SECTION D: STAKEHOLDER AND COMMUNITY LIAISON AND TARGETED LABOUR AND TARGETED ENTERPRISES UTILISATION AND DEVELOPMENT

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D1 SCOPE

Section D of the Specifications describes the structured engagement with project Stakeholders and affected Communities to the project. It also guides the selection and the enhanced utilisation and development of Targeted Labour and Targeted Enterprises.

D1.1 PRINCIPLES FOR PROJECT LIAISON, TARGETED ENTERPRISE SUBCONTRACTING, AND TARGETED LABOUR SOURCING IN SANRAL PROJECTS (FOURTEEN POINT PLAN)

The scope of the work described in this Section D of the Specifications shall be based on the Employer's Principles for Project Liaison, Targeted Enterprise subcontracting, and Targeted Labour sourcing in all SANRAL projects, which are stipulated below:

1. SANRAL will establish a Project Liaison Committee (PLC) for every project to create a platform for project communication with the aim to facilitate the Service Provider's subcontracting with Targeted Enterprises and the employment of Targeted Labour. It may also include the supply of material and goods, procurement of services, and participation with MOU partners to facilitate successful works execution.
2. Communication will be streamlined through the PLC and used to manage the expectations of local business and communities.
3. SANRAL will chair PLC meetings and provide secretarial support through the Consulting Engineer or its Agent. Representation on the PLC will comprise SANRAL, the Service Provider, the Consulting Engineer (SANRAL's Agent), and other relevant entities such as business representatives, traditional authority representatives, provincial, district, and local municipal representatives (not political office bearers), community representatives, and any other critical local Stakeholder that may be deemed necessary by SANRAL. While serving on the PLC, members must declare any conflict of interest and recuse themselves if requested by the PLC Chairperson.
4. The selection process of a Project Liaison Officer (PLO), who will be employed by the Consulting Engineer, must be fair and transparent, and the individual appointed must be supported by the PLC.
5. The definition of a Target Area (sometimes referred to as a local area or Project Area) may be varied by SANRAL with the input of the PLC prior to the construction tender being let.
6. The setup of databases for Targeted Labour in the Target Area will be done with the input of the PLC. The Targeted Labour database will be disseminated to the PLC for comment and input.
7. A system of Targeted Labour selection from the database must be established at a PLC meeting. The Targeted Labour database will be used by the Service Provider to recruit Targeted Labour.
8. The PLC may give input in identifying areas of the Scope of the Works that are deliverable by Targeted Enterprises, and areas where capabilities are not available locally. All Scope of the Works areas where capabilities are not available locally will be imported from outside of the local area and local service providers will be given an opportunity to learn through one of the structured training options provided in the Contract.

9. Capability assessments of Targeted Enterprises will be done with the input of the PLC, prior to the subcontract tender stage commencing, to identify any deficiencies in skills and experience. For Targeted Labour, skills assessments will be done at recruitment stage.
10. Targeted Enterprise development support and training must be coordinated and conducted, prior to the sub-contract tender stage commencing, with the input of the PLC.
11. The setup of databases for Targeted Enterprises will be conducted with the input of the PLC. The database will be disseminated to the PLC for comment and input. A database will only become final on the date of sub-contract tender closure.
12. The Targeted Enterprises on the database must be assisted by the Consulting Engineer and the Service Provider to be compliant with the relevant legislation to execute work for a SANRAL project. Targeted Enterprises on the database must be registered on the National Treasury Central Supplier Database (CSD). The databases for Targeted Enterprise subcontracting will be used by the Service Provider for open tender processes. Tender processes for Targeted Enterprise subcontracting must be conducted by the Service Provider using government principles (e.g., public opening of received bids, announcement of bidders and prices). The successful tenderers will be tabled, by the Service Provider, in the PLC meeting for information purposes.
13. Appeals to the tender process, which cannot be resolved by the PLC, must be escalated to SANRAL for an independent review which will be facilitated by the Transformation Unit.
14. The Consulting Engineer must ensure that formal contracting arrangements between the Service Provider and the Targeted Enterprise Subcontractors are in place in all projects.

These principles must be applied to facilitate better project level liaison with project Stakeholders and affected Communities. In addition, these principles serve to ensure communication and transparency in the execution of the Works and to facilitate inclusivity in the allocation of projects to benefit black business and local communities.

D2 DEFINITIONS AND APPLICABLE LEGISLATION

The definitions and legislation listed below informs the requirements of this Section D of the Specifications for Stakeholder and Community Liaison, Targeted Labour employment and Targeted Enterprise utilisation and development.

D2.1 DEFINITIONS

Unless inconsistent with the context, in these specifications, the following words, terms or expressions shall have the meanings hereby assigned to them:

a) **Business Coaching**

Business Coaching establishes an atmosphere of mutual trust, respect, responsibility, and accountability to motivate the emerging business owner and his team. To that end, the business coach must conduct an ethical and competent practice, based on appropriate professional experience and business knowledge.

b) **Community**

The Community consists of South African Citizens, defined in terms of the South African Citizenship Act, (Act 88 of 1995), who permanently reside within the Target and Project Area(s) of the project.

c) **Contract Participation**

Contract Participation is the process by which the Employer implements Government's objectives by setting Specific Goals to enhance Targeted Labour and Targeted Enterprises' utilisation and development, which the Service Provider must achieve as a minimum.

d) **Contract Participation Goal (CPG)**

The CPG is the monetary value of the participation goals set by the Employer for Targeted Labour and Targeted Enterprises expressed as a percentage of the Final Contract Value (excluding provision for Contract Price Adjustment (CPA, also referred to as escalation), contingencies for unforeseen additional expenditure, and Value Added Tax (VAT)).

e) **Contract Participation Goal Plan (CPG Plan)**

The CPG Plan outlines how the Service Provider intends to achieve the various Specific Goals w.r.t. the CPG as set in the Specification Data. The CPG Plan includes the detail of the Targeted Enterprise work programme, as well as the contents and value of the work packages. See ANNEXURE X1 for the CPG Plan template.

f) **Contract Participation Performance (CPP)**

The CPP is the measure of the Service Provider's progress in achieving the CPG and the formula for calculating its value is described in Section D1003.05.

g) **Contract Skills Development Goals (CSDG)**

The CSDG is the number of hours or head count of skills development opportunities that a Service Provider contracts to provide in relation to work directly related to the Contract or order up to:

i) completion in the case of a professional service contract,
ii) the end of the service period in the case of a service contract, and
iii) practical completion in the case of an engineering and construction works contract.

h) **Domestic Subcontractors**

A Domestic Subcontractor is one in whose selection and appointment the Employer traditionally plays no part in other than simply giving consent when that is required under the terms of the Contract. The appointment of

the Subcontractor is treated as something entirely for the benefit of the Service Provider and is a purely "domestic matter".

i) **Final Contract Value**

The Final Contract Value also means the Contract Price as defined in FIDIC, sub-clause 1.1.4.2. To calculate the CPG as per Section D3.4, Contract Participation Goal (CPG), of the Specifications, the Final Contract Value shall exclude CPA, contingencies, and VAT).

j) **Guidance**

Guidance is anticipating where one might go wrong, or where one is doing a task in a complicated, inefficient, or ineffective way, and giving help, advice, and direction as to how to achieve a better result. Guidance is mostly given by a person in the direct reporting line but can be given by anyone. Guidance is not imparting skills but suggesting ways to improve performance.

k) **Labour**

Persons:

i) who are employed by the Service Provider or a Subcontractor in the performance of the Contract, and
ii) whose monthly earnings are derived from hours worked for a fixed hourly rate which is adjusted from time to time by legislation (as a statutory minimum) and the Service Provider's or Subcontractor's employment policies, but
iii) who are not Targeted Labour as stated in the Specification Data.

The personnel employed by the suppliers of goods and material are not defined as "Labour" for the purposes of this Contract.

l) **Mentoring**

Mentoring is a professional relationship in which an experienced businessperson assists another by giving advice and imparting their knowledge in developing special skills and knowledge that will enhance the less experienced businessperson's professional and personal growth. The objective is to equip the emerging business owner and his team to improve their decision-making skills, being focussed and make positive progress quickly.

m) **Mobilisation Period**

The Mobilisation Period is the period between the Commencement Date and the date of Access to Site, which period (duration) is stated in the Contract Data. Section D5 of the Specifications describes the purpose and requirements of the Mobilisation Period.

n) **Project Area**

The Project Area is the area through which the road under construction traverse or which is adjacent to and/or in proximity to project operations.

Based on market research and/or requisite resources availability, Project Areas other than defined above may be identified where preference would be given to Targeted Enterprises for subcontracting opportunities.

o) **Project Liaison Committee (PLC)**

The PLC is the Committee that represents the Employer, Engineer, Service Provider, project Stakeholders and the Communities affected by the project. It is important to note that:

i) elected and/or nominated political office bearers may not be members of the PLC, and
ii) the Engineer and Service Provider become members of the PLC on their appointment and participate in the Committee within the scope of their respective roles and responsibilities.

p) **Project Liaison Officer (PLO)**

The PLO is the person who acts as the liaison officer for the project. The PLO facilitates the selection of Targeted Labour to be employed by the Service Provider and attends to the day-to-day project, Stakeholder, and Community matters that impact on the parties to the PLC.

q) **Specific Goals**

Specific Goals may include contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination based on race, gender and disability.

