



water & sanitation

Department:
Water and Sanitation
REPUBLIC OF SOUTH AFRICA

MINUTES OF COMPULSORY CLARIFICATION MEETING FOR BID:

EOI NOTICE NO: DWS08-0523WTE

FRAMEWORK AGREEMENT FOR THE SERVICES OF A MANAGEMENT CONTRACTOR FOR BULK WATER AND SANITATION PROJECTS AND OTHER REGIONAL INFRASTRUCTURE PROJECTS IN THE FREE STATE, MPUMALANGA, KWAZULU NATAL, GAUTENG AND EASTERN CAPE FOR CONSTRUCTION EAST OVER A FOUR-YEAR TERM. ONLY BIDDERS WITH CIDB GRADING 8CE OR HIGHER ARE ELIGIBLE TO BID

DEPARTMENT OF WATER AND SANITATION OFFICIALS PRESENT:

Mr Riaan Stassen	Construction East
Mr Armand Basson	Construction East
Ms Idah Selolo	Supply Chain Management Representative - SCM Compliance
Ms Nomfanelo Khanyi	Supply Chain Management Representative - SCM Compliance

Technical Presentation by

Mr Riaan Stassen

SCM Presentation by

Ms Nomfanelo Khanyi

Date:

30 May 2023

Time:

10:00am

Venue:

Construction East Office (Admin Block) - Grootdraai Dam,
Construction East. Main Security Gate Entrance

1. OPENING AND WELCOME

Mr Armand Basson opened the meeting and introduced himself and SCM team. Due to the Community unrest, he requested that the meeting should start an hour later to allow for the DWS officials to have a meeting with the Community leaders before the presentations for the Clarification Meeting could start. All attendees agreed to the request.

2. ATTENDANCE

The attendees were requested to sign the attendance register (Company Name, contact details and name of the company representative). It was reported that the information to be provided on the attendance register needed to be clear as possible as SCM will use

the details on the attendance register to provide minutes of the briefing session and/or other documents before the closing date. Bidders were also informed that after the briefing session the Certificate of Attendance at Compulsory Clarification Meeting would be signed by a DWS representatives and that the signed form should be submitted with the bidders bid proposal.

3. PRESENTATION OUTLINE

- Background
- Objective
- Current projects
- Primary procurement objectives
- Secondary objectives
- Required Services
- Bid Requirements and Returnable documents
- Submission of bid responses
- Question and Answers
- Closure

#	ITEM
4.	Background
	The Department of Water and Sanitation (DWS) has its own Construction Units which undertake a range of water infrastructure projects falling within the DWS's mandate. These construction infrastructure projects are clustered in 5 based construction unit offices over different regions. Construction East unit office area is in Standerton in the Mpumalanga Province.
5.	Objective
	The objective of this call for an expression of interest is to prequalify interested CIDB registered contractors so that they can be invited to submit tenders for management contracting services within the Mpumalanga, Gauteng, Free State, Kwa-Zulu Natal, and Eastern Cape Provinces.

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6.	Current Projects																										
	<table><tr><th>Project</th><th>Closest Town</th><th>Province</th></tr><tr><td>Vlakfontein Canal Rehabilitation</td><td>Standerton</td><td>Mpumalanga</td></tr><tr><td>Senekal BEP</td><td>Senekal</td><td>Free State</td></tr><tr><td>Mthatha dam Siphon</td><td>Mthatha</td><td>Eastern Cape</td></tr><tr><td>Mzimvubu Road</td><td>Mthatha</td><td>Eastern Cape</td></tr><tr><td>Midmar dam, buildings</td><td>Howick / Pietermaritzburg</td><td>KwaZulu Natal</td></tr><tr><td>Smaller projects</td><td>Standerton, Jericho, Vereeniging</td><td>Mpumalanga, Free State</td></tr><tr><td>Future Projects</td><td>Numerous</td><td>Numerous</td></tr></table>			Project	Closest Town	Province	Vlakfontein Canal Rehabilitation	Standerton	Mpumalanga	Senekal BEP	Senekal	Free State	Mthatha dam Siphon	Mthatha	Eastern Cape	Mzimvubu Road	Mthatha	Eastern Cape	Midmar dam, buildings	Howick / Pietermaritzburg	KwaZulu Natal	Smaller projects	Standerton, Jericho, Vereeniging	Mpumalanga, Free State	Future Projects	Numerous	Numerous
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7.	Primary procurement objectives																										
	<ul style="list-style-type: none">• accelerate progress in improving the reliability of the water service and access to sustainable sanitation services;• respond rapidly to emerging needs and emergencies as and when they arise in the shortest possible time;• enable DWS Construction Units to function efficiently, effectively and economically through the timeous and in-sequence delivery of resources to sites or workshops;• reduce costs through more efficient procurement practices.• reduce the time taken to solicit tenders and award contracts;• improve the quality of existing and future infrastructure;• increase the internal capacity and capability of DWS to deliver infrastructure projects efficiently, economically, and effectively; and• deliver value for money, while minimising the scope for corruption																										
8.	Secondary objectives:																										
	<ul style="list-style-type: none">• promote broad-based black economic empowerment in support of the economic transformation of South Africa;• develop internal skills and capacity to execute projects;																										

