employer and shall notify the contractor of this amount.
- 9.7.3 The contractor shall, upon termination of the opportunities provided in order to satisfy the contract skills development goal, certify the quantum and nature of the opportunity and submit the certificate, counter-certified by the relevant individual, to the employer's representative for record-keeping purposes.

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Project Title:	Newcastle: Repairs and Renovations to the H J Van Eck building Complex		
WCS No:	046032	Reference no:	6217/0208/26/2

10 SUB-CONTRACTING

10.1 Minimum Requirements of beneficiaries for Subcontracting

A targeted enterprise is an enterprise which:

- a) Is a contractor registered with the CIDB acting in the capacity of a sub-contractor or JV partner.
- b) The contractor does not have a equality holding exceeding 20% in the enterprise, either direct or through calculation in accordance with the Construction Sector Code of Good Practice published in General Notice 862 of 2009 in Government Gazette No.32305 of 2009 in terms of BBBEE Act of 2003) (Act 53 of 2003),
- c) Employs at least three permanent employees other than the owner,
- d) Be registered in terms of the Company's Act of 2008 (Act No.71 of 2008) or Close Corporation Act of 1984 (Act No.69 of 1984)
- e) Is 50% or more black owned or 30% or more black woman owned and
- f) Has entered into a written relationship agreement of co-operation and assistance with the developed enterprise (main contractor) for the duration of the contract
- i) Hold more than 30% of the voting rights that are not subject to any limitation, and
- ii) Hold more than 30% of the economic enterprise

10.2 Five percent SMME subcontracting Contract Participation goal

The five percent sub-contracting participation goal will be applicable to this project in other develop contract.

The criteria for The Standard for Indirect Targeting and the Skills Standard is as follows:

There must be a needs analysis for indirect targeting and development or skill standard and should be develop in at least any two development areas namely:

- a) Management and labour skills transfer
- b) Establishment of Administrative systems
- c) Establishment of Cost Control systems
- d) Establishment of Construction management systems and plans (health and safety, quality and environmental)
- e) Planning, tendering and programming skills transfer



Project Title:	Newcastle: Repairs and Renovations to the H J Van Eck building Complex		
WCS No:	046032	Reference no:	6217/0208/26/2

- f) Business skills transfer with emphasis on entrepreneurial and negotiation skills
- g) Technical skills transfer with emphasis on innovation
- h) Legal compliance
- i) Establishing financial loan capacity/ Credit rating/history
- j) Contractual knowledge

The above needs analysis shall be mutually agreed upon between the contractor and the targeted enterprise.

11. Targeted Local Labour Skills Development CPG

The total number of job will be created is +/-100 work opportunities

Targeted labour are individuals who:

- a) Are employed by the principal contractor, sub-contractor or targeted enterprise in the performance of contract
- b) Are defined as the targeted in the Scope of work
- c) Permanent reside at Newcastle Ward 5 and surrounding ward or who are recognized as being residents of Newcastle Ward 5 and surrounding ward on the basis of identification and association with and recognition by the residents.

12. Targeted Local Material Manufacturer CPG

A targeted local manufacturer is a targeted enterprise that operates or maintains a factory or establishment that produces on its premises, materials or goods required by the principal contractor for the performance of the contract.

Note: Adapted from SANS 10845-7:2015, definition 2.13 Preference shall be given to the Targeted Local Material Manufacturer where feasible in South Africa and provided that:

- (a) Such materials comply in all respects with the specific requirements of PW371 and SANS specifications,
- (b) The non-availability of such materials shall not adversely affect the desired progress of the specific works,
- (c) The use of such suppliers shall not constitute grounds for any claim for increased cost in respect thereof,
- (d) Materials of at least Five Percent (5%) of the total value of materials purchased excluding VAT to be sourced from within 300km radius of the project site,

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Project Title:	Newcastle: Repairs and Renovations to the H J Van Eck building Complex		
WCS No:	046032	Reference no:	6217/0208/26/2

Failure to achieve the minimum Five Percent (5%) Targeted Local Material Manufacturer participation expressed as a percentage of the original tender amount, excluding allowances and VAT, will result in a ten Percent (10%) penalty of the prorate targeted value of materials not complied with, unless the contractor can prove to the Employer's satisfaction that the non-achievement was beyond his/he

13. Targeted Local Material Suppliers CPG

A targeted local supplier is a targeted enterprise that owns, operates or maintains a store, warehouse or other establishment in which goods are bought, kept in stock and regularly sold to wholesalers, retailers or the public in the usual course of business. Engages as its principal business and in its own name, in the purchase and sale of goods.

- Note: Adapted from SANS 10845-7:2015, definition 2.14 Preference shall be given to the local material suppliers where feasible in the KwaZulu Natal province, and provided that:
- (a) Such materials comply in all respects with the specific requirements of PW371 and SANS specifications,
 - (b) The none availability of such materials shall not adversely affect the desired progress of the specific works,
 - (c) The use of such suppliers shall not constitute grounds for any claim for increased cost in respect thereof,
 - (d) Materials of at least Five Percent (5%) of the total value of materials purchased excluding VAT to be sourced from within 300km of the project site,

Failure to achieve the minimum Five Percent (5%) Targeted Local Material Manufacturer participation expressed as a percentage of the original tender amount, excluding allowances and VAT, will result in a Twenty Percent (20%) penalty of the prorate targeted value of materials not complied with, unless the contractor can prove to the Employer's satisfaction that the non-achievement was beyond his/her

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Project Title:	Newcastle: Repairs and Renovations to the H J Van Eck building Complex		
WCS No:	046032	Reference no:	6217/0208/26/2

14. National Youth Service (NYS) and skills development

14.1 NYS Objectives

- Ensure participation of youth in the National Youth Service and EPWP through service activities in the Built Environment.
- Ensure that youth develop skills, understanding and aspirations for working in the built environment
- Exit strategies:
 - Facilitate exit opportunities for the youth into:
 - Further education
 - Employment with private sector or other departments/ spheres of government, and
 - entrepreneurship or cooperatives

The following trade will available in the projects:

- 1) Bricklaying
- 2) Plastering
- 3) Painting
- 4) Electrical assistance
- 5) Tiling
- 6) Carpentry
- 7) Paving
- 8) Plumbing

14.2 Minimum requirements of beneficiaries for NYS and skills development

- Valid South African ID book.
- Aged between 18 and 35 years
- Qualifications – at least Grade 12 (Standard 10 Maths & Science) or equivalent qualification
- Be willing to enter into a full 1 Year National Youth Service Programme that will include youth development activities, technical and on-the job practical training.
- Have an interest in the construction sector.
- Applicants need to reside in the vicinity or area close to the project
- At least 85% of the applicants should be from previously disadvantaged background.
- At least 60% should be women
- At least 2% should be People living with disability



Project Title:	Newcastle: Repairs and Renovations to the H J Van Eck building Complex		
WCS No:	046032	Reference no:	6217/0208/26/2

14.3 Training of NYS workers

Three types of training are applicable, namely

- Life skills;
- On the job training
- Technical Skills training

Training will be implemented by training instructors accredited by DOL and/or CETA :

- Youth workers shall be employed on the projects for an average of 6 months.
- Youth workers shall be deployed on projects in the vicinity of their homes.

15 Labour-intensive works

Labour-intensive works shall be constructed/maintained using local workers who are temporarily employed in terms of the scope of work. Labour-intensive competencies of supervisory and management staff: Contractors shall only engage supervisory and management staff in labor-intensive works that have completed the skills programme including Foremen/ Supervisors at NQF level 4 "National Certificate: Supervision of Civil Engineering Construction Processes" and Site Agent/ Manager at NQF level 5 "Manage Labour-Intensive Construction Processes" or equivalent QCTO qualifications. The selection of each worker must be done based on a clear set of criteria and should follow a fair and transparent process to minimize patronage and abuse.

The criteria for selection of participants in EPWP Phase 3 are that they:

1. Are willing and able to take up the offered work,
2. Can be categorised as poor,
3. Are unemployed or underemployed, and
4. Live close to the project area (i.e. local).

16 Mediation for the Resolution of Community matters affecting the Performance of the construction works contract.

Dispute by community participants affecting the performance of the construction works contract, but which fall outside the contract between the contractor and targeted enterprises and targeted labor, shall be brought to the Community Project Steering Community for resolution through mediation.

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Project Title:	Newcastle: Repairs and Renovations to the H J Van Eck building Complex		
WCS No:	046032	Reference no:	6217/0208/26/2

The resolution of the dispute by the community participants shall be firstly sought through mediation by member/s of the Community Project Steering Committee, who is identified and appointed by the Committee.

Where resolution of the dispute is not achieved through the Community Project Steering Committee, resolution of the dispute by community participants shall be sought through mediation by appointed representative of the employer. The outcome of such mediation shall be binding on the employer and affected community, represented by the Community Project Steering Committee.

17 Deliverables and Timeframes

This Agreement will come into effect on the date of signing of this agreement, and shall remain in effect until issuing of practical completion certificate

18 Sole Agreement

This Agreement constitutes the sole record of understanding between the Parties with respect to the subject matter and supersedes any previous agreement between parties.

Signatures

National Department of Public Works and Infrastructure: Representative

Authorised Signature: 

Name: M.T. Vilakazi

Date: 2023/02/28

Chairperson of Ward 5 Community Project Steering Committee

Authorised Signature: 

Name: H.N. Khumalo

Date: 28/02/2023

N.A.M

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C1.3: FORM OF GUARANTEE

DPW-10.1 (EC): FIXED CONSTRUCTION GUARANTEE - JBCC 2000 PRINCIPAL BUILDING AGREEMENT (EDITION 6.2 OF MAY 2018)

Director-General
Department of Public Works and Infrastructure
Government of the Republic of South Africa

FOR ATTENTION

M.T VILAKAZI
Private Bag X 54315
DURBAN
4000

Sir,

FIXED CONSTRUCTION GUARANTEE FOR THE EXECUTION OF A CONTRACT IN TERMS OF JBCC 2000 (EDITION 6.2 OF MAY 2018)

1. With reference to the contract between _____
_____ (hereinafter referred to as the "**contractor**") and the Government of the Republic of South Africa in its Department of Public Works and Infrastructure (hereinafter referred to as the "**employer**"), Contract/Tender No: DBN23/09/02, for the SAPS: NEWCASTLE COMPLEX, H.J. VAN ECK COMPLEX- COMPLETE REPAIRS AND RENOVATIONS TO BUILDING (hereinafter referred to as the "contract") in the amount of R *insert amount*, (*insert amount in words*), (hereinafter referred to as the **contract sum**),
I / We, _____
in my/our capacity as _____ and hereby
representing _____ (hereinafter referred to as the "**guarantor**") advise that the **guarantor** holds at the **employer's** disposal the sum of R *insert amount*, (*insert amount in words*) being 5% of the **contract sum** (excluding VAT), for the due fulfillment of the contract.
2. The **guarantor** hereby renounces the benefits of the exceptions *non numeratae pecunia; non causa debiti; excussionis et divisionis; and de duobus vel pluribus reis debendi* which could be pleaded against the enforcement of this guarantee, with the meaning and effect whereof I/we declare myself/ourselves to be conversant, and undertake to pay the **employer** the amount guaranteed, on receipt of a written demand from the **employer** to do so, stating that the **employer** has a right of recovery against the **contractor** in terms of 33.0 of the contract.
3. Subject to the above, but without in any way detracting from the **employer's** rights to adopt any of the procedures provided for in the contract, the said demand can be made by the **employer**, at any stage prior to the expiry of this guarantee.
4. The amount paid by the **guarantor** in terms of this guarantee may be retained by the **employer** on condition that upon the issue of the last final **payment certificate**, the **employer** shall account to the **guarantor** showing how this amount has been expended and refund any balance due to the **guarantor**.