The Employer's Specific Goals are set in the Specification Data, and unless otherwise permissible by the Preferential Procurement Policy Framework Act (Act 5 of 2000) and its Regulations, Specific Goals may be set by the Employer for the Service Provider to subcontract with Targeted Enterprises in terms of their ownership and/or control, and employ Targeted Labour as follows:

i) EMEs and/or QSEs which are at least 51% owned by black people as listed below.
ii) Black people who:
    a. are citizens of the Republic of south Africa by birth or descent; or
    b. became citizens of the Republic of South Africa by naturalisation:
        i. before 27 April 1994; or
        ii. on or after 27 April 1994 and who would have been entitled to acquire citizenship by naturalisation prior to that date.
iii) Women who are South African citizens.
iv) Youth as defined in the National Youth Commission Act (Act 19 of 1996).

v) People with disabilities as defined in the Code of Good Practice on employment of people with disabilities issued under the Employment Equity Act (Act 55 of 1998).
vi) Black military veterans who qualify to be called a military veteran in terms of the Military Veterans Act (Act 18 of 2011).
vii) Unemployed persons that are black people as listed in iii) to vi) above.
viii) Unemployed persons not attending and not required by law to attend an educational institution and not awaiting admission to an educational institution.

r) **Stakeholders**

Any Stakeholder listed in the Employer's Communication Policy who is affected by the Employer's operations in the Project Area(s) and/or who has an interest or concern in the project, either as a decision maker, participant or affected party and may include, amongst others, the following entities:

i) Relevant Provincial departments.
ii) Relevant Municipal departments.
iii) Traditional leadership representation.
iv) Organised forums representing community interest groups.
v) Organised forums representing the youth, women, and disabled people.
vi) Other structured community groups such as religion, education, farming, etc.
vii) Organised forums representing the transport sector.
viii) Organised forums representing the business sector.
ix) Organised forums representing road users and road safety interest groups.
x) Organised forums representing environmental interest groups.
xi) Any other relevant stakeholder forum or organisation recognised by the Employer and the local municipality.

s) **Subcontractor**

An entity appointed by the Service Provider to execute a portion of the Scope of the Works as defined in the Conditions of Contract under FIDIC subclause 1.1.2.8. This includes both Domestic Subcontractors and Targeted Enterprises.

t) **Target Area**

The geographic area defined in the Specification Data for Targeted Labour, and which typically are:

i) one or more Provinces,
ii) one or more Metropolitan or District Municipalities,
iii) one or more Local Municipalities, or
iv) one or more Wards that are predominantly located within the Project Area.

u) **Targeted Enterprise**

A Targeted Enterprise is an entity to which the Service Provider subcontracts a percentage of the contract value as set in the Specification Data, acting in the capacity of a Subcontractor or JV partner, and

i) the Service Provider does not have any equity holding in the enterprise, either directly or through a flow through calculation in accordance with the amended Construction Sector Code of Good Practice published in Notice 931 of 2017 in Government Gazette No. 41287 of 2017 in terms of the Broad Based Black Economic Empowerment Act (Act 53 of 2003); and
ii) is registered in terms of the Company's Act (Act No. 71 of 2008) or Close Corporation Act (Act No. 69 of 1984); and
iii) its ownership adheres to the Specific Goals as set in the Specification Data; and
iv) is registered with National Treasury's Central Supplier Database; and
v) is tax compliant prior to award of a subcontract; and
vi) is CIDB registered where applicable; and
vii) is COIDA compliant prior to award of a subcontract where applicable.

A Targeted Enterprise may be a:

i) subcontractor subcontracted to execute a portion of the Scope of the Works,
ii) manufacturer that operates or maintains a factory or establishment that produces materials or goods,
iii) supplier that owns, operates or maintains a store, warehouse or other establishment in which goods are kept in stock, which was bought in its own name, and regularly sold to other parties in the usual course of its business,
iv) service provider who provides professional, technical, or managerial services, including those required for the acquisition of personnel, facilities, equipment, and goods.

Targeted Enterprises are also Subcontractors as defined in the Conditions of Contract under FIDIC subclause 1.1.2.8.

v) **Targeted Enterprise Manager (TE Manager)**

The full-time, dedicated staff member or sub-service provider appointed by the Service Provider to develop, implement, and monitor the training, development and support of Targeted Labour and Targeted Enterprises. The Targeted Enterprise Manager also mentors, guides and coaches the Targeted Enterprises.

w) **Targeted Enterprise Monitor**

The Targeted Enterprise Monitor is an independent service provider, or individual, appointed by the Employer's Transformation Unit, to audit the Service Provider and his TE Manager's activities with respect to their obligations to Targeted Enterprises.

x) **Targeted Enterprise Procurement Coordinator (TE Procurement Coordinator)**

The staff member or sub-service provider appointed by the Service Provider to facilitate the procurement of Targeted Enterprise Subcontractors.

y) **Target Group**

It is a group of entities and/or persons set as the Employer's Specific Goals in the Specification Data for the Service Provider to subcontract with Targeted Enterprises and employ Targeted Labour.

z) **Targeted Labour**

Persons:

i) who are unemployed, and
ii) who are then employed by the Service Provider or a Subcontractor (including Targeted Enterprises) in the performance of this Contract, and
iii) whose monthly earnings are derived from hours worked for a fixed hourly rate which is adjusted from time to time by legislation (as a statutory minimum) and the Service Provider's or Subcontractor's or Targeted Enterprise's employment policies, and
iv) permanently reside in the Target Area(s) or who are recognized as being residents of the Target Area(s) based on identification and association with, and recognition by, the residents of the Target Area(s), and
v) who are stated as being Targeted Labour in the Specification Data.

The personnel employed by the Service Provider's suppliers and service providers are not defined as "Targeted Labour" for the purposes of this Contract.

aa) **Training**

Training refers to the process of teaching a Trainee, usually in a classroom or simulated work environment situation where principles, theory, knowledge, and skills are taught, and demonstrations are given. Assignments are set to ensure that the Trainee can apply what has been taught. Training is done by a specialist in the subject, and who is qualified and accredited to train. The objective is to improve the competency of the Trainee.

bb) **Training and Skills Development Programme (TSDP)**

The TSDP outlines how the Service Provider intends to achieve the CSDG targets, by applying the various training methods described in Section D1010 of the Specifications.

D2.2 APPLICABLE LEGISLATION, REGULATIONS AND STANDARDS

The following Acts, as amended from time to time, are predominant amongst those which apply to the Construction Industry and are listed here for reference purposes only:

i) Constitution of the Republic of South Africa Act, Act No. 108 of 1996.
ii) Public Finance Management Act, Act No. 1 of 1999.
iii) Preferential Procurement Policy Framework Act, Act No. 5 of 2000, and its latest regulations.
iv) The South African National Roads Agency Limited and National Roads Act, Act No. 7 of 1998.
v) Construction Industry Development Board Act, Act No. 38 of 2000.
vi) Broad-Based Black Economic Empowerment Act, Act No. 53 of 2003, as amended.
vii) Amended Construction Sector Codes, Government Gazette Notice 931 of 2017.
viii) The Skills Development Act, Act No. 97 of 1998.
ix) The Skills Development Levies Act, Act no. 9 of 1999.
x) The National Small Enterprises Act, Act 102 of 1996, as amended.

The following Standards and Practice Notes, as amended from time to time, are applicable in terms of Targeted Labour and Targeted Enterprises and are used fully or portions thereof in this Section D of the Specifications:

NOT APPLICABLE

i) CIDB Standard for Indirect Targeting for Enterprise Development through Construction works Contracts, 29 January 2013 (Government Gazette No. 36190, 25 February 2013).
ii) CIDB Standard for Developing Skills through Infrastructure Contracts, 08 August 2013 (Government Gazette No. 36760, 23 August 2013), amended by version 2, June 2020 (Government Gazette No. 43495, 03 July 2020).
iii) CIDB Standard for Minimum Requirements for Engaging Service Providers and Subcontractors on Construction Works Contracts, 25 October 2015 (Government Gazette No. 42021, 09 November 2015).
iv) CIDB Standard for Contract Participation Goals for Targeted Enterprises and Labour through Construction Works Contracts, 31 October 2017 (Government Gazette No. 41237, 10 November 2017).
v) SANS 10845: 2015, Parts 5, 7 and 8.

D3 TARGET GROUP PARTICIPATION

This part of Section D of the Specifications describes the Employer's requirements for the establishment of Target Group databases from which participants in the project will be selected for employment and subcontracting.

It also describes the measurement of penalties to be applied with respect to the CPG as defined in the Specification Data.

D3.1 OBJECTIVES OF TARGET GROUP PARTICIPATION

Amongst others, the key objectives of Government are to extend economic opportunities and build entrepreneurial capacity in rural and underdeveloped areas and townships by:

i) optimising the utilisation of local resources in the Project Area,
ii) developing these local resources in the execution of the project, and
iii) maximising the amount of funds retained within the Project Area.

To give effect to these objectives the Service Provider shall, over the full duration of the contract, from site establishment up to the completion of the works:

i) employ Targeted Labour from the Target Area(s) as stated in the Specification Data, and
ii) subcontract Targeted Enterprises as stated in the Specification Data, and
iii) give preference to Targeted Enterprises which are from rural and underdeveloped areas and townships within the Project Area(s).