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	<ul style="list-style-type: none"> • support skills development by increasing the number of people who have part qualifications, national qualifications and professional designations awarded by statutory councils; • promote and support local participation throughout the supply chain and local employment through the delivery of infrastructure; • promote enterprise development amongst CIDB registered contractors; • promote local production and content of designated goods.
9.	SERVICES REQUIRED
	<p>The works associated with a project may comprise any or all the following over a four-year term without any commitment to a quantum of work:</p> <ul style="list-style-type: none"> • the provision of engineering and construction works including any level of design responsibility for a site • the supply and delivery of goods, materials, construction plant and equipment to a delivery place or site; • the supply of plant and related services including design, manufacture, delivery and installation for a site; • the servicing, maintenance, and repair of the DWS construction plant and equipment; • the provision of professional services which are required to support the work of an Employer's Construction Unit or for a site; and • the management and provision of a service to support the work of an Employer's Construction Unit or for an affected property for a period of time.
10.	Bid Requirement
	<p><u>It is estimated that bidders must have the following CIDB contractor grading:</u></p> <p>CIDB contractor grading of 8CE or higher.</p> <p>Tenders must have a demonstratable experience in associated mechanical and electrical work.</p>
11.	<u>Evaluation Criteria</u>
	<p>The Respondents will be evaluated in a two-phase process.</p> <p>Phase 1: will be this document: the Expression of Interest for the framework agreement. This will be evaluated and all bidders who comply with the requirements as set out will be requested to complete a second document.</p> <p>Phase 2: Respondents who are invited to submit tenders will be evaluated on the basis of financial offer, preference, quality, and other requirements. Tenderers will be required to tender their direct fee percentage and subcontracted fee percentages. These</p>

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	parameters will be reduced to a comparative offer in terms of a tender assessment schedule. A framework agreement will be entered into with the highest-scoring tenderers.
12.	Evaluation Criteria/Requirements for Phase 1
	<p>Only those respondents who satisfy the prescribed CIDB Contractor Grading Designation requirements and the following eligibility criteria and who provide the required evidence in their submissions are eligible to submit submissions, have their submission evaluated and be invited to submit tender offers.</p> <ol style="list-style-type: none"> 1) The respondent is: <ol style="list-style-type: none"> a) not an unincorporated joint venture; and b) registered in terms of the Companies Act, 2008 (Act 71 of 2008) or Close Corporation Act, 1984, (Act No. 69 of 1984); 2) The respondent and any of its directors/shareholders are not listed on the Register of Tender Defaulters in terms of the Prevention and Combating of Corrupt Activities Act of 2004 or the National Treasury's Database of Restricted Suppliers (see www.treasury.gov.za) as a person prohibited from doing business with the public sector; 3) The respondent has completed the Compulsory Declaration and there are no legal reasons for not permitting the respondent from contracting with the Employer; 4) The respondent, unless a foreign supplier, is tax compliant or provides written proof from SARS that the respondent has made arrangements to meet outstanding tax obligations; 5) The respondent's municipal rates and taxes and municipal service charges are not in arrears; 6) The respondent can provide financial statements complying with applicable legislation for the financial year (12 months). 7) The respondent has the best annual turnover from the two financial years immediately preceding the tender closing date which is not less than R 65 million; 8) The respondent can provide at least three contactable references as a main contractor for works comprising dams, water abstraction works or water transfer schemes including associated specialist mechanical and electrical works having a contract value of at least R 30 million including VAT and which has been satisfactorily completed during the last five years. Bidder should submit schedule of demonstrable experience (a contactable) in associated mechanical and electrical work or bidder should subcontract a CIDB contractor/s with grading of EP and ME. 9) The respondent is registered and in good standing with the compensation fund or with a licensed compensation insurer; 10) The respondent is capable of producing a health and safety plan for a dam, water abstraction works or water transfer scheme; and 11) The respondent is registered on the Central Supplier Database (CSD) for the South African government (see https://secure.csd.gov.za/) unless it is a foreign supplier with no local registered entity.