Tender no: (Insert Tender Number)

5. The **employer** shall have the absolute right to arrange his affairs with the **contractor** in any manner which the **employer** deems fit and the **guarantor** shall not have the right to claim his release on account of any conduct alleged to be prejudicial to the **guarantor**. Without derogating from the foregoing, any compromise, extension of the **construction period**, indulgence, release or variation of the **contractor's** obligation shall not affect the validity of this guarantee.
6. The **guarantor** reserves the right to withdraw from this guarantee at any time by depositing the guaranteed amount with the **employer**, whereupon the guarantor's liability ceases.
7. This guarantee is neither negotiable nor transferable, and
 - (a) must be surrendered to the **guarantor** at the time when the **employer** accounts to the **guarantor** in terms of clause 4 above, or
 - (b) shall lapse on the date of the last **certificate of practical completion**.
8. This guarantee shall not be interpreted as extending the **guarantor's** liability to anything more than payment of the amount guaranteed.

SIGNED AT _____ ON THIS _____ DAY OF

_____ 20__

AS WITNESS

1. _____

2. _____

By and on behalf of

(insert the name and physical address of the guarantor)

NAME: _____

CAPACITY: _____
(duly authorised thereto by resolution attached marked Annexure A)

DATE: _____

- A. **No alterations and/or additions of the wording of this form will be accepted.**
- B. **The physical address of the guarantor must be clearly indicated and will be regarded as the guarantor's *domicilium citandi et executandi*, for all purposes arising from this guarantee.**
- C. **This GUARANTEE must be returned to:** _____

DPW-10.3 (EC): VARIABLE CONSTRUCTION GUARANTEE - JBCC 2000 PRINCIPAL BUILDING AGREEMENT (EDITION 6.2 OF MAY 2018)

Director-General
Department of Public Works and Infrastructure
Government of the Republic of South Africa

FOR ATTENTION

M T VILAKAZI
Private Bag X54315
DURBAN
4000

Sir,

VARIABLE CONSTRUCTION GUARANTEE FOR THE EXECUTION OF A CONTRACT IN TERMS OF JBCC 2000 (EDITION 6.2 OF MAY 2018)

1. With reference to the contract between _____
_____ (hereinafter referred to as the “**contractor**”) and the Government of the Republic of South Africa, in its Department of Public Works and Infrastructure, (hereinafter referred to as the “**employer**”), Contract/Tender No: **DBN23/09/02**, for the **SAPS: NEWCASTLE COMPLEX, H.J. VAN ECK COMPLEX- COMPLETE REPAIRS AND RENOVATIONS TO BUILDING** (hereinafter referred to as the “**contract**” in the amount of R **insert amount, (insert amount in words)** (hereinafter referred to as the **contract sum**),
I / We, _____
in my/our capacity as _____ and hereby
representing _____ (hereinafter referred to as the “**guarantor**”) advise that the **guarantor** holds at the **employer’s** disposal the sum of R **insert amount, (insert amount in words)** being 10% of the **contract sum** (excluding VAT), for the due fulfillment of the contract.
2. I / We advise that the **guarantor’s** liability in terms of this guarantee shall be as follows:
 - (a) From and including the date on which this guarantee is issued and up to and including the date of payment of the amount in the last final **payment certificate**, the **guarantor** will be liable in terms of this guarantee to the maximum amount of 10% of the **contract sum** (excluding VAT);
 - (b) The **guarantor’s** liability shall reduce to 3 % of the **contract value** (excluding VAT) as determined at the date of the last **certificate of practical completion**, subject to such amount not exceeding 10% of the **contract sum** (excluding VAT).
 - (c) The **guarantor’s** liability shall reduce to 1 % of the **contract value** (excluding VAT) as determined at the date of the last **certificate of final completion**, subject to such amount not exceeding 10 % of the **contract sum** (excluding VAT).
 - (d) This guarantee shall expire on the date of the last **final payment certificate**.
 - (e) The **practical completion certificate** and the **final completion certificate** referred to in this guarantee shall mean the certificates issued in terms of the contract.

Tender no: DBN23/09/02

3. The **guarantor** hereby renounces the benefits of the exceptions *non numeratae pecunia; non causa debiti; excussionis et divisionis; and de duobus vel pluribus reis debendi* which could be pleaded against the enforcement of this guarantee, with the meaning and effect whereof I/we declare myself/ourselves to be conversant, and undertake to pay the **employer** the amount guaranteed on receipt of a written demand from the **employer** to do so, stating that the **employer** has a right of recovery against the **contractor** in terms of 33.0 of the contract.
4. Subject to the above, but without in any way detracting from the **employer's** rights to adopt any of the procedures provided for in the contract, the said demand can be made by the **employer** at any stage prior to the expiry of this guarantee.
5. The amount paid by the **guarantor** in terms of this guarantee may be retained by the **employer** on condition that upon the issue of the last **final payment certificate**, the **employer** shall account to the **guarantor** showing how this amount has been expended and refund any balance due to the **guarantor**.
6. The **employer** shall have the absolute right to arrange his affairs with the **contractor** in any manner which the **employer** deems fit and the **guarantor** shall not have the right to claim his release on account of any conduct alleged to be prejudicial to the **guarantor**. Without derogating from the foregoing, any compromise, extension of the construction period, indulgence, release or variation of the **contractor's** obligation shall not affect the validity of this guarantee.
7. The **guarantor** reserves the right to withdraw from this guarantee at any time by depositing the amount guaranteed with the **employer**, whereupon the **guarantor's** liability ceases.
8. This guarantee is neither negotiable nor transferable, and
 - (a) must be surrendered to the **guarantor** at the time when the **employer** accounts to the **guarantor** in terms of clause 5 above, or
 - (b) shall lapse in accordance with clause 2(d) above.
9. This guarantee shall not be interpreted as extending the **guarantor's** liability to anything more than the payment of the amount guaranteed.

SIGNED AT _____ ON THIS _____ DAY OF _____ 20__

AS WITNESS

1. _____

2. _____

Tender no: **DBN23/09/02**

By and on behalf of

(insert the name and physical address of the guarantor)

NAME: _____

CAPACITY: _____
(duly authorised thereto by resolution attached marked
Annexure A)

DATE: _____

- A. No alterations and/or additions of the wording of this form will be accepted.
- B. The physical address of the guarantor must be clearly indicated and will be regarded as the guarantor's *domicilium citandi et executandi*, for all purposes arising from this guarantee.
- C. This guarantee must be returned to: _____

PART C2: PRICING DATA

C2.1: PRICING INSTRUCTIONS

PG-02.2 (EC) PRICING ASSUMPTIONS - JBCC 2000 PRINCIPAL BUILDING AGREEMENT (Edition 6.2 of May 2018)

Project title:	SAPS: NEWCASTLE COMPLEX, H.J. VAN ECK COMPLEX- COMPLETE REPAIRS AND RENOVATIONS TO BUILDING				
Tender / Quotation no:	DBN23/09/02	WCS no:	046032	Reference no:	6217/0208/26/2

C2.1 Pricing Assumptions

C2.1.1 BILLS OF QUANTITIES / LUMP SUM DOCUMENT

The **bills of quantities / lump sum document** forms part of and must be read and priced in conjunction with all the other documents forming part of the **contract documents**, the Standard Conditions of Tender, Conditions of Contract, Specifications, Drawings and all other relevant documentation.

The prices and rates to be inserted by the Tenderer in the Bill of Quantities shall be the full inclusive prices to be paid by the Employer for the work described under the several items, and shall include full compensation for all cost and expenses that may be required in and for the completion and maintenance during the defects liability period of all the work described and as shown on the drawings as well as all overheads, profits, incidentals and the cost of all general risks, liabilities and obligations set forth or implied in the documents on which the Tender is based.

Each item shall be priced and extended to the "Total" column by the Tenderer, with the exception of the items for which only rates are required, or items which already have Prime Cost or Provisional Sums affixed thereto. If the Contractor omits to price any items in the Bill of Quantities, then these items will be considered to have a nil rate or price.

No alterations, erasures, omissions or additions is to be made in the text and/or conditions of these Bills of Quantities. Should any such alterations, amendments, note/s or addition be made, the same will not be recognized, but reading of these Bills of Quantities as originally prepared by the Quantity Surveyor will be adhered to.

The contractor is cautioned that the use of any quantities appearing in these Bills of Quantities for the purpose of ordering material, it is done at own risk and no liability whatsoever will be admitted by the Employer or Quantity Surveyor for the correctness of such Quantities. Unless otherwise stated, items are measured net in accordance with the drawings, and no allowance is made for waste.

The prices and rates to be inserted by the Tenderer in the Bills of Quantities shall be the full inclusive prices to be paid by the Employer for the work described. Such prices and rates shall cover all costs and expenses that may be required in and for the execution of the work described, and shall cover the cost of all general risks, liabilities, and obligations set forth or implied in the documents on which the tender is based, as well as overhead charges and profit. Market related prices shall be inserted as these will be used as a basis for assessment of payment for additional work that may have to be carried out. The Employer reserves the right to balance the Bill rates were deemed necessary within the Tendered Amount.

A price or rate is to be entered against each item in the Bills of Quantities, whether the quantities are stated or not. An item against which no rate is/are entered, or if anything other than a rate or a nil rate (for example, a zero, a dash or the word "included" or abbreviations thereof) is entered against an item, it will also be regarded as a nil rate having been entered against that item, i.e. that there is no charge for that item. The Tenderer may be requested to clarify nil rates, or items regarded as having nil rates; and the Employer may also perform a risk analysis with regard to the reasonableness of such rates.

**PG-02.2 (EC) PRICING ASSUMPTIONS - JBCC 2000
PRINCIPAL BUILDING AGREEMENT (Edition 6.2 of May 2018)**

Should the full intent and meaning of any description not be clear, the bidder shall, before submission of his tender, call for a written directive from the principal agent, failing which it shall be assumed that the contractor has allowed in his pricing for materials and workmanship in terms of National Best Practice.