D3.2 TARGETED LABOUR DATABASE

A system for the recruitment of Targeted Labour shall be established at a PLC meeting prior to the commencement of labour recruitment. This system shall be fair and transparent.

Based on the system for recruitment, a Targeted Labour Database shall be compiled by the Service Provider, with the assistance of the PLO and the input of the PLC, for the Target Area(s) as stated in the Specification Data. If necessary, the assistance of the Department of Labour may be called upon to provide a labour database of labourers with the required skills and within the required Target Groups and Target Area(s). Once the Database has been disseminated to the PLC it shall be utilised to facilitate the selection of Targeted Labour as per the resources and skills required by the Service Provider during the different construction stages.

The Targeted Labour Database shall be updated as and when required to reflect new employment seekers in the labour market.

Only Labour recruited from the Targeted Labour Database will be measured for Contract Participation Performance (CPP).

D3.3 TARGETED ENTERPRISE DATABASE

The Service Provider shall, with the inputs of the PLC, compile a Targeted Enterprise Database from which Targeted Enterprises shall be subcontracted to do portions of the work as described in this part of Section D of the Specifications.

a) **Market Analysis and Requisite Resources Availability Audit**

The Service Provider shall conduct a market analysis and requisite resources availability audit to determine the availability, expertise, abilities, and proficiency of Targeted Enterprises in the Project Area.

To inform the market analysis and requisite resources availability audit, the Service Provider shall, as a minimum, use the National Treasury's Central Supplier Database (CSD) which can be obtained from the Employer's Supply Chain Management department via the Project Manager

The market analysis and requisite resources availability audit, and all updates thereof for the duration of the Contract, shall be submitted to the Engineer and the Employer's Project Manager in a format acceptable to the Employer.

Following the market analysis and a requisite resources availability audit, the Service Provider shall apply the CPG Target Group criteria in the Specification Data to compile a preliminary Targeted Enterprise Database (see D3.3(c) below).

b) **Call for an Expression of Interest**

In addition to the CSD, the Service Provider shall call for an expression of interest from Targeted Enterprises in the Project Area. The call for an expression of interest shall outline the anticipated eligibility, functionality, preference, and compliance criteria, as well as the anticipated Works content.

c) **Preliminary Targeted Enterprise Database**

Based on the information obtained from the CSD, and the call for an expression of interest, the Service Provider shall compile a Preliminary Targeted Enterprise Database.

The purposes of the Preliminary Targeted Enterprise Database are:

i) for the Service Provider to determine if the required resources and skills to execute the identified Targeted Enterprise work packages are available in the Project Area(s),
ii) for the Service Provider to verify that Targeted Enterprises on the Preliminary Targeted Enterprise Database are authentic in terms of the Specification Data and other Database criteria, and
iii) for the Service Provider to alert prospective Targeted Enterprises that are not on the Preliminary Database of the opportunity.

Based on the market analysis and requisite resources availability audit, and the information obtained from the call for an expression of interest, additional criteria for the Preliminary Targeted Enterprise Database may be tabled by the Service Provider for consideration to ensure Target Group participation as intended by the Employer.

d) **Targeted Enterprise Database**

The Service Provider shall invite Targeted Enterprises to tender for the Targeted Enterprise work packages. The Preliminary Targeted Enterprise Database shall remain a "live" database until the day of tender closure

when a print-out of the CSD, based on the Database criteria, shall become the Final Targeted Enterprise Database for the tender.

Any Targeted Enterprise may respond to the invitation to tender, but preference shall be given to those Targeted Enterprises that satisfy the tender criteria.

The Targeted Enterprise Database shall be updated at every instance that a new subcontract tender or group of similar subcontract tenders are to be let for Targeted Enterprise work packages.

Targeted Enterprises within the Project Area shall be encouraged and assisted to register on the CSD and to become compliant with all other statutory requirements.

D3.4 CONTRACT PARTICIPATION GOAL (CPG)

The CPG is the monetary value of the participation goals set by the Employer for Targeted Labour and Targeted Enterprises expressed as a percentage of the Final Contract Value (excluding CPA, Contingencies, and VAT). The participation goals comprise of the following:

a) **Targeted Labour**

In the case of Targeted Labour, the CPG is:

i) the sum of the wages and allowances, for which the Service Provider, Subcontractors, and Targeted Enterprises contract to engage Targeted Labour in the performance of the Contract, expressed as a percentage of the Final Contract Value (excluding CPA, contingencies, and VAT) associated with the Specific Goals that are set in the Specification Data; or

ii) the amount equal to the person days worked for which the Service Provider, Subcontractors, and Targeted Enterprises contract to engage Targeted Labour expressed as a percentage of the total person days worked associated with the Specific Goals that are set in the Specification Data.

% Targeted Labour (TLTotal%) = the sum of the % Targeted Labour employed by the Service Provider, Subcontractors, and Targeted Enterprises.

b) **Targeted Enterprises**

In the case of Targeted Enterprises, including manufacturers, suppliers, and service providers, the CPG is:

i) the amount equal to the value of goods, services and works for which the Service Provider contracts to engage Targeted Enterprises in the performance of the Contract, expressed as a percentage of the Final Contract Value (excluding CPA, contingencies, and VAT) associated with the Specific Goals that are set in the Specification Data, and calculated as follows:

% Targeted Enterprises ($TE_{Total\%}$) = $TE_{Subcontractor}$ + $TE_{Supplier}$ + $TE_{Manufacturer}$ + $TE_{ServiceProvider.}$ + $TE_{JonitVenture}$

Where:

$TE_{Subcontractor}$ = 1.0 x % Targeted Enterprise subcontractors, including the % Targeted Labour employed by Targeted Enterprise subcontractors.

$TE_{Supplier}$ = 0.5 x % Targeted Enterprise suppliers.

$TE_{Manufacuter}$ = 1.0 x % Targeted Enterprise manufacturers.

$TE_{ServiceProvider}$ = 1.0 x % Targeted Enterprise service providers (excluding cost of goods if service provider is not also the supplier or manufacturer of goods, e.g., a transport service).

$TE_{JointVenture}$ = 1.0 x % Targeted Enterprise joint venture participation parameter.

While the individual participation goals, i.e., TLTotal% and TETotal% must be met, the total CPG (CPGTotal) is not the sum thereof, but are calculated as follows:

CPGTotal = Final Contract Value x [TLTotal% + (TETotal% - Targeted Labour employed by the Targeted Enterprises)]

Where:

Final Contract Value = The total value of the Service Provider's final certified work measured at the date of issue of the Taking-Over Certificate. The Final Contract Value includes the value of scheduled work and extra work but excludes any CPA, contingencies, and VAT.

The Service Provider shall strive to distribute and implement the participation goals and opportunities equally and continuously over the duration of the Contract. Where the Service Provider deems such an equal and continuous distribution of the participation goals to be unachievable, he shall provide reasons and motivate it clearly in the preliminary CPG Plan.

Both the Targeted Labour and Targeted Enterprise participation goals may consist of sub-goals which are stipulated in the Specification Data. The Service Provider is required to achieve these individual sub-goals. If the Service Provider fails to achieve any one of the individual sub-goals and does not substantiate that such failure is due to quantitative underruns, the elimination by the Employer of items contracted to Targeted Enterprises, or any other reason beyond the Service Provider's control which may be acceptable to the Employer, penalties shall apply as stated in Section D3.5 of the Specifications, and as provided for in clause 8.7 of the FIDIC Conditions of Contract.

The value of the Provisional Sum scheduled under item D10.05 TRAFFIC MONITORING WORKS BY TARGETED ENTERPRISES will not necessarily make up the full value of the work required to meet the

minimum goal set by the Employer for Targeted Enterprises. It is the Service Provider's responsibility to assess the work required to meet the goals and, if necessary, to engage additional Targeted Enterprises to execute work on the Contract as well to ensure that the minimum goals are achieved.

D3.5 CONTRACT PARTICIPATION PERFORMANCE (CPP)

The CPP is the monetary value of the Service Provider's actual progress towards achievement of the CPG calculated as follows:

CPP = CPGActual

= total monetary value (excluding VAT) of Targeted Labour employed by the Service Provider plus the total monetary value (excluding VAT) of Targeted Enterprises contribution, including Targeted Labour employed by the Targeted Enterprises.

The Service Provider's CPP shall be monitored monthly to determine the extent to which it is striving to achieve the CPG. The basis of monitoring shall be a comparison of the actual expenditure on Targeted Labour and Targeted Enterprises with the planned expenditure for Targeted Labour and Targeted Enterprises as per the accepted CPG Plan. Monthly returns, in the format required by the Employer, shall be submitted by the Service Provider with each interim Payment Certificate.

To assist in the measurement of the CPP the Service Provider shall include the envisaged CPG programme in its initial contract programme which is to be submitted within 28 days after the Commencement Date. The CPG programme shall be updated in the accepted construction programme on acceptance of the CPG Plan and with every subsequent revision.

a) CPP Penalties

Failure to reach either the CPG or any individual Target Group goals shall render the Service Provider liable for a penalty as prescribed in clause 8.7 of the FIDIC Conditions of Contract unless there are compelling reasons why the goal or sub-goals could not be achieved as stipulated in Section D1003.04 of the Specifications. Penalties for Targeted Labour and for Targeted Enterprises shall be calculated as follows:

Penalty Targeted Labour = (TL – TG) + Sum (TLn – TGn) - 1.2 x Ldp

Where:

n = Each lowest order sub-group of Targeted Labour stipulated in the Specification Data.