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13.	List of returnable documents			
	Respondents shall provide or complete the following documents:			
	Doc. Ref. Nr.	Description	Completed (tick)	
	SBD 1	Invitation to bid		
	SBD 4	Bidders Disclosure		
	Form A	Compulsory Declaration		
	Form B	Municipal Declaration		
	Form C	Enterprise Declaration: together with the following attachments:		
		a. Proof of company registration in terms of the Companies Act, 2008 (Act 71 of 2008) or Close Corporation Act, 1984, (Act No. 69 of 1984) as applicable;		
		b. Annual Financial Statements Declaration for the respondent including suitable annual financial statements for the best annual turnover from the two financial years immediately preceding the Tender closing date (Annexure A);		
		c. Confirms experience in works as required, and provided three contacts (Annexure B)		
		d. National Treasury Central Supplier Data Base unless the respondent is a foreign supplier with no local registered entity – CSD Registration report printed not earlier than 2 weeks prior to the closing date for submissions;		
		e. A letter of good standing from the Compensation Fund or a licensed compensation insurer as contemplated in the Compensation for Occupational Injuries and Disease Act, 1993 (Act No. 130 of 1993);		
		f. a copy of a recent health and safety plan for works of a similar nature		
	Form D	Certificate of Attendance at the Compulsory Clarification Meeting		
14.	Submission of bid documents			
	<ul style="list-style-type: none"> ▶ Closing date and time for submissions: <u>14 JUNE 2023 at 11:00 am.</u> Late submissions will not be considered. ▶ On the envelope and cover page of the bid proposal the Name of the respondent shall be clearly shown 			

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	<ul style="list-style-type: none"> ▶ Bid envelope need to be clearly marked as follows: ▶ Tender reference number: EOI Notice No: DWS08-0523WTE ▶ Title of the EOI: FRAMEWORK AGREEMENT FOR THE SERVICES OF A MANAGEMENT CONTRACTOR FOR BULK WATER AND SANITATION PROJECTS AND OTHER REGIONAL INFRASTRUCTURE PROJECTS IN THE FREE STATE, MPUMALANGA, KWAZULU NATAL, GAUTENG AND EASTERN CAPE FOR CONSTRUCTION EAST OVER A FOUR-YEAR TERM. ONLY BIDDERS WITH CIDB GRADING 8CE OR HIGHER ARE ELIGIBLE TO BID ▶ The “ORIGINAL” and “COPY” are to be submitted as separate packages. ▶ The tenderer is requested to also provide a <u>PDF (soft) copy</u> of the complete tender submission in electronic format <u>on a flash disk</u> and to include this in their tender submission.
15	<p>There are 3 methods which can be used to submit bid proposals:</p>
	<p><u>Postal submission, the bid response must be delivered at:</u></p> <p>Department of Water and Sanitation (Supply Chain Management WTE), Private Bag X313, Pretoria, 0001</p> <p><u>Closing date of the bid: 14 JUNE 2023 at 11:00 am</u></p> <p><u>Disclaimer for utilization of postal delivery:</u> It is the responsibility of the bidder to ensure that the bid response is submitted within a reasonable time and that Bid Office officials are informed at least 3 days prior to the closing date about the delivery method chosen in order to make necessary arrangement for collection with bid response at registry. Without arrangements there will be no collection and <u>any late bid will not be considered. Emailed documents will not be considered.</u></p>
	<p><u>Courier services, the bid response must be sent to :</u></p> <p>Department of Water and Sanitation, Zwamadaka Building, 157 Francis Baard Street, Pretoria 0002</p> <p><u>Closing date of the bid: 14 JUNE 2023 at 11:00am</u></p> <p><u>Disclaimer for utilization of courier services:</u> It is the responsibility of the bidder to ensure that the bid response is submitted within a reasonable time and that the signing of the bid response during delivery is done with the relevant Bid Office officials only. No other officials should be handed the bid response if they are not from Acquisition Management. It will remain the bidder’s responsibility to ensure that the bid document is submitted to the relevant officials on or before the closing time of the bid. It is advised that the document response be submitted a day before the closing date to avoid disappointment. Bid office officials will not be held liable for any delays.</p>

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	<p><u>Hand delivery submit tender documents at:</u></p> <p>Location of tender box:</p> <p>The bid box at the entrance Zwamadaka Building, 157 Francis Baard Street, Pretoria 0002</p> <p><u>Closing date of the bid: 14 JUNE 2023 at 11:00am</u></p>
16	Meeting Closure:
16.1	Meeting adjourned at 13:00pm.