All items for which terminology such as "inclusive" or "not applicable" have been added by the Tenderer will be regarded as having a nil rate which shall be valid irrespective of any change in quantities during the execution of the Contract.

The Tenderer is required to check the Bills of Quantities and the numbers of the pages and should any be found to be missing or in duplicate, or should any of the typing be indistinct, or any doubt of obscurity arise as to the meaning of any description or particulars of any item, or if this Tender Enquiry contains any obvious errors, then the Tenderer must immediately inform the Principal Agent and have them rectified or explained in writing as the case may be. No liability whatsoever will be admitted by reason of the Contractor having failed to comply with the foregoing instruction.

The contractor is cautioned that the use of any quantities appearing in these Bills of Quantities for the purpose of ordering material, it is done at own risk and no liability whatsoever will be admitted by the Employer or Quantity Surveyor for the correctness of such Quantities. Unless otherwise stated, items are measured net in accordance with the drawings, and no allowance is made for waste.

No alterations, erasures, omissions, or additions are allowed to be made to the text and/or conditions contained in these Bills of Quantities. If any such alteration, amendment, note or addition is made, it will not be recognised and the Bills of Quantities will be deemed to be as originally drawn up by the Quantity Surveyor.

A price or rate is to be entered against each item in the Bills of Quantities, whether the quantities are stated or not. An item against which no rate is/are entered, or if anything other than a rate or a nil rate (for example, a zero, a dash or the word "included" or abbreviations thereof) is entered against an item, it will also be regarded as a nil rate having been entered against that item, i.e. that there is no charge for that item. The Tenderer may be requested to clarify nil rates, or items regarded as having nil rates; and the Employer may also perform a risk analysis with regard to the reasonableness of such rates.

All items for which terminology such as "inclusive" or "not applicable" have been added by the Tenderer will be regarded as having a nil rate which shall be valid irrespective of any change in quantities during the execution of the Contract.

The Tenderer shall fill in rates for all items where the words "rate only" appear in the "Total" column. "Rate Only" items have been included where:

- (a) variations of specified components in the make-up of a pay item may be expected; and
- (b) no work under the item is foreseen at tender stage but the possibility that such work may be required is not excluded.

For "Rate Only" items no quantities are given in the "Quantity" column but the quoted rate shall apply in the event of work under this item being required. The Tenderer shall however note that in terms of the Tender Data the Tenderer may be asked to reconsider any such rates which the Employer may regard as unbalanced.

Descriptions in the Bills of Quantities are abbreviated and comply generally with those in the "PW 371" and the principles contained in the latest version of the Standard System for Measuring Builders' Work in South Africa. It is the intention that the abbreviated descriptions be fully described when read with the applicable measuring system and the relevant preambles and/or specifications. However, should the full intent and meaning of any description not be clear, the bidder shall, before submission of his tender, call for a written directive from the principal agent, failing which it shall be assumed that the contractor has allowed in his pricing for materials and workmanship in terms of National Best Practice.

PG-02.2 (EC) PRICING ASSUMPTIONS - JBCC 2000 PRINCIPAL BUILDING AGREEMENT (Edition 6.2 of May 2018)

The price quoted against each item of this Bills of Quantities shall cover the full inclusive cost of the complete work to which it refers, as described in the Conditions of Contract and Specifications and as shown on the Drawings and shall allow for labour, material, transporting, loading, storage, supervision, commissioning, wastage, as well as the builders profit and attendance.

The Tenderer must ensure that he fully completes all columns of the Bill of Quantities including the Final Summary. The fully priced bill of quantities must be submitted with the tender or The Final Summary and the Section Summary pages **MUST** be returned with the tender document as indicated the PA-03 Notice and Invitation to Tender / PA-04 Notice and Invitation for quotation.

The tenderers are to ensure that they have read and understood the project specifications included in C3: Scope of Work. All the information provided in the Scope of Works form part of the work and must be included in the rates.

"The Contractor shall be deemed to have inspected and examined the Site and its surroundings and information available in connection therewith and to have satisfied himself before submitting his tender (as far as is practicable) as to:

- (a) the form and nature of the Site and its surroundings, including subsurface conditions,
- (b) the hydrological and climatic conditions,
- (c) the extent and nature of work and materials necessary for the execution and completion of the Works,
- (d) the means of access to the Site and the accommodation he may require

and, in general, shall be deemed to have obtained all information (as far as is practicable) as to risks, contingencies and all other circumstances which may influence or affect his Tender"

C2.1.2 VALUE ADDED TAX

The contract sum must include for Value Added Tax (VAT). All rates, provisional sums, etc. in the bills of quantities / lump sum document shall be in Rands and cents and shall include all levies and taxes (other than VAT). VAT will be added in the summary of the Bill of Quantities. The rates must however be net (exclusive of VAT) with VAT calculated and added to the total value thereof in the Final Summary. All rates and amounts quoted in the Bill of Quantities

C2.1.3 CORRECTION OF ENTRIES

Incorrect entries shall not be erased or obliterated with correction fluid but must be crossed out neatly. The correct figures must be entered above or adjacent to the deleted entry, and the alteration must be initialled by the Tenderer.

C2.1.4 ARITHMETICAL ERRORS

Arithmetical errors found in the Bill of Quantities as a result of faulty multiplication of addition, will be corrected by the Engineer at the tender evaluation stage, as set out in the Tender Data.

C2.1.5 TRADE NAMES

Tenderers attention is drawn to the fact that wherever trade names or references to any catalogue have been made in these Bills of Quantities, it is purely to establish a standard for the required material. If use is made of any other equally approved material in lieu of the prescribed trade name or catalogue, the necessary price adjustments will be made.

**PG-02.2 (EC) PRICING ASSUMPTIONS - JBCC 2000
PRINCIPAL BUILDING AGREEMENT (Edition 6.2 of May 2018)**

C2.1.6 CONTRACT DOCUMENTS

The Tenderers are advised to examine the bills of quantities, drawings and specifications including all other contract documents and make themselves thoroughly acquainted with the nature and requirements of the work, as no claim for extra payment in this regard will be entertained. Should any parts of the drawings not be clearly intelligible to the Tender, he must, before submitting his tender, obtain clarification from the Principal Agent.

C2.1.7 FIXED PRICE CONTRACT

The Bills of Quantities document is not a fixed price contract and the Tenderers are to take note that contract price adjustments (CPAP) are applicable to this contract.

C2.1.8 PAYMENTS

Interim valuations and payments will be prepared on a monthly basis, all in terms of the conditions of contract.

The contractor is to note that no payment will be made for materials stored off site and in the case of materials being stored on site, payment will only be made for such materials on condition that they have not been delivered to the site prematurely, a tax invoice and proof of payment (ownership) is submitted by the Contractor.

C2.1.9 ACCOMMODATION ON SITE

It is imperative to note that no living quarters for construction workers on site will not be permitted for the full duration of the contract unless otherwise stated in the contract data or permission be granted by the Employer.

C2.1.10 SUBMISSION OF LOCAL MATERIAL UTILISATION REPORT (LOCAL CONTENT)

Submission of Local Material Utilisation Reports is *Applicable* to this project.

Bidders to note that materials procured for the works should be from South African manufactures and suppliers. Imported materials shall only be considered under exceptional circumstances, based on compelling technical justifications, and subject to the approval by the NDPWI.

The contractor shall be responsible for record keeping, documenting and submission of monthly local material utilization report with supporting documentation to the Employer's representative within 7 working days of the beginning of the successive month, indicating the percentage targets achieved in terms of DTI&C designated industry/sector/sub-sector schedule as per the PA36 and Annexures C attached to the tender document. The final percentage achievement to be reconciled upon completion of the project and form part of the final account. Allowance must be made for submitting reports to the Employer's Representative on a monthly basis in terms of monthly and accumulative targets achieved with audited supporting documentation.

**PG-02.2 (EC) PRICING ASSUMPTIONS - JBCC 2000
PRINCIPAL BUILDING AGREEMENT (Edition 6.2 of May 2018)**

C2.1.11 CONTRACT PARTICIPATION GOALS

The contractor shall achieve in the performance of this contract the following Contract Participation Goals (CPGs) as indicated below:

Prescribed Profit and Attendance percentages have been stipulated, all inclusive of associated costs to the contractor for implementation and allowance for submitting reports to the Employer's Representative on a monthly basis in terms of monthly and accumulative targets achieved with audited supporting documentation.

Monthly progressive reports to be submitted to the Employer's representative indicating the percentage targets achieved which must be reconciled upon completion of the project and to form part of the final account.

C2.1.11.1 MINIMUM TARGETED LOCAL BUILDING MATERIAL MANUFACTURERS CONTRACT PARTICIPATION GOAL

The Minimum Targeted Local Building Material Manufacturers CPG is *Applicable* to this project.

Provision is made within the Contract Participation Goal section in the Bill of Quantities for the Minimum Targeted Local Building Material Manufacturers CPG in the execution of this project as described in PG-01.2 (EC) SCOPE OF WORKS C3.6.1. Prescribed Profit and Attendance percentages have been stipulated, all inclusive of associated costs to the contractor for implementation and allowance for submitting reports to the Employer's Representative on a monthly basis in terms of monthly and accumulative targets achieved with audited supporting documentation.

C2.1.11.2 MINIMUM TARGETED LOCAL BUILDING MATERIAL SUPPLIERS CONTRACT PARTICIPATION GOAL

The Minimum Targeted Local Building Material Suppliers CPG is *Applicable* to this project.

Provision is made within the Contract Participation Goal section in the Bill of Quantities for the Minimum Targeted Local Building Material Suppliers CPG in the execution of this project as described in PG-01.2 (EC) SCOPE OF WORKS C3.6.2. Prescribed Profit and Attendance percentages have been stipulated, all inclusive of associated costs to the contractor for implementation and allowance for submitting reports to the Employer's Representative on a monthly basis in terms of monthly and accumulative targets achieved with audited supporting documentation.

C2.1.11.3 MINIMUM TARGETED LOCAL LABOUR CONTRACT PARTICIPATION GOAL

The Minimum Targeted Local Labour Skills Development CPG is *Applicable* to this project.

Provision is made within the Contract Participation Goal section in the Bill of Quantities for the Minimum Targeted Local Labour CPG in the execution of this project as described in PG-01.2 (EC) SCOPE OF WORKS C3.6.3. Prescribed Profit and Attendance percentages have been stipulated, all inclusive of associated costs to the contractor for implementation and allowance for submitting reports to the Employer's Representative on a monthly basis in terms of monthly and accumulative targets achieved with audited supporting documentation.