TL = Monetary value of the Targeted Labour calculated at the percentage stipulated in the Specification Data applied to the Final Contract Value (excluding CPA, contingencies, and VAT).

TG = Cumulative monetary value of Targeted Labour employed on the contract by the Service Provider and all Subcontractors.

Ldp = Cumulative monetary value of black Disabled Persons employed on the Contract by the Service Provider and all Subcontractors.

(TLn - TGn) = The monetary values calculated unless if any calculated value is negative, then it shall be a zero value.

Penalty Targeted Enterprises = (TE – TGE) + Sum (TEn – TGEn) - 1.2 x TEmv - 1.2 x TEdp

Where:

n = Each lowest order sub-group of Targeted Enterprise stipulated in the Contract Data.

TE = Monetary value (excluding VAT) of Targeted Enterprises calculated at the percentage stipulated in the Specification Data applied to the final contract value (excluding VAT).

TGE = Cumulative monetary value (excluding VAT) by Targeted Enterprises sub-contracted to the contract by the Service Provider and 50% of the cumulative monetary value (excluding VAT) by Targeted Enterprise suppliers of goods and/or services.

TEmv = Cumulative monetary value (excluding VAT) by Targeted Enterprises being majority owned by black Military Veterans, sub-contracted to the Contract by the Service Provider.

TEdp = Cumulative monetary value (excluding VAT) by Targeted Enterprises being majority owned by black Disabled Persons, sub-contracted to the Contract by the Service Provider.

(TEn – TGEn)= The monetary values calculated unless if any calculated value is negative, then it shall be a zero value.

The total Penalty value shall be the sum of the Targeted Labour and Targeted Enterprises Penalty values unless the total Penalty value is negative then it shall be a zero (0) value.

Interim penalty valuations, based on the accepted CPG Plan, shall be calculated to interim Payment Certificate values (excluding VAT) to establish the anticipated outcome, and to plan corrective actions for non-adherence to the CPG Plan.

Interim penalty valuations shall not be applied to the interim certificate value, but the Service Provider shall by notice be placed on terms to correct as prescribed in sub-clause 15.1 of the FIDIC Conditions of Contract. Failure to correct by completion of the Contract will lead to an Employer's Claim in terms of sub-clause 2.5 of the FIDIC Conditions of Contract.

Any Penalty payable shall be calculated on and applied to the Final Contract Value.

D3.6 ACCREDITED REGISTRATION

The CPP for Targeted Enterprises shall only be accepted if the respective Targeted Enterprises comply fully with the definition of a Targeted Enterprise, and documentary evidence to support the claim lodged with the Engineer before the work, goods or service may be considered as having been performed by a Targeted Enterprise. The responsibility for producing evidence of the respective documentation shall rest with the Service Provider.

The Service Provider shall assume responsibility for the compilation and maintenance of comprehensive records detailing each Targeted Enterprise's progress.

D3.7 SERVICE PROVIDER'S RESPONSIBILITY

In terms of the Conditions of Contract, all Targeted Labour recruitment and employment and Targeted Enterprises subcontractors, as well as its associated risks, shall remain the sole responsibility of the Service Provider.

The Employers CPG requirements, and the compulsory utilisation of project specific Targeted Labour and Targeted Enterprise databases, shall not relieve the Service Provider of its obligations under the Contract and shall not attract any liability to the Employer.

D4 STAKEHOLDER AND COMMUNITY LIAISON AND SOCIAL FACILITATION

This part of Section D of the Specifications describes the Employer's requirements with respect to Stakeholder and Community liaison and social facilitation. It also describes the roles and responsibilities of the Project Liaison Committee (PLC) and the Project Liaison Officer (PLO).

D4.1 PURPOSE OF STAKEHOLDER AND COMMUNITY LIAISON

To give effect to the need for transparency and inclusion in the process of delivering services, the Service Provider shall liaise with the project Stakeholders and affected Communities for the duration of the Contract's life cycle. This shall be achieved through structured engagement with the PLC which was established by the Employer for this purpose.

D4.2 SERVICE PROVIDER'S RESPONSIBILITIES IN STAKEHOLDER AND COMMUNITY LIAISON

The Service Provider shall have the following general responsibilities in the Stakeholder and Community Liaison process:

i) Stakeholder and Community engagement shall be executed based on the Employer's social facilitation principles and processes described in this Section D of the Specifications.
ii) The Service Provider shall make use of the PLC as the official communication channel, and utilise it to facilitate harmonious relationships, with project Stakeholders and affected Communities.
iii) PLC members, which include the Service Provider, shall be held accountable to disseminate project information discussed at the PLC meetings to the entities that they represent.
iv) As a party to the PLC, the Service Provider shall delegate from among his site personnel a responsible person to participate in the PLC and its business.
v) The Service Provider shall provide the PLC with any assistance and information that it requires to execute its duties, which amongst others, include training, providing a meeting venue on site, providing Target Group reports, etc.

It is important to note that in terms of the Conditions of Contract, all Targeted Labour recruitment and employment, and Targeted Enterprises' selection and subcontracting, as well as its associated risks, shall remain the sole responsibility of the Service Provider.

The Service Provider shall take cognisance of the Employer's PLC and PLO Forms, attached as Annexure X2 (insert Annexure reference). While the Employer holds its own staff accountable for the deliverables listed in the checklist, the Service Provider and the Engineer shall assist the Employer in accomplishing the deliverables.

The Employer's establishment of the PLC and/or the Engineer providing a PLO to the Service Provider shall not relieve the Service Provider of its obligations under the Contract and shall not attract any liability to the Employer.

D4.3 PROJECT LIAISON COMMITTEE (PLC)

NOT APPLICABLE

The PLC is the official communication channel through which the Employer, Engineer, Service Provider, and project Stakeholders and affected Communities communicate on project matters. This platform is also used to communicate the impact that the project has or may have on project Stakeholders and the affected Communities. This part of Section D of the Specifications describes the general processes pertaining to the PLC, as well as its role and responsibilities.

a) **Establishment of the PLC**

A PLC has either been established prior to commencement of the Contract or shall be established as soon as possible by the Employer. The PLC consists of the Employer, Engineer, Service Provider, and representatives of project Stakeholders and affected Communities. To ensure that all relevant Stakeholders are represented in the PLC, the Employer did, or will, consult with the Executive Mayor's office, as well as with the LED Department of the Local Municipalities in the Project Area.

Stakeholder representation on the PLC is project and Project Area specific and may, amongst others, include:

i) Relevant Provincial departments.
ii) Relevant District and Local Municipal departments.
iii) Traditional leadership representation.
iv) Organised forums representing community interest groups.
v) Organised forums representing the youth, woman, and people with disabilities.
vi) Other structured community groups such as religion, education, farming, etc.
vii) Organised forums representing the business sector.
viii) Organised forums representing the transport sector.
ix) Organised forums representing road users and road safety interest groups.
x) Organised forums representing environmental interest groups.

xi) Any other relevant stakeholder forum or organisation recognised by the Employer and the district and/or local municipality.

Every forum/organisation/constituency shall have one (1) representative on the PLC, which representation shall be confirmed by a duly signed nomination form.

It should be noted that the PLC is not a political platform. While political office bearers may be invited to some PLC meetings, they may not be PLC members and hence, will not have voting rights when attending a PLC meeting.

The Employer's timeous establishment of the PLC and/or the level of functionality of the PLC shall not prevent the Service Provider from continuing with his responsibilities during the Mobilisation Period and the subsequent commencement of construction of the Works.

b) **Reimbursement of PLC Members**

PLC membership is voluntary and PLC members shall not be renumerated for any time spent in PLC meetings or work done outside of PLC meetings, which are associated with representing their constituencies on the PLC.

NOT APPLICABLE

Provision for the cost of liaison, social facilitation and PLC support has been made under pay-item D10.02(a). This pay-item provides for the Service Provider's cost incurred in executing his responsibilities w.r.t. Stakeholder and Community Liaison.

This pay-item may also be utilised to reimburse PLC members for actual costs incurred in executing their PLC duties (other than time spent in PLC meetings or work done outside of PLC meetings). The Service Provider will determine and table to the PLC a realistic, monthly, reimbursable amount which will be substantiated by an outline of the anticipated actual costs envisaged to be incurred by PLC members.

In establishing a reimbursement amount for PLC members, the factors listed below, as well as the Project Classification Table may be considered, but is not mandatory or conclusive:

i) Transportation costs.
ii) Sustenance (if not provided during meetings).
iii) Type, size, and complexity of the project.
iv) Facilitation of performance milestones.

Table :1 Project Classification (Type, Size, Complexity)

Project Classification	Project Value (Rm)	Indicative PLC Reimbursement
Maintenance (M)	< R 100	R 585

Project Classification	Project Value (Rm)	Indicative PLC Reimbursement
(OPEX)	> R 100	R 585
Development (D) (CAPEX)	< R 100	R 585
	R 100 – R 300	R 705
	R 300 – R 500	R 820
	> R 500	R 935

PLC members will be reimbursed monthly, and the reimbursable amount may be revised bi-annually should the actual costs incurred by PLC members change during the project.