No.	QUESTIONS ASKED DURING AND AFTER THE MEETING	ANSWERS
1.	Addendum number 1	<p>Addendum number 1 was issued to extend the closing date of the bid from 14 June 2023 at 11:00 am to 21 June 2023 at 11:00 am.</p> <p>Bid documents received later than 21 June 2023 at 11:00 am will not be accepted.</p> <p>The addendum does not change any condition of the bid, except to extend the closing date which will allow the Department to provide the bidders with minutes and responses to all the questions that were asked. Signed addendums can be emailed to: BidenquiriesWTE@dws.gov.za; however, all other additional information to your bid response must be deposited to the bid box on a clearly marked envelope indicating additional information envelop with your: company name, bid number, and bid description.</p>
2.	We do not understand the meaning of Clause 5.1 Part 1 (a). Our Joint Venture is unincorporated, will we be disqualified if we tender with an unincorporated JV, or the JV can be	The CIDB drew attention to clause 4.5.6 of the CIDB standard for uniformity (August 2019) which reads as follows:

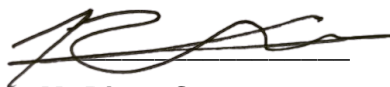
No.	QUESTIONS ASKED DURING AND AFTER THE MEETING	ANSWERS
	<p>incorporated at a later stage after being shortlisted as successful for the EOI?</p>	<p><i>Joint ventures are eligible to have their submissions evaluated provided that:</i></p> <ol style="list-style-type: none"> <i>1. every member of the joint venture is registered with the cidb not later than twenty-one (21) working days from the closing date for tenders;</i> <i>2. the lead partner has a contractor grading designation in the or class of construction work; or not lower than one level below the required grading designation in the class of works construction works under consideration and possesses the required recognition status.</i> <i>3. the combined contractor grading designation calculated in accordance with the Construction Industry Development Regulations is equal to or higher than the required contractor grading designation.</i> <p>Sub regulation 25(5) of the Construction Industry Development Regulations states that joint ventures are eligible to submit tender offers or expressions of interest” should they satisfy prescribed criteria. This sub-regulation needs to be read together with sub-regulation 9(c)</p> <p><i>(9)An employer must, before awarding a construction works contract, satisfy him or herself that the contractor concerned -</i></p> <p><i>(c)has demonstrated that-</i></p> <ol style="list-style-type: none"> <i>(i)he or she has the resource capacity and capability specific to the contract concerned;</i> <i>(ii)his or her capacity to perform the construction works concerned will not be unduly compromised on the award of the contract concerned.</i> <p><i>(10)A tender offer received from a contractor that does not satisfy an employer as contemplated in sub-regulation (7), must be rejected.</i></p> <p>The SFU of August 2019 in addition requires in terms of clause F.3.13(b) (Acceptance of tender offer) the following:</p>

No.	QUESTIONS ASKED DURING AND AFTER THE MEETING	ANSWERS
		<p><i>Accept the tender offer, if in the opinion of the employer, it does not present any risk and only if the tenderer:</i></p> <p><i>b) can, as necessary and in relation to the proposed contract, demonstrate that he or she possesses the professional and technical qualifications, professional and technical competence, financial resources, equipment and other physical facilities, managerial capability, reliability, experience and reputation, expertise, and the personnel, to perform the contract,</i></p> <p>The SFU also states in F.2.1 (Eligibility) that tenderers:</p> <p>Submit a tender offer only if the tenderer satisfies the criteria stated in the tender data and the tenderer</p> <p>It should be noted that the CIDB Inform Practice Note 14 states the following:</p> <p><i>The evaluation of tenders is a time-consuming process and consumes the resources of both those submitting and those evaluating tenders, particularly if tenders are evaluated from those tenderers who are not likely to satisfy the objective criteria stipulated in clause F.3.13.1 of the cidb Standard Conditions of Tender.</i></p> <p><i>The cidb Standard for Uniformity in Construction provides two procedures to evaluate some of these objective criteria at an early stage in the procurement process, namely:</i></p> <ul style="list-style-type: none"> <i>•The qualification procedure whereby a call for expressions of interest is advertised and thereafter only those tenderers who have expressed interest, satisfy objective criteria and are selected to submit tender offers, are invited to do so; and</i> <i>•Eligibility criteria included in the submission data or tender data which need to be satisfied by a respondent or tenderer in order to have their submissions evaluated.</i> <p><i>The qualification procedure allows employers to limit the number of respondents who are invited to submit tender offers in the confidence that it is most likely that a contract could be entered into with any of those invited to submit tender offers.</i></p>