**PG-02.2 (EC) PRICING ASSUMPTIONS - JBCC 2000
PRINCIPAL BUILDING AGREEMENT (Edition 6.2 of May 2018)**

C2.1.11.4 MINIMUM TARGETED ENTERPRISE DEVELOPMENT CONTRACT PARTICIPATION GOAL

The Minimum Targeted Enterprise Development Contract Participation Goal is *Applicable* to this project.

A provisional amount has been allowed for within the Contract Participation Goal section in the Bill of Quantities for the Minimum Targeted Enterprise Development CPG in the execution of this project as described in PG-01.2 (EC) SCOPE OF WORKS C3.6.4. The provisional amount allowed is for the appointment of training coordinator, mentor, training service providers and training of the beneficiary enterprises. The provisional amount will be adjusted in accordance with the actual Contract Amount (Awarded tender amount excluding allowance, provisional amounts and VAT) of the awarded bid.

Prescribed Profit and Attendance percentages have been stipulated, all inclusive of associated costs to the contractor for implementation and allowance for submitting reports to the Employer's Representative on a monthly basis in terms of monthly and accumulative targets achieved with audited supporting documentation.

The contractor shall complete a separate bill of quantities upon the award of the project and identification of the respective beneficiaries and the appointment of the training coordinator, mentor, training service providers of which the cost will be offset against the provisional amount allowed in the Bills of Quantities.

C2.1.11.5 MINIMUM TARGETED TARGETED CONTRACT SKILLS DEVELOPMENT GOALS (CSDG)

The Minimum Targeted Contract Skills Development CPG is *Applicable* to this project.

A provisional amount has been allowed for within the Contract Participation Goal section in the Bill of Quantities for the Minimum Targeted Skills Development CPG in the execution of this project as described in PG-01.2 (EC) SCOPE OF WORKS C3.6.5. The provisional amount allowed is for:

- stipends payable to the beneficiaries
- appointment of training coordinator
- appointment of mentor (where applicable)
- appointment of training service providers
- other additional costs as per Table 3 of the Standard

The provisional amount will be adjusted in accordance with the actual Contract Amount (Awarded tender amount excluding allowance, provisional amounts and VAT) of the awarded bid.

Prescribed Profit and Attendance percentages have been stipulated, all inclusive of associated costs to the contractor for implementation and allowance for submitting reports to the Employer's Representative on a monthly basis in terms of monthly and accumulative targets achieved with audited supporting documentation.

The contractor shall complete a separate bill of quantities upon the award of the project and identification of the respective beneficiaries. The CPG value to be achieved will be based on the actual contract amount which will be offset against the provisional amount allowed for within the Contract Participation Goal section in the Bill of Quantities.

Payment

The contractor shall upon the appointment of beneficiaries, provide a breakdown of all the associated costs. The contractor shall provide a payment schedule as to how the CPG costs will be claimed against for inclusion in the monthly payment certificates.

**PG-02.2 (EC) PRICING ASSUMPTIONS - JBCC 2000
PRINCIPAL BUILDING AGREEMENT (Edition 6.2 of May 2018)**

(a) Payment to the contractor to accommodate Part/Full Occupational qualification and Trade qualifications:

Should the contractor select Part/Full Occupational qualification and Trade qualifications learners, then the employer shall make provision for payment to the contractor as indicated in Table 3 of the Standard.

The contract skills participation goal, expressed in Rand, shall not be less than the contract amount multiplied by a percentage (%) factor given in Table 2 in the Standard for the applicable class of construction works. Should the contractor select Part/Full Occupational qualification and Trade qualifications learners, then the employer shall make provision for payment to the contractor as indicated in Table 2 of the Standard.

Table 2: Contracting skills development goals for different classes of engineering and construction works contracts

Source: cidb Standard for Developing Skills through Infrastructure Contracts as published in the Government Gazette Notice No 48491 Government Gazette, 23 April 2023 (Table 2, Page 7)

Class of construction works as identified in terms of Regulation 25 (3) of the Construction Industry Regulations 2004		Construction skills development goal (CSDG) (%)
Designation	Description	
CE	Civil Engineering	0.25
CE and GB	Civil engineering and General Building	0.375
EE	Electrical Engineering works (buildings)	0.25
EP	Electrical Engineering works (infrastructure)	0.25
GB	General Building	0.5
ME	Mechanical Engineering works	0.25
SB	Specialist	0.25

No provision for an additional payment item for the payment of the supervisor and/or mentors for the provision of training as provided for in the Contract Participation Goal section in the Bill of Quantities for the training of part/full time occupational learners and/or trade qualification learners. The associated cost is deemed to be included in general supervision on site.

The contractor shall complete a separate bill of quantities upon award, indicating the type and number of beneficiaries as well as the associated Notional Cost of Training to be provided, on which payment will be based.

(b) Payment to the contractor to accommodate Work Integrated Learners and Candidates for professional registration:

Should the contractor select Work Integrated Learners and/or Candidates for professional registration, then the employer shall make provision for payment to the contractor as indicated in Table 3 of the Standard.

Provisional amounts have been included in the Contract Participation Goal section in the Bill of Quantities for the training of Work Integrated Learners and Candidates for professional registration. The contractor shall price his Profit and Attendance (all inclusive of associated costs to the contractor for implementation and reporting), based on the provisional amount in the Contract Participation Goal section in the Bill of Quantities.

The contractor shall complete a separate bill of quantities upon award, indicating the type and number of beneficiaries as well as the associated Notional Cost of Training to be provided, on which payment will be based.

The CPG value to be achieved will be based on the contract amount as defined by the Standard, which will be offset against the provisional amount allowed for within the Contract Participation Goal section in the Bill of Quantities.

**PG-02.2 (EC) PRICING ASSUMPTIONS - JBCC 2000
PRINCIPAL BUILDING AGREEMENT (Edition 6.2 of May 2018)**

The contractor shall apportion the cost of accommodating work integrated learners (P1 and P2 learners) and candidates for professional registration by using Table 3 in the Standard and this cost will be used to determine the Rand value and will be used in determining the contract participation goal in the Bills of Quantities.

Table 3: The notional cost of providing training opportunities per quarter

Source: cidb Standard for Developing Skills through Infrastructure Contracts as published in the Government Gazette Notice No 48491 Government Gazette, 23 April 2023 (table 3, Page 9)

Type of Training Opportunity	Provision for stipends (Unemployed learners only)	Provisions for mentorship	Provisions for additional costs*	Total costs	
				Unemployed learners	Employed learners
Method 1					
Occupational qualification	R7 000	R0	R9 000	R16 000	R9 000
Method 2					
TVET College graduates	R14 000	R0	R9 000	R23 000	N/A
Apprenticeship	R14 000	R0	R12 000	R26 000	R12 000
Method 3					
P1 and P2 learners	R24 000	R20 000	R4 500	R48 500	N/A
Method 4					
Candidates with a 3 year diploma	R37 000	R20 000	R4 500	R61 500	R20 000
Candidates with 4 year qualification	R47 000	R20 000	R4 500	R71 500	R20 000

Note: The notional cost of providing training opportunities will increase by CPI on an annual basis based on April CPI. Should the rates increase after bid award or during construction the rates will be adjusted as a provisional item.

Example: Training Target Calculation for a R65,7m GB contract

Contract amount	R65 700 000
Contract duration	12 Months
CSDG	0,50%
Minimum CSDG target	0,50% x R65 700 000 = R328 500 (Minimum requirement)

Skills Types	Number of learners	Notional Cost / Learner / Quarter	Notional cost/learner/year	Total Notional Cost over 12 months Contract
Method 2: Workplace learning opportunities, with unemployed TVET graduates	1	R23 000	R92 000	R92 000
Method 3: Candidacy for an unemployed learner with a 3-year qualification	1	R61 500	R246 000	R246 000
Total	2			R338 000

**PG-02.2 (EC) PRICING ASSUMPTIONS - JBCC 2000
PRINCIPAL BUILDING AGREEMENT (Edition 6.2 of May 2018)**

C2.1.11.6 NATIONAL YOUTH SERVICE TRAINING AND DEVELOPMENT PROGRAMME

The National Youth Service Training and Development Programme is *Applicable* to this project.

The programme shall be implemented in terms of the Implementation of the National Youth Service Programme under the Expanded Public Works (EPWP) and shall be priced in the CPG section of the Bills of Quantities.

Provision has been made within the Contract Participation Goal section in the Bill of Quantities for the National Youth Service Training and Development Programme CPG in the execution of this project as described in PG-01.2 (EC) SCOPE OF WORKS C3.6.6.

Prescribed Profit and Attendance percentages have been stipulated, all inclusive of associated costs to the contractor for implementation and allowance for submitting reports to the Employer's Representative on a monthly basis in terms of monthly and accumulative targets achieved with audited supporting documentation.

C2.1.11.7 LABOUR-INTENSIVE WORKS

Labour Intensive Works is *Applicable* to this project.

Where labour intensive work is specified in the Bill of Quantities and indicated by "LI" the contractor must price for and include in rates. Contractors are expected to use their initiative to identify additional activities that can be done labour-intensively to comply with the set minimum labour intensity target. Provision has been made within the Contract Participation Goal section in the Bill of Quantities for the monthly reporting illustrating the value of the works executed under Labour Intensive Works CPG in the execution of this project as described in PG-01.2 (EC) SCOPE OF WORKS C3.6.7 and any other supplementary specifications.

Prescribed Profit and Attendance percentages have been stipulated, all inclusive of associated costs to the contractor for implementation and allowance for submitting reports to the Employer's Representative on a monthly basis in terms of monthly and accumulative targets achieved with audited supporting documentation.

C2.2 Submission of Accrual Reports

The Contractor shall submit accrual reports to the client representative at the end of March and September each year for the duration of the Service Contract period from the date of appointment up to and including project closeout. This is to ensure that PMTE complies with the accounting framework GRAP, which requires that PMTE disclose all its accruals as at the end of each reporting date. Allowance must be made for submitting reports to the Employer's Representative on a monthly basis in terms of monthly and accumulative targets achieved with audited supporting documentation.

PART C3: SCOPE OF WORK

C3: SCOPE OF WORK

PG-01.2 (EC) SCOPE OF WORKS – JBCC 2000 PRINCIPAL BUILDING AGREEMENT (Edition 6.2 of May 2018)

Project title:	SAPS: NEWCASTLE COMPLEX, H.J. VAN ECK COMPLEX- COMPLETE REPAIRS AND RENOVATIONS TO BUILDING		
Tender / Quotation no:	DBN23/09/02	Reference no:	6217/0208/26/2

C3. Scope of Works

C3.1 EXTENT OF THE WORKS

Environmentally Friendly

The building design must be 'green' and energy efficient making use of practices such as rain water harvesting etc.

Bulk Services

A backup generator

Upgrade of electricity

Emergency water - the tank will be on ground level, and it will be linked to the main services.