The PLC reimbursement amount shall be increased annually, or twelve (12) months after the last bi-annual adjustment, based on the CPI figure contained in Table B2 of Statistical Release P0141 by StatsSA (base date March 2023).

c) **Induction of the PLC**

The Employer shall conduct an induction meeting with the PLC to acquaint PLC members with the following information:

NOT APPLICABLE

i) SANRAL's Horizon 2030 Strategy.
ii) SANRAL's Principles for Project Liaison.
iii) The role and responsibilities of PLC members.
iv) SANRAL's Transformation Policy.
v) How the Transformation Policy impacts on SMMEs.
vi) Relevant details of the Contract, e.g.
    a. start and end dates,
    b. important milestones,
    c. CPG targets,
    d. envisaged Targeted Enterprise packages, and
    e. envisaged work for other SMMEs (non-CPG).

d) **Rules of Engagement for the PLC**

In the execution of their duties, members of the PLC shall adhere to the undertakings listed below and the Service Provider shall inform the Engineer of any transgression of these undertakings.

i) <u>General Matters and Membership</u>

a. A PLC member may not be a politically elected representative, and political party representation will not be allowed in the PLC.

b. Ward Councillors may interact with the PLC through the Mayor's Office and the PLC Chairperson (the Employer).

c. If required, and in consultation with the Employer, a Political Steering Committee (PSC) may be established to address political matters.

ii) ii) Term of Office for the PLC

a. The duration of PLC members' participating in the PLC (term of office) shall depend on the duration of the project.

b. If the Employer finds the performance of a PLC member to be below expectation or their conduct to be unacceptable, the affected member will be discharged from their obligations and the constituency whom they represented will be requested to nominate a replacement member.

NOT APPLICABLE

iii) Targeted Enterprises and Targeted Labour

PLC members shall:

a. ensure that they, or companies in which they hold equity, do not tender for any work or on any subcontract that are issued for this Contract. Should a PLC member, or a company in which he/she holds equity, tender for such work or subcontract, it will be treated as a conflict of interest and:
   i. the person shall cease to be a PLC member for this Contract, and
   ii. the tender proposal submitted will not be evaluated.

b. not have private or business interests in any of the subcontract tenders tabled to the PLC or considered in this Contract.

c. shall recuse themselves from discussions that deal with a subcontract tender if any other member is of the opinion that a member's participation in deliberations, which is rightly or wrongly construe as improper or irregular, may lead to the award of a subcontract to a tenderer known to the member.

d. during the tender and tender evaluation processes, neither deliberately favoured nor prejudiced a person or tenderer, as intended, or contemplated in treasury Regulation 16, A8.3 (a), (b) & (c).

e. ensure that no conflict of interest arises from members' involvement in the PLC and potential involvement in Targeted Labour recruitment and/or Targeted Enterprises procurement and/or any other manufacturer/supplier/subcontractor/service provider procurement or involvement in the Contract.

iv) Confidentiality

a. PLC members shall accept that all information, documentation, and discussions regarding any matter serving before the PLC are confidential and undertake not to communicate this information outside of the PLC meeting.
b. Decisions of PLC meetings may not be disseminated to any party other than the constituency whom they are representing.
c. Information for public dissemination shall be clearly documented in the minutes of the meeting of the PLC to ensure that sensitive information is disseminated to the correct audience.

v) Removal from Office

a. PLC members who violate the provisions of these Rules of Engagement for PLCs will be removed from their role as a PLC member at the sole discretion of the Employer.
b. The Employer reserves the right to recover any costs from PLC members whose actions can be regarded as detrimental to the Employer or to the execution of the project.
c. The Employer also reserves the right to recommend criminal prosecution if the offence warrants such action.
d. The Employer reserves the right to dissolve the entire PLC should it believes that such an action is in its best interest, or that of the project. The Employer will not be obliged to reconstitute the PLC if such a dissolution occurs.

NOT APPLICABLE

e) **Responsibilities and Duties of the PLC**

The PLC shall execute specific duties during the design and construction phases of the project.

Some of the PLC's duties during the design and construction stages overlap and hence, for completeness, a description of the PLC's duties in both project stages is provided here.

The PLC shall execute the following duties:

i) Project Design Stage

a. Meet as often as required to provide input to the project's design stage matters which are of interest or concern to the parties to the PLC.
b. Peruse the PLC duties outlined in this Section D of the Specifications and agree on the duties of, and procedures to be followed by, the PLC to fulfil its duties.
   Note: The principles outlined in this section shall not be amended, but duties and procedures may be altered to be project specific and to improve the functionality of the PLC.
c. Act in accordance with the agreed terms of reference for the PLC.
d. Inform the Employer's Project Manager of any training that PLC members require to execute their duties.

e. Provide input to the Engineer in sourcing suitable candidates, based on the Employer's qualifying criteria, for the position of PLO.
f. Observe that the qualifying criteria and procedures applied by the Engineer to select and employ the PLO are executed in a fair and transparent manner and are within the prescripts of the relevant labour legislation and regulations.
g. Provide input to the Engineer in identifying the project's Target and Project Area(s) from which Targeted Labour and Targeted Enterprises could be employed and subcontracted, respectively.
h. Provide input to the Engineer in identifying the project's Target Groups for inclusion in the Tender Documents.

ii) Project Construction Stage

a. Meet formally prior to the Employer's monthly site meeting, or as may be required, to discuss and resolve project matters which are of interest or concern to the parties to the PLC.
b. Provide input to the Service Provider in establishing the selection criteria and process to employ Targeted Labour
c. Provide input to the Service Provider in identifying the eligibility, functionality, preference, and compliance criteria to select and subcontract Targeted Enterprises.
d. Provide input to the Databases compiled by the PLO and the Service Provider from which Targeted Labour will be selected and employed and Targeted Enterprises will be subcontracted, respectively.
e. Observe that the criteria and methodologies applied by the Service Provider to select and employ Targeted Labour and subcontract Targeted Enterprises are executed in a fair and transparent manner and are within Government legislation and regulations and the Employer's Policies.
f. Observe that the conditions of employment and the conditions of subcontracting, in the employment of Targeted Labour and subcontracting of Targeted Enterprises are applied in a fair and transparent manner and according to the Employer's employment and subcontracting requirements.
g. Provide input to the Service Provider on the training needs, eligibility criteria and selection criteria for the provision of training to Targeted Labour, Targeted Enterprises, Target Groups, project Stakeholders and the affected Communities.
h. Observe that training and skills development programmes, which the Service Provider committed to, are implemented, and executed as approved and intended.
i. Inform the constituency whom they represent of any project matters which the respective parties to the PLC wishes to communicate with each other.
j. Inform the constituencies whom they represent of any project matters that are impacting or may impact, either positively or negatively, on the respective parties to the PLC.
k. Inform the Employer's Project Manager, Engineer, and Service Provider of any road safety concerns within the Project Area(s) and provide input on possible mitigating measures

NOT APPLICABLE

and/or road safety programs that will be most suitable for acceptance by the affected Communities to promote road safety.

l. Assist parties to the PLC to agree on a dispute resolution mechanism to resolve any disputes that may arise between the parties to the PLC.

m. Assist parties to the PLC to liaise with their respective constituencies to resolve any disputes amongst the parties which may occur due to the project.

f) **PLC Meetings**

i) Frequency

a. Meetings will be conducted monthly or as required by the parties to the PLC based on the urgency of project matters.

ii) Notice of Meetings

a. Notice of PLC meetings shall be given at least seven (7) calendar days prior to meeting dates.

b. Where meetings have been diarised over a period by the PLC, it shall be the duty of each PLC member to ensure his/her attendance on the set dates.

c. Where a PLC member has been absent from a meeting, he/she bears the onus of acquiring the date and venue of the next meeting.

NOT APPLICABLE

iii) Venue

a. The venue for PLC meetings shall be the project site office or any other venue agreed to by the members of the PLC and approved by the Employer' Project Manager.

b. During the COVID-19 lockdown, or any other lockdown as announced by government, the meetings shall be held on an online platform such as WhatsApp, MS Teams, Zoom or similar.

iv) Agenda

a. An agenda shall be made available or displayed to PLC members at the commencement of meetings, or the minutes of the previous meeting will serve as the agenda of meetings.

b. The agenda shall not be amended without prior approval from the Employer's Project Manager.

v) Chairperson

a. PLC meetings shall be chaired by the Employer which will typically be the Employer's Project Manager, or a SANRAL staff member, with decision-making delegation. The Chairperson shall:

i. chair all meetings of the PLC,

ii. co-ordinate all the activities of the PLC with the assistance of the PLO,

iii. monitor that PLC members are fulfilling their tasks as assigned by the PLC,

iv. see to the execution of decisions taken by the PLC,

v. ensure, with the assistance of the Engineer, the validity of members' claims for reimbursement,
vi. monitor that all activities of the PLC comply with current laws, regulations, and SANRAL policies, and
vii. be a co-signatory to all official documents of the PLC.

vi) Secretariate
a. The Engineer's staff shall provide a secretarial service to take minutes of PLC meetings.
b. Secretarial support other than taking minutes at PLC meetings shall be provided by the PLO.

vii) Quorum
a. The quorum for PLC meetings shall be constituted by 50% plus one (+1) ratio excluding co-opted members.

viii) Apologies and Non-attendance
a. Apologies shall be in writing. In an emergency where a PLC member could not apologise in advance, a written apology must be submitted as soon as possible.
b. Apologies may be sent through any media agreed to by the PLC, e.g., through SMS or WhatsApp messaging or a similar application.
c. The constituency, represented by a PLC member who fails to attend three (3) consecutive meetings without an apology, will be informed in writing and requested to nominate a replacement member.