No.	QUESTIONS ASKED DURING AND AFTER THE MEETING	ANSWERS
		<p><i>The use of eligibility criteria on the other hand allows for self-assessment to take place. Those responding to a call for an expression of interest or the invitation to submit a tender can base their decision to commit resources to doing so, based on their self-assessment against the eligibility criteria.</i></p> <p><i>Prequalification criteria should be framed around the objective criteria contained in clause F.3.13.1 of the cidb Standard Conditions of Tender on a “yes”/“no” basis. Proof of satisfying such criteria needs to be requested with the submissions.</i></p> <p>Section 195 of the Constitution requires officials to promote the efficient, economic, and effective use of resources. National legislation is required in terms of Section 195 of the Constitution to ensure the promotion of these values and principles.</p> <p>A practical way of complying with this constitutional imperative and implementing it through the CIDB prescripts is to frame eligibility criteria around what would be regarded as being unacceptable in terms of clause F.3.13 of the SFU. Accordingly, the eligibility criteria introduce efficiencies into the procurement in a manner which is consistent with the CIDB prescripts. The elimination of unincorporated joint ventures from the outset on the basis of such an arrangement in the context of the proposed procurement presenting an unacceptable risk to the department supports the aforementioned Constitutional imperative.</p> <p>The Construction Industry Development Regulations makes provision for the grading designation of a joint venture to be assessed and their tender to be evaluated should they satisfy the stipulated eligibility criteria. These regulations make it very clear that an organ of the state is not obliged to appoint a contractor who satisfies the CIDB contractor grading requirements. The onus is on the Department to satisfy itself that a CIDB registered contractor has the “resource capacity and capability specific to the contract concerned” and their “capacity to perform the construction works concerned will not be unduly compromised on the award of the contract concerned.” The eligibility criterion in question does this.</p>

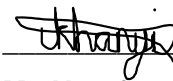
No.	QUESTIONS ASKED DURING AND AFTER THE MEETING	ANSWERS
		<p>The assertion that the omission of the text relating to joint ventures is in direct contravention of the provisions of the CIDB SFU is unfounded when the Regulations, the SFU and the CIDB inform practice notes are read as a whole. There are good reasons, supported by the Constitutional imperatives for the procurement system to do so.</p>
3	Request a copy of the bid/tender opening register	<p>The copy of the bid opening register will be published on our Departmental website under "Bid Opening 2023 or Bid 2 Opening 2023" after the closing date.</p> <p>https://www.dws.gov.za/Tenders/tenders.aspx</p>
4	We would like to have our courier guy come and collect the document since the closing date has been extended	<p>You will have to call our bid office and arrange for the collection however the Department advise against this method as late submissions will not be accepted even if you had submitted before.</p> <p>Rather consider submitting additional information to your bid response by submitting a second or third envelop to the bid box on a clearly marked envelop indicating additional information envelop with your: company name, bid number, bid description.</p>
5	<p>Page 5 item 5.1.8 reads as follows:</p> <p>8) The respondent can provide at least three contactable references as a main contractor for works comprising dams, water abstraction works or water transfer schemes including associated specialist mechanical and electrical works having a contract value of at least R 30 million including VAT and which has been satisfactorily completed during the last five years. Bidder should submit schedule of demonstrable experience (a contactable) in associated mechanical and electrical work or bidder should subcontract a CIDB contractor/s with grading of EP and ME.</p>	<p>If you can provide proof that you do have sufficient experience in mechanical and electrical work as requested then you do not need to subcontract to a mechanical or electrical subcontractor.</p>

No.	QUESTIONS ASKED DURING AND AFTER THE MEETING	ANSWERS
	<p>Q. If I have experience in water works grade 8CEPE and do not have mechanical and electrical experience do I have to subcontract with a CIDB contractor with EP and ME grading, or my water works experience alone is sufficient?</p>	
6.	Do you consider 7CE PE for the above mentioned tender or strictly 8 CE is needed?	The bid has been advertised with a bid requirement of 8CE OR HIGHER and only bidders who meet this requirement are eligible to bid.
7.	Kindly provide the Bill of Quantities for EOI Notice No: DWS08-0523WTE	At this stage there is no Bill of Quantities for EOI Notice No: DWS08-0523WTE.



Mr Riaan Stassen

Project Manager



Ms Nomfanelo Khanyi

SCM Secretariat