Description of Works

The DPW intends to appoint a Principal Contractor for the execution of successful repairs to Newcastle SAPS complex, H.J van Eck complex. The scope of the works is outlined as follows:

- Repair and Maintenance to Main SAPS Hostel Building, Conference Room, Support services building
- Road work throughout the SAPS Complex.
- Remove and reinstall new Soil drainage, Water Supply and Stormwater drainage.
- Bulk Electrical supply.

The works comprise of the repair of floor covering, ceilings, internal paint work, replace damage glazing, replace roof covering, install new shelving, install new sanitary fittings, repair cracks, and wash external facebrick. Rebuild all existing roads and remove existing carports to be replaced with new carports. Remove all Soil drainage, Water Supply and Storm water drainage. Install new Soil drainage, Water Supply and Storm water drainage as per Engineers drawings. Electrical bulk supply to be installed as per Electrical Engineers drawings

Other items

Fencing

Landscaping

Perimeter lighting

Electrical gates

Security lighting

Adjusting the position of the flagpole(s)

Upgrade of fire installation

C3.2 ORDER OF THE WORKS

The successful contractor must provide the project manager with a construction programme before any work is commenced

C3.3 BUILDINGS OCCUPIED

Contractor shall install Mobile office units on a site indicated by the Client

C3.4 ACCESS

There are no special requirements/ restrictions with regard to access on the site. Newcastle SAPS complex is accessible

Standard for Minimum Requirements for Engaging Contractors and Sub-Contractors on Construction Works Contracts, Government Gazette No. 42021 of 9 November 2018.

C3.5 STANDARD MINIMUM REQUIREMENTS

In terms of section 5(2) of the Construction Industry Development Board Act, 2000 (Act no. 38 of 2000) (the Act), the Construction Industry Development Board is empowered to establish and promote best practice standards, Standard Requirements and Guidelines which includes the following but not limited to:

- C3.5.1 cidb Best Practice: Green Building Certification, No. 34158 Government Gazette, 1 April 2011
- C3.5.2 cidb Standard for Developing Skills through Infrastructure Contracts, No. 36760 Government Gazette, 23 August 2013
- C3.5.3 cidb Standard for Indirect Targeting for Enterprise Development through Construction Works Contracts, No 36190 Government Gazette, 25 February 2013
- C3.5.4 cidb Standard for Contract Participation Goals for Targeting Enterprises and Labour through Construction Works Contracts, No. 41237 Government Gazette, 10 November 2017
- C3.5.5 cidb Standard for Minimum Requirements for Engaging Contractors and Sub-Contractors on Construction Works Contracts, No. 41237 Government Gazette, 10 November 2017
- C3.5.6 cidb Standard for Minimum Requirements for Engaging Contractors and Sub- Contractors on Construction Works Contracts, No. 42021 Government Gazette, 9 November 2018
- C3.5.7 cidb Standard for Developing Skills through Infrastructure Contracts, No 48491 Government Gazette, 23 April 2023.

C3.6 CONTRACT PARTICIPATION GOALS AND CIDB BUILD PROGRAMME

Provision has been made within the Contract Participation Goal section in the Bill of Quantities for the respective CPGs. Prescribed Profit and Attendance percentages have been stipulated, all inclusive of associated costs to the contractor for implementation and allowance for submitting reports to the Employer's Representative on a monthly basis in terms of monthly and accumulative targets achieved with audited supporting documentation.

Monthly progressive reports to be submitted to the Employer's representative indicating the percentage targets achieved which must be reconciled upon completion of the project and to form part of the final account.

The contractor shall achieve in the performance of this contract the following Contract Participation Goals (CPGs) as indicated below.

C3.6.1 Minimum Targeted Local Material Manufacturer Contract Participation Goal

The Minimum Targeted Local Building Material Manufacturers CPG is *Applicable* to this project.

It is the requirement of the employer that the contractor enhances the use of local Small, Micro and Medium Enterprise Local Material Manufacturers (SMME's) in executing this contract, irrespective whether a minimum percentage Participation Goals is applicable or not.

The Minimum Targeted Local Manufacturers of Material Contract Participation Goal, in accordance with the cidb Standard for Contract Participation Goals for Targeting Enterprises and Labour through Construction Works Contracts as published in the Government Gazette Notice No. 41237 of 10 November 2017, as amended in cidb Best Practice Project Assessment Scheme Notice No. 43726 of 18 September 2020.

A Targeted Local Material Manufacturer is a targeted enterprise that operates or maintains a factory or establishment that produces on its premises materials or goods required by the principal contractor for the performance of the contract.

Note: Adapted from SANS 10845-7:2015, definition 2.13

Preference shall be given to the Targeted Local Material Manufacturer where feasible in **Newcastle, KwaZulu Natal**, and provided that:

- (a) Such materials comply in all respects with the specific requirements of PW371 and SANS specifications,
- (b) The non-availability of such materials shall not adversely affect the desired progress of the specific works,
- (c) The use of such suppliers shall not constitute grounds for any claim for increased cost in respect thereof,
- (d) Materials of at least **Five Percent (5%)** of the total value of materials purchased excluding VAT to be sourced from within **300km** radius of the project site,
- (e) Material of at least **Five percent (5%)** of the total value of materials purchased excluding VAT to be sourced from within **300km** radius of the project site.

Failure to achieve the minimum specified value as indicated in the CPG Bill of Quantity Section for Targeted Local Material Manufacturer participation will result in a **thirty percent (30%)** penalty of the prorated targeted value of materials not complied with unless the contractor can prove to the Employer's satisfaction that the non-achievement was beyond his/her control.

The contractor shall submit monthly reports in terms of monthly achievement and accumulative targets achieved including audited supporting documentation to the Employer's Representative.

C3.6.2 Minimum Targeted Local Building Material Suppliers Contract Participation Goal

The Minimum Targeted Local Building Material Suppliers CPG is *Applicable* to this project.

It is the requirement of the employer that the contractor enhances the use of local Small, Micro and Medium Enterprise Local Material Suppliers (SMME's) in executing this contract, irrespective whether a minimum percentage Participation Goals is applicable or not.

The Minimum Targeted Local Manufacturers of Material Contract Participation Goal shall be achieved in accordance with the cidb Standard for Contract Participation Goals for Targeting Enterprises and Labour through Construction Works Contracts as published in the Government Gazette Notice No. 41237 of 10 November 2017, as amended in cidb Best Practice Project Assessment Scheme Notice No. 43726 of 18 September 2020 – Condition of Contract..

A targeted supplier is a targeted enterprise that

- a) owns, operates or maintains a store, warehouse or other establishment in which goods are bought, kept in stock and regularly sold to wholesalers, retailers or the public in the usual course of business; and
- b) engages, as its principal business and in its own name, in the purchase and sale of goods.

Note: Adapted from SANS 10845-7:2015, definition 2.14

Preference shall be given to the local material suppliers where feasible in the **Newcastle, KwaZulu Natal**, and provided that:

- (a) Such materials comply in all respects with the specific requirements of PW371 and SANS specifications,
- (b) The none availability of such materials shall not adversely affect the desired progress of the specific works,
- (c) The use of such suppliers shall not constitute grounds for any claim for increased cost in respect thereof,
- (d) Materials of at least **Five Percent (5%)** of the total value of materials purchased excluding VAT to be sourced from within **300km** of the project site,
- (e) Material of at least **Five Percent (5%)** of the total value of materials purchased excluding VAT to be sourced from within **300km** of the project site.

Failure to achieve the minimum specified value as indicated in the CPG Bill of Quantity Section for Targeted Local Material Manufacturer participation will result in a **thirty percent (30%)** penalty of the prorated targeted value of materials not complied with, unless the contractor can prove to the Employer's satisfaction that the non-achievement was beyond his/her control.

The bidder shall submit monthly reports in terms of monthly achievement and accumulative targets achieved including audited supporting documentation to the Employer's Representative.

C3.6.3 Minimum Targeted Local Labour Skills Development Contract Participation Goal

The Minimum Targeted Local Labour Skills Development CPG is *Applicable* to this project.

It is the requirement of the employer that the contractor enhances the use of local labour in executing this contract. This is required to be done through the use of both traditional building techniques and labour-intensive construction techniques careful and considered construction planning and implemented in the project irrespective whether a minimum percentage Participation Goal is applicable or not.

The Minimum Targeted Local Skills Development Contract Participation Goal shall be achieved in accordance with the cidb Standard for Contract Participation Goals for Targeting Enterprises and Labour through Construction Works Contracts as published in the Government Gazette Notice No. 41237 of 10 November 2017, as amended in cidb Best Practice Project Assessment Scheme Notice No. 43726 of 18 September 2020 – Condition of Contract..

Targeted labour: individuals who:

- a) are employed by the principal contractor, sub-contractor or targeted enterprises in the performance of the contract;
- b) are defined as the target group in the targeting data; and
- c) permanently reside in the target area or who are recognized as being residents of the target area on the basis of identification and association with and recognition by the residents of the target area.

Adapted from SANS 10845-7:2015, definition 2.12

Targeting of labour by skills categories is only permissible within categories of semi-skilled and unskilled labour.

Contract participation goals for semi-skilled and unskilled labour shall be limited to on-the-job training to targeted labour to enable such labour to master the basic work techniques required to undertake the work in accordance with the requirements of the contract and in a manner that does not compromise worker health and safety. In the case of targeted labour, the certification of records shall be in accordance with SANS 10845-8.

Beneficiaries will be sourced from the **Amajuba District Municipality** for the full duration of the Construction Period, employed by either the principal contractor, sub-contractors or targeted enterprises. The total number of working days to complete the Works amount to **420** working days. The minimum CPG participation for Targeted Local Labour Skills Development is **Eighty Percent (80%)**, expressed as a percentage of the total number of working days required to complete the Works. The contractor shall attain or exceed the CPG in the performance of the contract. Failure to achieve the minimum Targeted Local Labour Skills Development CPG will result in a payment reduction of **R5 000** (Excluding VAT), per working day which training has not been provided to the workforce in attendance, unless the contractor can prove to the Employer's satisfaction that the non-achievement was beyond his/her control.

The bidder shall submit monthly reports in terms of monthly achievement and accumulative targets achieved including audited supporting documentation to the Employer's Representative.

C3.6.4 CIDB BUILD PROGRAMME: Minimum Targeted Enterprise Development Contract Participation Goal

The Minimum Targeted Enterprise Development Contract Participation Goal is *Applicable* to this project.

The aim of this best practice standard for indirect targeting for enterprise development in accordance with the Standard for Indirect Targeting for Enterprise Development (published in Government Gazette 36190 of 25 February 2013), as amended in cidb Best Practice Project Assessment Scheme Notice No. 43726 of 18 September 2020 – Condition of Contract, is to promote enterprise development by providing for a minimum Contract Participation Goal (CPG) of **five percent (5%)** of the contract amount as defined in the Standard (Tender amount, excluding allowances and VAT) on selected contracts to be undertaken by joint-venture partners or to be sub-contracted to developing contractors that are also to be beneficiaries of enterprise development support from the main contractor.