NOT APPLICABLE

ix) Language
a. PLC meetings will be conducted in English to enable all participants to understand the discussions of the meeting.
b. However, care and consideration must be given to provide non-English speakers an opportunity to participate and hence, if agreed by all PLC members any of the 11 official languages may be spoken and translated during the meeting. Even if a language other than English is used, the minutes of the meeting will be recorded in English.

x) Other
a. Sustenance shall be provided at PLC meetings as per government policy.

D4.4 PROJECT LIAISON OFFICER

The PLO facilitates the selection and employment of Targeted Labour and coordinates communication between the members of the PLC to address the day-to-day project, Stakeholder, and Community matters that impact on the parties represented in the PLC.

a) Appointment of the PLO

The Engineer appoints the PLO in accordance with the Employer's criteria for a PLO. The appointment of the PLO must be supported by the PLC.

Although the PLO provides social facilitation support to the Service Provider, the PLO shall report to the Engineer or his delegated representative, e.g., the Resident Engineer.

b) Duties of the PLO

The PLO shall execute specific duties during the design and construction phases of the project. These duties include the following:

i) Except for taking the minutes of PLC meetings which is a duty of the Engineer, the PLO shall provide a secretariat function to the PLC which includes, amongst others, the following:
   a. Schedule meetings.
   b. Compile meeting agendas.
   c. Compile document packages for meetings.
   d. Distribute minutes of meetings.
   e. Assist representatives of project Stakeholders and affected Communities to formulate their communication to the PLC in writing.
   f. Distribute written communication between the parties to the PLC.
   g. Keep records of all PLC correspondence and documentation; and
   h. Provide any other reasonable secretariat function required by the PLC.
ii) Attend all PLC meetings to report on the day-to-day project, Stakeholder and Community matters that impact on the parties to the PLC.
iii) Attend all monthly project site meetings to report on the day-to-day project, Stakeholder and Community matters that impact on the parties to the PLC.
iv) Attend any other meetings related to the project in which any of the project Stakeholders, affected Communities, Targeted Labour and Targeted Enterprises are involved.
v) Maintain a full-time presence on site to monitor and address the day-to-day project, Stakeholder and Community matters that impact on the parties to the PLC.
vi) Maintain a full-time presence on site to assist the parties to the PLC in the day-to-day liaison with each other.
vii) Assist the Engineer and the Service Provider to disseminate information to PLC members such as:
   a. the basic Scope of the Works and how it will affect the Community,
   b. the project programme and regular progress updates,
   c. the anticipated employment and subcontracting opportunities,
   d. the project programme as it pertains to the employment of Targeted Labour and subcontracting of Targeted Enterprises,
   e. Occupational Health and Safety precautions, and
   f. any other information relevant to project Stakeholders and the affected Communities.

NOT APPLICABLE

viii) Be well acquainted with the contractual requirements as they pertain to Targeted Labour employment and training.

ix) Assist the PLC to establish and agree the criteria to follow when selecting and employing Targeted Labour.

x) Assist the Engineer and the Service Provider in their resources and skills audits by providing a coordinating function between the Engineer, the Service Provider, project Stakeholders and the affected Communities.

xi) Monitor that the Service Provider compiles the Targeted Labour databases based on the eligibility and selection criteria and that it is updated as and when required.

xii) Coordinate the selection and employment of Targeted Labour based on the agreed eligibility and selection criteria and based on the Service Provider's labour and skills requirements.

xiii) Confirm that each Targeted Labourer enters an employment contract which adheres to current and relevant Labour legislation.

xiv) Confirm that each Targeted Labourer understands the conditions of his/her employment contract, with an emphasis on the employment start date, end date and wages payable.

xv) Identify and inform the Service Provider of any relevant training required by the Targeted Labour.

xvi) Attend all disciplinary proceedings to observe that hearings are fair and conducted in accordance with the current and relevant Labour legislation.

xvii) Be proactive in identifying project Stakeholder and affected Communities' (including Targeted Labour and/or Targeted Enterprise Subcontractor), requirements, disputes, unrest, strikes, etc., and bring it to the attention of the PLC.

xviii) Play a facilitating role to resolve any disputes between the parties to the PLC, which may occur due to the project.

xix) Other than keeping the records already mentioned in this section, keep a record of all other documents and processes pertaining to the employment of Targeted Labour.

xx) Produce and submit a monthly report to the PLC on PLC and other meetings attended by the PLO, as well as on Targeted Labour employment, Stakeholder and affected Communities' matters and any other project matters that impact on the parties to the PLC.

NOT APPLICABLE

D5 MOBILISATION PERIOD

The Mobilisation Period is defined in Section D2 of the Specifications. This Section describes the requirements of the Mobilisation Period.

D5.1 PURPOSE OF THE MOBILISATION PERIOD

The Mobilisation Period was introduced as an aid to the Service Provider to:

a) become acquainted with the Stakeholder and Community liaison requirements of the Contract as prescribed in this Section D of the Specifications,

b) allow for the Service Provider's planning to obtain the CPG as required in the Specification Data,

c) allow for the Service Provider's planning to obtain the Contract Skills Development Goals (CSDG) as required in Section D10 of the Specifications,

d) follow the processes prescribed in this Section D of the Specifications to employ the initially required Targeted Labour and enter the first subcontracts with Targeted Enterprises, and
e) provide the training required by Targeted Labour and Targeted Enterprises to commence with the construction of the Works.

Access to site for the Commencement of the Works shall thus only be issued once the following deliverables have been submitted and/or completed by the Service Provider:

a) Submission of the CPG Plan, followed by acceptance of the Employer.
b) Submission of the Training and Skills Development Programme, followed by acceptance of the Employer.
c) Appointment of the initial Targeted Enterprise Subcontractors.

D5.2 DUTIES OF THE SERVICE PROVIDER

During the Mobilisation Period, the Service Provider shall execute the following duties:

a) Compile a CPG Plan

The Service Provider shall compile an acceptable CPG Plan, which sets out how he intends to achieve the various CPG targets as stated in the Specification Data. The Service Provider shall distribute and implement the participation targets and Targeted Enterprise work opportunities equally and continuously over the duration of the Contract, i.e., from site establishment to completion of the Works. Where the Service Provider deems such an equal and continuous distribution of the participation targets to be unachievable, he shall provide reasons and motivate it clearly in the CPG Plan.

The CPG Plan shall provide the detail of the Targeted Enterprise work programme, as well as the contents and value of the work packages. See ANNEXURE X1 for the CPG Plan format.

The Targeted Enterprise work programme shall be in line with the Works Programme and once the CPG Plan has been accepted by the Engineer, it shall be captured in the Works Programme.

The Mobilisation Period shall only be concluded once the CPG Plan has been accepted by, and all the duties w.r.t. the Mobilisation Period have been executed to the satisfaction of, the Engineer after consultation with the Employer's Project Manager.

The Employer's Project Manager shall monitor progress and adherence to the CPG Plan in the same manner as they would monitor the Works Programme.

Should the Service Provider require an extension of the Mobilisation Period due to a delay not within his control, Contractual Procedure shall be followed, and the Service Provider shall submit his Claim for an extension of time through the relevant Contractual Clauses of the Conditions of Contract.

b) Compile a Training and Skills Development Programme

The Service Provider shall compile an acceptable Training and Skills Development Programme, which sets out how he intends to achieve the various CSDG targets as per Section D10 of the Specifications.

The Training and Skills Development Programme shall provide the detail of the training methods selected for implementation as described in Section D10 of the Specifications and shall include an execution programme for acceptance by the Engineer, which shall demonstrate its correlation with the Works Programme.

The Mobilisation Period shall only be concluded once the Training and Skills Development Programme has been accepted by, and all the duties w.r.t. the Mobilisation Period have been executed to the satisfaction of, the Engineer after consultation with the Employer's Project Manager.

The Employer's Project Manager shall monitor progress and adherence to the Training and Skills Development Programme in the same manner as they would monitor the Works Programme.

c) Subcontracting to Targeted Enterprises

During the Mobilisation Period the Service Provider shall execute the following duties w.r.t. subcontracting work to Targeted Enterprises:

i) Liaise with the Employer's Project Manager structure and finalise the work packages to be subcontracted to Targeted Enterprises.
ii) Liaise with the Employer's Project Manager to determine the Targeted Enterprise Database criteria for the subcontracting of Targeted Enterprises.
iii) Compile the Targeted Enterprise Database(s).
iv) Undertake a skills audit of the Targeted Enterprises which appear on the Targeted Enterprise Database(s).
v) Based on the skills audit, identify the pre-tender training requirements of Targeted Enterprises.
vi) Provide an opportunity to Targeted Enterprises to receive the identified pre-tender training.
vii) Tender the initial work packages and subcontract the first group of Targeted Enterprises for commencement of the Works.

d) Employment of Targeted Labour

During the Mobilisation Period the Service Provider shall execute the following duties w.r.t. the employment of Targeted Labour:

i) Liaise with the Employer on the compiled Targeted Labour Database(s) for the employment of Targeted Labour.

ii) Undertake a skills audit of the Targeted Labour which appear on the Targeted Labour Database(s).

iii) Based on the skills audit, identify the training requirements of Targeted Labour to enhance their employability.

iv) Provide an opportunity to eligible Targeted Labour to receive the identified training to enhance their employability.

v) Select and appoint the first group of Targeted Labour for commencement of the Works.

e) Training Requirements

The Service Provider will not be able to address all the training requirements identified for Targeted Labour and Targeted Enterprises during the Mobilisation Period and it is accepted that training will take place over the duration of the Contract.

The training provided to both Targeted Enterprises and Targeted Labour during the Mobilisation Period shall focus on the activities and/or skills required for the commencement of the Works and shall include the mandatory Occupational Health and Safety training.

All training provided by the Service Provider shall be aligned with the training requirements as described in Section D10 of the Specifications.

D6 THE ROLE OF THE ENGINEER (NOT APPLICABLE TO THIS CONTRACT)

The role and responsibilities of the Engineer are clearly described in the Conditions of Contract. This section elaborates on the Engineer's duties with respect to Stakeholder and Community Liaison, Targeted Labour employment and Targeted Enterprise subcontracting.

Together with the Employer and the Service Provider, the Engineer is also a party to the PLC and hence, is co-responsible for successful project Stakeholder and Community liaison.

In addition, the Engineer shall play a supporting role to the Service Provider in the successful implementation of the Employer's Targeted Labour and Targeted Enterprise utilisation and development goals.

NOT APPLICABLE

D6.1 DUTIES DURING THE DESIGN PHASE

During the design phase the Engineer undertook a preliminary skills and resources audit of the Targeted Enterprises and Targeted Labour in the Project Area. The purpose of the audit was to:

a) obtain an understanding of the Community's skills, both educational and occupational,

b) obtain and understanding of the resources available within the Community, i.e., Targeted Enterprise availability and capabilities, and Targeted Labour skills levels.

c) establish the CPG targets for Targeted Enterprises and Targeted Labour for inclusion in the Specification Data; and

d) identify tender and other relevant training to be offered to Targeted Enterprises and Targeted Labour to prepare them for tendering and to enhance their employability.

D6.2 DUTIES DURING THE CONSTRUCTION PHASE

To implement the Employer's Targeted Labour and Targeted Enterprise goals the Engineer shall provide support to the Service Provider by executing the following duties:

a) Targeted Enterprise Subcontracting

i) Make recommendations to the Service Provider in identifying, structuring, and scheduling the work packages to be subcontracted to Targeted Enterprises.
ii) Approve the scope and extent of the work packages and, in consultation with the Employer, accept the CPG Plan.
iii) Verify that the Targeted Enterprise Database(s) has been updated prior to the letting of every new set of subcontracts.
iv) Approve tender procedures, tender documents, tender submission requirements and adjudication processes for the subcontracting of Targeted Enterprises.
v) Review all tender adjudication reports and monitor that the criteria and procedures applied by the Service Provider to subcontract to Targeted Enterprises are executed in a fair and transparent manner and are within the Employer's and Government's Supply Chain Management Policies.
vi) Verify that subcontract agreements and the conditions of subcontracting to Targeted Enterprises are fair and transparent and within the prescripts of the Contract requirements.
vii) Monitor the management of Targeted Enterprise subcontracts and ensure that conditions such as the application of penalties, the termination of contracts, etc. are applied in a fair and transparent manner and within the prescripts of the subcontract agreement.

NOT APPLICABLE

b) Targeted Labour Employment

i) Verify that the Labour Database(s) from which Targeted Labour will be employed is updated prior to every new Labour intake.
ii) Monitor that the criteria and procedures applied by the Service Provider to employ Targeted Labour are executed in a fair and transparent manner and is within the Contract requirements.
iii) Monitor that the conditions of employment of Targeted Labour are applied in a fair and transparent manner and within the prescripts of the current and relevant Labour legislation.

c) Target Group Training Requirements

i) Make recommendations to the Service Provider in identifying the training requirements of Targeted Labour and Targeted Enterprises.
ii) Approve the proposed Training and Skills Development Programme, in consultation with the Employer.

iii) Monitor that the Training and Skills Development Programme and any Targeted Enterprise support programmes, which the Service Provider committed to, are implemented, and executed as intended.

D7 TENDER PROCESS FOR TARGETED ENTERPRISES

While the Service Provider may utilise manufacturers, suppliers, service providers, and subcontractors of its choice and selected via its own internal processes, for the subcontracting of Targeted Enterprises based on the Employer's Contract Participation Goals, the Service Provider shall follow the prescripts of this Section D of the Specifications.

D7.1 TARGETED ENTERPRISE (TE) PROCUREMENT COORDINATOR

The Service Provider shall appoint a TE Procurement Coordinator to facilitate the subcontracting of work to Targeted Enterprises as defined in the Specification Data. For Contracts with a value of less than R 100 million the Service Provider may appoint a TE Procurement Coordinator from its site staff. The Service Provider shall employ or subcontract a dedicated TE Procurement Coordinator, whose sole responsibility will be the management of Targeted Enterprise procurement and subcontracting matters.

The TE Procurement Coordinator shall be well acquainted with, and has experience in:

a) the management of traffic counting and ancillary works,
b) National Treasury's Supply Chain Management Legislation and Regulations,
c) the Employer's Supply Chain Management and Procurement Policies,
d) the Employer's Transformation Policy,
e) the Employer's proforma document for Targeted Enterprise Subcontracting,
f) claims, amicable settlement, and dispute resolution facilitation, and
g) Stakeholder and Community relations management.

The TE Procurement Coordinator shall conduct the tender processes and procedures for Targeted Enterprise subcontracting as prescribed in this Section D of the Specifications and shall adhere to Government's Supply Chain Management legislation and regulations and the Employer's policies.

The TE Procurement Coordinator shall provide the Employer's Project Manager with the necessary pre- and post-tender information for them to be able to observe that the criteria and methodologies applied by the Service Provider to subcontract Targeted Enterprises are executed in a fair and transparent manner and are within Government's legislation and regulations and the Employer's policies.

D7.2 PROCEDURES FOR TARGETED ENTERPRISES SUBCONTRACTING

The Service Provider shall utilise the Employer's proforma tender and contract document for Targeted Enterprise Subcontracting. The proforma subcontract document is attached as ANNEXURE X3 and an electronic version will be provided to the Service Provider on award.

The identification and application of the eligibility and functionality criteria, and conducting the tender processes and procedures for subcontracting include, amongst others, the following activities, and sub-activities:

1. Activity 1: Tender Preparation

1.1. Compile preliminary list of subcontracting work packages.
1.2. Conduct a market analysis and resources and skills audit.
1.3. Call for an expression of interest.
1.4. Establish a Targeted Enterprise Helpdesk.
1.5. Compile Preliminary Targeted Enterprise Database.
1.6. Identify Targeted Enterprises, Target Groups and Project Area.
1.7. Finalise the Contract Participation Goal (CPG) Plan.
1.8. Acceptance of the CPG Plan.
1.9. Compile tender documents.

2. Activity 2: Tender Process

2.1 Advertise the subcontract packages.
2.2 Conduct a tender briefing and tender training session.
2.3 List of minimum tender submission documents.
2.4 Tender closure and opening of tenders.
2.5 Finalise Targeted Enterprise Database.

3. Activity 3: Tender Evaluation

3.1 Stage 1 – Eligibility
3.2 Stage 2 – Functionality
3.3 Stage 3 – Price and Preference
3.4 Stage 4 – Compliance Check

4. **Activity 4: Appoint Successful Targeted Enterprises**

4.1 Submitting a Tender Report.
4.2 Negotiating tender sum and/or rates with Targeted Enterprises.
4.3 Low tender sums submitted by Targeted Enterprises.
4.4 Payment to the Service Provider.
4.5 Entering the Subcontract Agreement.

The summarised list of activities above, are further elaborated on in the paragraphs below:

a) <u>Tender Preparation</u>

Although the Service Provider is required to implement the Targeted Enterprise work opportunities equally and continuously over the duration of the Contract, most of the Tender Preparation activities must be concluded during the Mobilisation Period.

i) Compile a preliminary list of subcontracting work packages.

Based on the Specification Data and the Scope of the Works, the Service Provider shall compile a preliminary list of the work packages (scope of work and number of packages) that are anticipated to be subcontracted to Targeted Enterprises.

The Service Provider shall refer to the activities that has been identified as being suitable to the Targeted Enterprises as listed in Section D9 of the Specifications, and to any other construction activities which are required to execute the Works in terms of this Contract, to determine how to unbundle or package subcontracts for Targeted Enterprises.

ii) Conduct a market analysis and resources and skills audit.

Based on the preliminary list of work packages, the Service Provider shall conduct a market analysis and resources and skills audits to determine the availability of the required resources and skills in the Project Area to execute the anticipated Targeted Enterprise work packages. The Service Provider shall consult the following databases as a minimum:

a. National Treasury's Central Supplier Database (CSD) to be obtained from the Employer's Supply Chain Management Department.

iii) Call for an expression of interest.

In addition to consulting the National Treasury's CSD, the Service Provider shall call for an expression of interest, which shall be published in newspapers and at locations as advised by the Employer.