The bidder shall submit monthly reports in terms of monthly achievement and accumulative targets achieved including audited supporting documentation to the Employer's Representative.

The lead partner or main contractor shall dedicate a **minimum five percent (5%)** of the tender value at the time of award, excluding allowances and VAT, to provide developmental support to targeted subcontractor or joint venture partner applicable to contracts in Grades 7 to 9, General Building and Civil Engineering contracts. Preference will be given to General Building, Electrical, Mechanical, Plumbing etc. Enterprises.

Failing to achieve the targeted Contract Skills Development Goal will result in A) a thirty percent (30%) penalty of the value of the portion not achieved, excluding VAT, and B) the issuing of completion certificates only after the completion certificate of achieving the skills development goal, counter-signed by the relevant individuals has been submitted, unless the contractor can prove to the Employer's satisfaction that the non-achievement was beyond his/her control.

C3.6.4.1 Criteria

The main or lead partner of the successful bidder shall:

- (a) There must be a needs analysis for indirect targeting and development or skill standard and should be development in at least any two developmental areas namely;
 - Administrative and cost control systems
 - construction management systems and plans
 - planning, tendering and programming
 - business; technical; procurement skills
 - legal compliance
 - credit rating/history; financial loan capacity/history
 - contractual knowledge
- (b) The above needs analysis shall be mutually agreed upon between contractor and targeted enterprise
- (c) The contractor shall appoint an enterprise development coordinator to:
 - perform needs analysis on the targeted enterprise to identify developmental goals
 - develop a project specific enterprise development plan to improve the targeted enterprise/s performance in the identified developmental areas
 - provide internal mentorship support to improve the targeted enterprise/s performance
 - monitor and submit to the employer's representative a monthly enterprise development report thereby reporting on the progress of the agreed development areas with the targeted enterprise/s
 - submit a project completion report to the Employer's representative for each targeted enterprise.

C3.6.4.2 Management

The contractor shall provide a competent person/s to provide internal mentorship to the Targeted Enterprise/s in the two agreed developmental areas.

C3.6.4.3 Competence Criteria for an Enterprise Development Co-ordinator

The enterprise development co-ordinator shall have the following competencies:

- Minimum experience of 5 years in the construction industry at Managerial level as a Site Agent, Contracts Manager, Site Manager, Construction Manager, Business Development Manager or Enterprise Development Manager.
- Minimum experience of 2 years in training and development in Building or Construction; and
- National Diploma or B Degree in the Built Environment or Business Management

C3.6.4.4 Format of Communications

The contractor shall submit to the Employer's Representative:

- *Project interim reports* in the specified format (**ED105P**) detailing interim values of the CPG that was achieved together with an assessment of the enterprise development support provided should be tabled and discussed at least monthly at progress meetings between employer's representative and the contractor;
- *Project completion report* in the specified format (**ED101P**) to the Employer's Representative for acceptance within 15 days of achieving practical completion. The report shall include the value of the CPG that was certified in accordance with the contract, cidb registration numbers of each and every targeted enterprise, and the value of the subcontracted works or of the joint venture entered into; and the participation parameter
- *Enterprise development declaration* (**ED104P**).

C3.6.4.5 The Key Personal

The contractor shall appoint an Enterprise Development Co-ordinator and a competent person/s to provide internal mentorship.

C3.6.4.6 Management Meetings

The contractor shall report to the Employer's Representative on the implementation and progress of the targeted enterprise development and CPG at monthly progress site meetings.

C3.6.4.7 Forms for contract administration

The contractor shall submit to the Employer's Representative the following proformas:

- Form ED 105P Project Interim Report
- Form ED 104P Enterprise Development Declaration
- Form ED 101P Project Completion Report

C3.6.4.8 Records

The contractor shall:

- keep records of the targeted enterprise development
- keep records of the payments made to the targeted enterprises in relation to the CPG.
- ensure all the documentation required in terms of the Standard is provided with each monthly progress payment certificate and according to a prescribed format where applicable.

C3.6.4.9 Payment Certificates

The contractor shall:

- achieve the measurable CPG and providing enterprise development support to the targeted enterprise/s as per the Standard.
- submit payment certificates to the Employer Representative at intervals determined in the Contract.

C3.6.4.10 Compliance requirements

Non-compliance with the Best Practice Project Assessment Scheme

The wording of regulation 27A of the cidb regulations makes provision for the Board to enforce the cidb code of conduct in the event of clients being found to be in breach of the best practice project assessment scheme.

- Not including the requirements of the cidb standards in the conditions of tender
- Not registering the award of contract on the cidb Register of Projects (RoP)
- Not reporting practical completion on the cidb Register of Projects (RoP)

3.6.5 **CIDB BUILD PROGRAMME: Minimum Targeted Contract Skills Development Goal (CSDG)**

The Minimum Targeted Contract Skills Development CPG is *not applicable* to this project.

The contractor shall achieve or exceed in the performance of the contract the Contract Skills Development Goal (CSDG) established in the Standard for Developing Skills through Infrastructure Contracts (published in Government Gazette No 48491 of 23 April 2023 and the cidb Best Practice Project Assessment Scheme Notice No. 43726 of 18 September 2020 – Condition of Contract.

Failing to achieve the targeted Contract Skills Development Goal will result in A) a **thirty percent (30%)** penalty of the value of the portion not achieved, excluding VAT, and B) the issuing of completion certificates only after the completion certificate of achieving the skills development goal, counter-signed by the relevant individuals has been submitted, unless the contractor can prove to the Employer's satisfaction that the non-achievement was beyond his/her control.

The contractor shall apportion the learners in the different construction activities based on the scope of work. The cost of accommodating learners will be determined by using Table 3 in the Standard and this cost will be used to determine the value in Rand and will be added to the provision for training as provided for in the Preliminary and General section in the Bill of Quantities/Pricing schedules/Activity schedule.

C3.6.5.1 Methodology

The contractor shall achieve the measurable contract skills development goal by providing opportunities to learners requiring structured workplace learning using one or a combination of any of the following in relation to work directly related to the contract or order:

Method 1: structured workplace learning opportunities for learners towards the attainment of a part or a full occupational qualification;

Method 2: structured workplace learning opportunities for apprentices or other artisan learners towards the attainment of a trade qualification leading to a listed trade (GG No. 35625, 31 August 2012) subject to at least sixty percent (60%) of the artisan learners being holders of public TVET college qualifications;

Method 3: work integrated learning opportunities for University of Technology or Comprehensive University students completing their national diplomas;

Method 4: structured workplace learning opportunities for candidates towards registration in a professional category by a statutory council.

The contract skills participation goals, expressed in Rand, shall not be less than the contract amount multiplied by a percentage (%) factor given in Table 1 in the Standard for the applicable class of construction works.

Table 1: Contracting skills development goals for different classes of engineering and construction works contracts

Class of construction works as identified in terms of Regulation 25 (3) of the Construction Industry Regulations 2004		Construction skills development goal (CSDG) (%)
Designation	Description	
CE	Civil Engineering	0.25
CE and GB	Civil engineering and General Building	0.375
EE	Electrical Engineering works (buildings)	0.25
EP	Electrical Engineering works (infrastructure)	0.25
GB	General Building	0.5
ME	Mechanical Engineering works	0.25
SB	Specialist	0.25

The contractor shall apportion the learners in the different construction activities based on the scope of work. The cost of accommodating learners will be determined by using Table 2 in the Standard and this cost will be used to determine the value in Rand and will be added to the provision for training as provided for in the Preliminary and General section in the Bill of Quantities/Pricing schedules/Activity schedule.

Table 2: Notional Cost of Training per Headcount

Source: cidb Standard for Skills Development

Type of Training Opportunity	Provision for stipends (Unemployed learners only)	Provisions for mentorship	Provisions for additional costs*	Total costs	
				Unemployed learners	Employed learners
Method 1					
Occupational qualification	R7 000	R0	R9 000	R16 000	R9 000
Method 2					
TVET College graduates	R14 000	R0	R9 000	R23 000	N/A
Apprenticeship	R14 000	R0	R12 000	R26 000	R12 000
Method 3					
P1 and P2 learners	R24 000	R20 000	R4 500	R48 500	N/A
Method 4					
Candidates with a 3 year diploma	R37 000	R20 000	R4 500	R61 500	R20 000
Candidates with 4 year qualification	R47 000	R20 000	R4 500	R71 500	R20 000

Note: the required CPG will be recalculated based on the awarded tender amount and "Contract amount" once the beneficiaries have been appointed and actual costs are known. The notional cost of providing training opportunities will increase by CPI on an annual basis based on April CPI. Should the rates increase after bid award or during construction the rates will be adjusted as a remeasurable item.

- (a) The successful contractor may employ part/full occupational qualification learners, trade qualification learners, work integrated learners or candidates directly or through a Skills Development Agency (SDA), (A1 - List of cidb accredited SDAs).
- (b) The successful contractor must employ at least sixty percent (60%) of the learners from an FET / TVET college should the contractor select to have part/full occupational qualification learners and trade qualification learners contributing to the CSDG.
- (c) The successful contractor shall employ at least **Half Percent (0.5%)** from eligible part/full occupational qualification learners, trade qualification learners, work integrated learners or candidates in the employment of the employer.
- (d) The successful contractor shall ensure that no single method shall contribute more than seventy five percent (75%) of the CSDG for the contract.
- (e) The successful contractor may only place thirty three percent (33%) employed employees or that of his subcontractors contributing to the CSDG.
- (f) The contractor shall employ at least sixty percent (60%) of the learners from a Public FET / TVET college should the contractor select to have trade qualification learners (Method 2) contributing to the CSDG.
- (g) One of the objectives of the project is to train **Two (2)** Occupational qualifications, trade qualification, work integrated learners – P1 and P2 learners, professional candidates.

C3.6.5.2 Management

- (a) The successful contractor must keep site records regarding the part/full occupational qualification learners', trade qualification learners', work integrated learners' or candidates' progress, site attendance, hours worked and other relevant information as required by the Standard.
- (b) The successful contractor shall provide the required number of appropriately qualified mentors to the maximum number of part/full occupational qualification learners, trade qualification learners, work integrated learners in the proportion as specified in the Standard.
- (c) The successful contractor shall provide a supervisor to manage the training of the part/full occupational qualification learners, trade qualification learners, work integrated learners, candidates.
- (d) The successful contractor shall submit to the employer's representative a baseline training plan in the specified format (Pro-forma A2) for the part/full occupational qualification learners, trade qualification learners, work integrated learners, candidates within 30 days of start of the contract.
- (e) The successful contractor shall submit to the employer's representative project interim report in the specified format (Pro-forma A3) on the progress of each of part/full occupational qualification learner, trade qualification learner, work integrated learner, candidate every three months.
- (f) The successful contractor shall submit to the employer's representative the names and particulars in the specified format (Pro-forma A4) of the supervisor, mentors for the part/full occupational qualification learners, trade qualification learners, work integrated learners or candidates within 30 days of start of the contract.
- (g) The successful contractor shall keep a daily record of all the part/full occupational qualification learners, trade qualification learners, work integrated learners, candidates on site and their daily activities and shall be made available to the employer's representative on request.
- (h) The successful contractor shall submit to the employer's representative the reports on the progress and status of the part/full occupational qualification learners, trade qualification learners, work integrated learners or candidates with the monthly invoice for the payment certificate.
- (i) The successful contractor shall have health and safety inductions for all part/full occupational qualification learners, trade qualification learners, work integrated learners or candidates
- (j) The successful contractor shall conduct entry and exit medical tests of all part/full occupational qualification learners, trade qualification learners, work integrated learners or candidates
- (k) The successful contractor shall provide personal protective equipment (PPE) to all part/full occupational qualification learners, trade qualification learners, work integrated learners or candidates at the start of their employment on site.
- (l) Based on the agreed skills methods the contractor may employ part/full Occupational Qualification Learners and /or Trade Qualification Learners and/or Work Integrated Learners and/or Candidates directly or through a Skills Development Agency (SDA), training provider or skills development facilitator (Form A1 - List of cidb accredited SDAs). The contractor shall ensure that no more than one Method shall be applied to any individual concurrently in the calculation of the CSDG for the contract.

C3.6.6 NATIONAL YOUTH SERVICE TRAINING AND DEVELOPMENT PROGRAMME (NYS)

The National Youth Service Training and Development Programme is *Applicable* to this project.

The programme shall be implemented in terms of the Implementation of the National Youth Service Programme under the Expanded Public Works (EPWP) and shall be priced in the CPG section of the Bills of Quantities. Monthly reports are to be submitted to the Employer's Representative.

Failure by the contractors to achieve the specified number to be trained in the NYS section of the CPG section within the Bills of quantities will result in a Payment reduction as per bill of quantities per person, excluding VAT, unless the contractor can prove to the Employer's satisfaction that the non-achievement was beyond his/her control.

C3.6.7 LABOUR-INTENSIVE WORKS

Labour Intensive Works is *Applicable* to this project.

Where labour intensive work is specified in the Bill of Qualities and specified by "LI" the contractor must price for and include in rates. Contractors are expected to use their initiative to identify additional activities that can be done labour-intensively to comply with the set minimum labour intensity target. Allowance must be made for submitting monthly reports illustrating the value of the works executed under Labour Intensive Works.

Failure by the contractor to achieve the specified value of the Labour Intensive Participation Goal as stipulated within the Bills of Quantities will result in a **thirty percent (30%)** penalty of the value of the works not done by means of labour intensive methods, excluding VAT, unless the contractor can prove to the Employer's satisfaction that the non-achievement was beyond his/her control.

Employer's objectives:

The employer's objectives are to deliver public infrastructure using labour-intensive methods in accordance with EPWP Guidelines.

Labour-intensive works:

Labour-intensive works shall be constructed/maintained using local workers who are temporarily employed in terms of the scope of work.

Labour-intensive competencies of supervisory and management staff:

Contractors shall only engage supervisory and management staff in labour-intensive works that have completed the skills programme including Foremen/ Supervisors at NQF level 4 "National Certificate: Supervision of Civil Engineering Construction Processes" and Site Agent/ Manager at NQF level 5 "Manage Labour-Intensive Construction Processes" or equivalent QCTO qualifications (See Appendix C) at NQF outlined in Table 1

C3.6.7.1 GENERIC LABOUR-INTENSIVE SPECIFICATION

Contractors are referred to the Guidelines for the Implementation of Labour-intensive Infrastructure Projects under the Expanded Public Works Programme (EPWP) for the generic labour-intensive specification applicable to the contract.

This specification establishes general requirements for activities which are to be executed by hand involving the following:

- trenches having a depth of less than 1.5 metres
- stormwater drainage
- roads
- sidewalks and non-motorised transport infrastructure
- water and sanitation

Precedence

Where this specification is in conflict with any other standard or specification referred to in the Scope of Works to this Contract, the requirements of this specification shall prevail

Hand excavateable material

Hand excavateable material is:

a) granular materials:

- i) whose consistency when profiled may in terms of Table 3 be classified as very loose, loose, medium dense, or dense; or
- ii) where the material is a gravel having a maximum particle size of 10mm and contains no cobbles or isolated boulders, no more than 15 blows of a dynamic cone penetrometer is required to penetrate 100mm;

b) cohesive materials:

- i) whose consistency when profiled may in terms of Table 3 be classified as very soft, soft, firm, stiff and stiff / very stiff; or
- ii) where the material is a gravel having a maximum particle size of 10mm and contains no cobbles or isolated boulders, no more than 8 blows of a dynamic cone penetrometer is required to penetrate 100mm;

Note

- 1) A boulder is material with a particle size greater than 200mm, a cobble and gravel is material between 60 and 200mm.
- 2) A dynamic cone penetrometer is an instrument used to measure the in-situ shear resistance of a soil comprising a drop weight of approximately 10 kg which falls through a height of 400mm and drives a cone having a maximum diameter of 20mm (cone angle of 60° with respect to the horizontal) into the material being used.

Table 3: Consistency of materials when profiled			
GRANULAR MATERIALS		COHESIVE MATERIALS	
CONSISTENCY	DESCRIPTION	CONSISTENCY	DESCRIPTION
Very loose	Crumbles very easily when scraped with a geological pick.	Very soft	Geological pick head can easily be pushed in as far as the shaft of the handle.
Loose	Small resistance to penetration by sharp end of a geological pick.	Soft	Easily dented by thumb; sharp end of a geological pick can be pushed in 30-40 mm; can be moulded by fingers with some pressure.
Medium dense	Considerable resistance to penetration by sharp end of a geological pick.	Firm	Indented by thumb with effort; sharp end of geological pick can be pushed in up to 10 mm; very difficult to mould with fingers; can just be penetrated with an ordinary hand spade.
Dense	Very high resistance to penetration by the sharp end of a geological pick; requires many blows for excavation.	Stiff	Can be indented by thumb-nail; slight indentation produced by pushing geological pick point into soil; cannot be moulded by fingers.
Very dense	High resistance to repeated blows of a geological pick.	Very stiff	Indented by thumb-nail with difficulty; slight indentation produced by blow of a geological pick point.

Trench excavation

All hand excavateable material in trenches having a depth of less than 1,5 metres shall be excavated by hand.

Compaction of backfilling to trenches (areas not subject to traffic)

Backfilling to trenches shall be placed in layers of thickness (before compaction) not exceeding 100mm. Each layer shall be compacted using hand stampers;

- a) to 90% Mod AASHTO;
- b) such that in excess of 5 blows of a dynamic cone penetrometer (DCP) is required to penetrate 100 mm of the backfill, provided that backfill does not comprise more than 10% gravel of size less than 10mm and contains no isolated boulders, or
- c) such that the density of the compacted trench backfill is not less than that of the surrounding undisturbed soil when tested comparatively with a DCP.

Excavation

All excavateable material including topsoil classified as hand excavateable shall be excavated by hand. Harder material may be loosened by mechanical means prior to excavation by hand. Any material which presents the possibility of danger or injury to workers shall not be excavated by hand.

Clearing and grubbing

Grass and bushes shall be cleared by hand.

Shaping

All shaping shall be undertaken by hand.

Loading

All loading shall be done by hand. Haulage equipment should be selected in a manner that allows loading by hand to the greatest extent possible.

Haul

Excavation material shall be hauled to its point of placement by means of wheelbarrows where the haul distance is not greater than 150m.

Offloading

All material, however transported, is to be off-loaded by hand, unless tipper-trucks are utilised for haulage.

Spreading

All material shall be spread by hand.

Compaction

Small areas may be compacted by hand provided that the specified compaction is achieved. Appropriate rollers should be used where higher (than can be achieved by hand) levels of compaction are required or for large areas.

Grassing

All grassing shall be undertaken by sprigging, sodding, or seeding by hand.

Stone pitching and rubble concrete masonry

All stone required for stone pitching and rubble concrete masonry, whether grouted or dry, must to be collected, loaded, off loaded and placed by hand.

Sand and stone shall be hauled to its point of placement by means of wheelbarrows where the haul distance is not greater than 150m.

Grout shall be mixed and placed by hand.

Manufactured Elements

Elements manufactured or supplied by the Contractor, such as manhole rings and cover slabs, precast concrete planks and pipes, masonry units and edge beams shall not individually, have a mass of more than 320kg. Where the mass of an element exceeds 55 kg, consideration should be given to the size of the element relative to its total mass related to the number of workers who would be needed to lift such mass

C3.7 Submission of Accrual Reports

The Contractor shall submit accrual reports to the client representative at the end of March and September each year for the duration of the Service Contract period from the date of appointment up to and including project closeout. This is to ensure that PMTE complies with the accounting framework GRAP, which requires that PMTE disclose all its accruals as at the end of each reporting date.

C3.8 Submission of Monthly Local Material Utilisation Report (Local Content)

Submission of Monthly Local Material Utilisation Report (Local Content) *Applicable to this project.*

The Contractor shall when applicable to this project, be responsible for record keeping, documenting and submission of monthly local material utilization report with supporting documentation to the Employer's representative within 7 working days of the beginning of the successive month, in terms of DTI&C designated industry/sector/sub-sector schedule as per the PA36 and Annexures C attached to the tender document. The final percentage achievement to be reconciled upon completion of the project and form part of the final account.

Failure by the contractor to achieve the specified percentage of local content per designated industry/sector/sub-sector as listed will result in a thirty percent thirty percent (30%) penalty of the value not achieved, excluding VAT, unless the contractor can prove to the Employer's satisfaction that the non-achievement was beyond his/her control.

Examples of calculating CPGs and related penalties

CPGs values are based on the Tender Amount at the time of the award. Determining the actual values is based either on the Tender Amount including allowances and Vat or the Tender Amount at the time of award excluding allowances and VAT, where Allowances include the following:

- Provisional amounts
- CPG allowances
- Nominated and/or selected subcontractors
- Contract price adjustment (Not provided for within the B of Q by NDPWI)
- Contingency amounts (Not provided for within the B of Q by NDPWI)

CPG values in the CPG Bill of Quantities Section will be recalculated based on the “Tender Amount” or the “Contract Amount” which ever applicable and the provisional amounts adjusted accordingly. Sanctions (penalties) are applicable to all CPGs where the contractor fails to achieve the minimum specified requirements, unless the contractor can prove to the Employer’s satisfaction that the non-achievement was beyond his/her control. No penalties will be applied should the CPG value, based on the original “Tender Amount” or the “Contract Amount”, has been achieved.

1.1 Targeted Local Building Material Manufacturers CPG

When applicable, the CPG is expressed as a percentage of the “Contract Amount”, i.e. the Tender Amount at the time of award excluding allowances and VAT.

CPG calculation example:

“Tender Amount” = R150 Mil all inclusive of allowances and VAT

“Contract Amount” = R130 Mil (Tender Amount at the time of award excluding allowances and VAT)

CPG to be achieved = 5% as specified in the Scope of Works (PG01.2)

CPG target value = R130 Mil x 5% = R 6,5 Mil (Value of material to be purchased from local manufacturers, excluding VAT)

Calculation of penalty:

Percentage penalty applicable = 10% as specified in the Scope of Works (PG01.2)

CPG target value = R6,5 Mil excluding VAT

CPG Achieved = R5,5 Mil (R1 Mil shortfall) excluding VAT

Penalty = R1 Mil x 10% = R100 000 excluding VAT

1.2 Targeted Local Building Material Suppliers CPG

When applicable, the CPG is expressed as a percentage of the “Contract Amount”, i.e. the Tender Amount at the time of award excluding allowances and VAT.

CPG calculation example:

“Tender Amount” = R150 Mil all inclusive of allowances and VAT

“Contract Amount” = R130 Mil (Tender Amount at the time of award excluding allowances and VAT)

CPG to be achieved = 5% as specified in the Scope of Works (PG01.2)

CPG target value = R130 Mil x 5% = R 6,5 Mil (Value of material to be purchased from local suppliers, excluding VAT)

Calculation of penalty:

Percentage penalty applicable = 20% as specified in the Scope of Works (PG01.2)

CPG target value = R6,5 Mil excluding VAT

CPG Achieved = R5,5 Mil (R1 Mil shortfall) excluding VAT

Penalty = R1 Mil x 20% = R200 000 excluding VAT

1.3 Targeted Local Labour Skills Development CPG

When applicable, the CPG is expressed as a percentage of the total number working days required to complete the Works.

CPG calculation example:

"Tender Amount" = R150 Mil all inclusive of allowances and VAT

"Contract amount" = R130 Mil (Tender Amount at the time of award excluding allowances and VAT)

Number of working days required to complete the Works based on the construction period = 600 days

CPG percentage participation to be achieved = 30% as specified in the Scope of Works (PG01.2)

Required number of working days training to be provided = 180 days (600 x 30%)

Calculation of penalty:

Payment reduction = R 5 000 per day for not providing training as specified in the Scope of Works (PG01.2)

CPG = 600 working days x 30% = 180 working days training to be provided

CPG Achieved = 160 days (20 days shortfall where no training was provided)

Penalty = 20 days x R5 000 payment reduction per day= R100 000 excluding VAT

1.4 Cidb BUILD Programme: Enterprise Development

When applicable, the Enterprise Development CPG expressed as a percentage of the "Contract amount" = Tender amount at the time of award excluding allowances and VAT. Failure to achieve the minimum Targeted Local Labour Skills Development CPG will result in a payment reduction of an amount specified in the Scope of Works (PG01.2) per working day where training was not provided.

The monetary value of training to be provided is stipulated in the CPG BoQ section. The number of beneficiaries to be trained is dependent on the "Contract Amount" as well the number of beneficiaries appointed which will generally resort under the Grade 1 and 2 cidb categories. The provisional amount will therefore be adjusted in terms of the "contract Amount", the number of beneficiaries to be trained and the actual cost for providing the training.

Part 1: Calculation of 5% CPG example:

"Tender Amount" = R150 Mil all inclusive of allowances and VAT

"Contract Amount" = R130 Mil (Tender Amount at the time of award excluding allowances and VAT)

CPG percentage participation to be achieved = 5% as specified in the Scope of Works (PG01.2) CPG

value = R6,5 Mil (Value of work to be subcontracted to emerging enterprises)

Calculation of penalty

Percentage penalty applicable = 30% as specified in the Scope of Works (PG01.2)

CPG Minimum 5% = R6,5 Mil

Achieved = R5,5 Mil (Only subcontracted work to the value of R5,5 Mil, i.e. R1 Mil shortfall)

Penalty = R1 Mil x 30% = R300 000 Excl. VAT

Part 2: Calculations in terms of training to be done:

The number of enterprises to be developed is subject to the contract amount and the apportionment of the work as per Example 1 below.

Number of enterprises to be trained = 6 x 1 GB subcontractors

Total cost for training = R 1 660 000

Calculation of penalty

Total number of enterprises to be trained = 6

Total number trained = 4 (2 Shortfall)

Training cost per beneficiary = R1 660 000 / 6 = R 276 666,67 per beneficiary

Penalty = R 276 666,67 x 2 x 30% = R166 000 Excl. VAT

B of Q Item	Description	Unit	Rate	Quantity	Amount (R)
5	Enterprise Development				
5.1	Enterprise Development of Targeted Enterprise or JV partners				
5.1.1	Appointment of training co-ordinator	Per Quarter	45 000	8	360 000
5.1.2	Appointment of Mentor /Training Service provider	Per Quarter	135 000	8	1 080 000
5.1.3	Needs Analysis and Enterprise Development Plan per Targeted Enterprise	No.	5 000	6	30 000
5.1.4	Monitoring and Interim reporting per targeted enterprise	Per Quarter	20 000	8	160 000
5.1.5	Project Completion report per Targeted Enterprise	No.	5 000	6	30 000
	Provisional Sum to be carried over to CPG bill of quantities				1 660 000

"Contract amount" Tender amount excl. allowances and VAT 130 000 000

CPG Monetary value (5%) to be subcontracted to beneficiaries for training 6 500 000

No of enterprises based on the CPG value 6 Grade 1 / 2 GB/CE,ETC.

Contract period (months) 24

Note: Rates to be determined by PQS and adjusted to accepted quotation amounts

1.5 Cidb BUILD Programme: Skills Development (Principal contractor including subcontractors and consultants)

When applicable, the contract skills development participation goals, expressed in Rand, shall be no less than the "contract amount" multiplied by a percentage (%) factor for the applicable class of construction works.

The monetary value of training to be provided is stipulated in the CPG BoQ section. The number of beneficiaries to be trained is dependent on the "Contract Amount" as well the number of beneficiaries appointed which will generally resort under the Grade 1 and 2 cidb categories. The provisional amount will therefore be adjusted in terms of the "Contract Amount", the number of beneficiaries to be trained from which *Method* and the actual cost for providing the training.

CPG Calculation

Table 2: Contracting skills development goals for different classes of engineering and construction works contracts

Source: cidb Standard for Developing Skills through Infrastructure Contracts as published in the Government Gazette Notice No. 43495 of 3 July 2020 (Page 7)

Class of construction works as identified in terms of Regulation 25 (3) of the Construction Industry Regulations 2004		Construction skills development goal (CSDG) (%)
Designation	Description	
CE	Civil Engineering	0.25
CE and GB	Civil engineering and General Building	0.375
EE	Electrical Engineering works (buildings)	0.25
EP	Electrical Engineering works (infrastructure)	0.25
GB	General Building	0.5
ME	Mechanical Engineering works	0.25
SB	Specialist	0.25

"Contract amount" = Tender amount at the time of award excluding allowances and expenses, and VAT

Contractor CPG:

CPG calculation

"Contract amount" x factor from Table 3 above.

CPG calculation example:

“Tender Amount” = R150 Mil for GB, all inclusive of allowances and VAT

“Contract Amount” = R130 Mil (Tender Amount at the time of award excluding allowances and VAT)

Factor for GB = 0,5% (as per Table 2 above)

CPG in R value = R130 Mil x 0,5% = R650 000 i.e. total notional cost of training to amount to R650 000

Calculation of penalty:

Percentage penalty applicable = 30% as specified in the Scope of Works (PG01.2)

CPG value = R650 000

Achieved = R550 000 = R100 000 Shortfall

Penalty = R100 000 x 30% = R30 000 Excl. VAT

Calculations based on “Contract Amount” after bid award and appointment of beneficiaries

Actual CPG training requirement value after award upon selecting method/s of training and appointment of beneficiaries = R676 000 (Table 4 below) and the provisional amount allowed for to be adjusted accordingly. The new monetary value of training required will then form the basis for determining penalties applicable. No penalties will be applied should the CPG value, based on the “Contract Amount” be achieved.

Table 4: Notional cost recalculation upon appointment of beneficiaries.

Source: cidb Standard for Developing Skills through Infrastructure Contracts as published in the Government Gazette Notice No. 43495 of 3 July 2020 (Page 10)

Skills Types	Number of learners	Notional Cost / Learner / Quarter	Notional cost / learner / year	Total Notional Cost over 12 months Contract
Method 2: Workplace learning opportunities, with unemployed TVET graduates	2	R23 000	R92 000	R184 000
Method 3: Candidacy for an unemployed learner with a 3-year qualification	2	R61 500	R246 000	R492 000
Total	4			R676 000

Note: the required CPG will be recalculated based on the awarded Tender amount and “Contract Amount” once the beneficiaries have been appointed and actual costs are known

Note: The notional cost of providing training opportunities will increase by CPI on an annual basis based on April CPI as published by Stats SA. The rates will be adjusted as an adjustment to the provisional amounts should the rates increase after bid award or during the construction period

1.6 National Youth Service Programme (NYS) CPG

When applicable, a separate NYS Bill of Quantities will be included in the tender documentation will indicate the number of beneficiaries to be trained.

Calculation of penalty:

Payment reduction per person not trained as stipulated in the NYS Bill of Quantities = R 2 500 per person.

Total number of NYS Beneficiaries as stipulated in the NYS Bill of Quantities = 25

Total Number of NYS beneficiaries trained = 20 (shortfall of 5 beneficiaries)

Penalty = 5 x R2 500 = R12 500 Excl. VAT

1.7 Labour Intensive Works CPG

When applicable, the work to be done by way of Labour intensive methods are specified in the Bills of Quantities with a “LI”.

CPG calculation example:

“Tender Amount” = R150 Mil all inclusive of allowances and VAT

“Contract Amount” = R130 Mil (Tender Amount at the time of award excluding allowances and VAT)

CPG value = R10 Mil (Total value of labour-intensive works specified in the Bills of Quantities)

Calculation of penalty:

CPG value = R10 Mil

Percentage penalty applicable = 30% as specified in the Scope of Works (PG01.2)

CPG Achieved = 9 Mil (R1 Mil shortfall)

Penalty = R1 Mil x 30% = R300 000 Excl. VAT