For each group of work packages, the call for an expression of interest shall outline:

a. evaluation and selection criteria such as eligibility, functionality, and preference,
b. compliance requirements such as CSD, tax clearance and COID compliance, and
c. the anticipated scope of the works to be undertaken by Targeted Enterprises.

iv) Establish a Targeted Enterprise Helpdesk

Other than informing the Service Provider's market analysis and resources and skills audits, the purpose of the call for an expression of interest is to alert Targeted Enterprises of the subcontracting opportunities and inform them of the anticipated eligibility, functionality, and preference criteria, as well as of compliance requirements.

The Service Provider shall enhance the readiness of Targeted Enterprises to participate in the subcontracting opportunities by establishing a Targeted Enterprise Helpdesk at a suitable and easily accessible location in the Project Area.

The Service Provider shall provide guidance to Targeted Enterprises in getting their statutory requirements in order in anticipation of the subcontracting opportunities. The helpdesk shall assist with, or provide guidance in, registering with the CSD, obtaining tax clearance and COID compliance and any other relevant qualifying requirements.

v) Compile Preliminary Targeted Enterprise Database

Based on the CPG targets listed in the Specification Data and the information obtained from the activities described in the paragraphs above, the Service Provider shall compile a Preliminary Targeted Enterprise Database.

In compiling the Preliminary Targeted Enterprise Database, the Service Provider must bear in mind that the benchmark for an adequate number of tenderers to ensure a competitive tender process is ten (10) tenderers that are able to achieve the functionality threshold during the tender evaluation stage.

vi) Identify Targeted Enterprises, Target Groups and Project Area(s).

Based on the CPG targets listed in the Specification Data and the Preliminary Targeted Enterprise Database, the Service Provider shall identify the:

a. Targeted Enterprises and
b. Target Groups (woman, youth, etc.) which are anticipated to benefit from the subcontracting opportunities; and
c. Project Area(s) from which Targeted Enterprises will be given preference for subcontracting opportunities.

vii) Finalise the Contract Participation Goal (CPG) Plan.

The Service Provider shall utilise all the information gathered from the activities described in the paragraphs above to finalise the CPG Plan. The plan shall contain:

a. a list of work packages (scope of work and number of packages) to be subcontracted to Targeted Enterprises,
b. procurement, award, and execution dates for the work packages, distributed over the duration of the Works Contract (from site establishment to completion of the Works) to ensure continuous work opportunities,
c. the Preliminary Targeted Enterprise Database(s) for each work package,

d. the Targeted Enterprises (CIDB grades and types) and Target Groups (woman, youth, etc.) which are to benefit from the subcontracting opportunities,
e. the Project Area(s) from which Targeted Enterprises will be given preference for subcontracting opportunities, and
f. the tender evaluation and selection criteria for the respective work packages.

viii) Acceptance of the CPG Plan

The Service Provider shall submit the CPG Plan to the Employer for acceptance.

If required, the Service Provider shall make amendments to the CPG Plan based on the Employer's instructions.

ix) Compile tender documents.

The Service Provider shall compile the tender documents for each Targeted Enterprise subcontract work package and shall utilise the Employer's proforma document for Targeted Enterprise Subcontracting (see ANNEXURE X3)

The Service Provider shall compile each subcontract tender document in a manner that facilitates the achievement of all objectives and principles pertaining to the development of the Targeted Enterprises.

The subcontract work packages, its evaluation and selection criteria, and the Tender Advertisement shall be acknowledged by the Employer, prior to advertising the tender (see ANNEXURE X4) The draft subcontract tender documents shall be approved by the Employer before letting the tender.

b) Tender Process

i) Advertise the sub-contract packages.

The Service Provider shall advertise and invite tenders from Targeted Enterprises for the respective subcontract packages. Advertisements shall be placed in local newspapers, on community notice boards, on SANRAL's electronic supply development desk portal (https://sanralesdd.co.za), and any other place or medium as advised by the Employer. The Service Provider shall keep printed proof of all advertisements and the platforms where the subcontract packages were advertised.

If the Employer have a pro-forma Tender Notice available, the Service Provider shall use this document.

ii) Conduct a tender briefing and tender training session.

For each group of subcontract packages, the Service Provider shall conduct a compulsory briefing session to explain the tender process, the evaluation and selection criteria and the scope of the works to the Targeted Enterprises.

An Attendance Register shall be completed by all attendees and Minutes shall be taken during the briefing session. The Minutes of the briefing session shall be distributed to all attendees as an Addendum to the Tender Documents.

The Service Provider shall conduct a "how to complete a tender document" training session as a component of the tender briefing session to interested Targeted Enterprises. The level of detail and hence the duration, of the training session shall be informed by the findings of the resources and skills audit conducted during the Tender Preparation Phase.

Notes of the tender briefing training session shall be distributed to all attendees of the briefing session as an Addendum to the Tender Documents, irrespective if they have attended the training session or not.

A separate Attendance Register shall be completed for the training session for future reference.

iii) Minimum tender submission documents.

It shall be a condition of tender that Targeted Enterprises include in their tender submissions the following documentation (if applicable, based on the subcontract type, e.g., construction, manufacturing, supply, or services):

a. A valid B-BBEE certificate or Sworn Affidavit with the Tenderer's B-BBEE contributor level.
b. Proof that the Tenderer is an EME or QSE entity.
c. Proof that the Tenderer is registered on National Treasury's CSD.
d. Proof of the Tenderer's locality (address registered with the CIPC).
e. Proof that the Tenderer is compliant with the COID act.
f. Proof that the Tenderer is tax compliant.

iv) Tender closure and opening of tenders.

Tenders for the subcontract packages shall close at the stipulated time and date as advertised in the subcontract Tender Advertisement and Tender Data. Tenders shall be submitted to the Service Provider in the format and at the address prescribed by the Service Provider in the subcontract Tender Advertisement and Tender Data.

The tender opening shall be conducted by the Service Provider who shall publicly announce and record the names of all Tenderers and their tender prices.

v) Finalise Targeted Enterprise Database

The purposes of the preliminary Targeted Enterprise Database are described in the Tender Preparation phase above of which one is to alert Targeted Enterprises to assess their readiness to participate in the project's Subcontractor opportunities.

The period between the Service Provider's call for an expression of interest and the date of closure of the relevant subcontract tender allows for prospective Tenderers to become compliant to the database criteria. The preliminary database is thus a "live" database until the date of tender closure.

On the date of tender closure, the Service Provider shall request the Employer's Supply Chain Management Department, through the Project Manager, to print out a list from National Treasury's CSD, of entities that adheres to the Targeted Enterprise Database criteria. This list shall become the Final Targeted Enterprise Database for the relevant subcontract tender.

c) Tender Evaluation

The Service Provider shall evaluate the tenders, and it shall be a condition of tender that tenders will only be accepted from Targeted Enterprises that fully comply with the definition of a Targeted Enterprise as described in Section D2 of the Specifications.

The Service Provider shall evaluate the tenders based on (1) Eligibility, (2) Functionality, (3) Price and Preference, and (4) Compliance.

i) Stage 1 – Eligibility

Tenderers shall be checked for their eligibility to tender for the advertised sub-contract packages based on the following eligibility criteria:

a. Proof that the Tenderer is registered on National Treasury's CSD.
b. Proof that the Tenderer is registered with the CIPC.
c. A valid B-BBEE certificate or a Sworn Affidavit with the Tenderer's B-BBEE contributor level.
d. Proof that the Tenderer is an EME or a QSE.
e. Proof that the Tenderer falls within one or more of the Target Groups as per the Specification Data (if applicable).

Eligible Tenderers shall be further evaluated against the functionality criteria.

ii) Stage 2 – Functionality

No Targeted Enterprise may be prohibited from responding to the invitation to tender; however, preference shall be given to those Targeted Enterprises that adheres to the tender criteria, which amongst others, shall be measured by means of a functionality evaluation.

To ensure Targeted Enterprise participation as it is intended by the Employer and as defined in the Specification Data, Functionality shall be scored based on the type of sub-contract package, e.g., construction or the supply of goods or services and at least three (3) or more of the criteria listed below shall be applied.

The points allocated for the listed criteria shall be clearly demonstrated to tenderers as a matrix in the tender document. The functionality matrixes provided in the Employer's proforma document for Targeted Enterprise subcontracting (ANNEXURE X3) shall be applied to evaluate the functionality of Tenderers.

Tenderers must score a minimum of 75% for functionality and Tenderers that do not obtain the threshold shall not be evaluated further.

a. <u>Locality</u>

The points allocated for Locality should have a weighting in the total evaluation points but shall not be more than 65% of the total evaluation points.

Points scored shall be based on the Targeted Enterprise's registered address with the CIPC.

i. If the Targeted Enterprise is more than twelve (12) months old and the company address:
   1. was changed with the CIPC in the twelve (12) months prior to the tender advertisement; or
   2. does not correlate with the company address recorded on the CSD,

   the Targeted Enterprise shall provide additional proof of its address in the twelve (12) months preceding the tender advertisement date and that the address is current by submitting the following:
   (a) for urban areas:
      a. signed lease agreement confirming occupation in the preceding twelve (12) months; or
      b. mortgage statement confirming ownership in the preceding twelve (12) months; and

c. a current utility bill (not older than three (3) months) confirming that occupation is current; or

(b) for semi-urban and rural areas

a. an affidavit from the relevant ward councillor or traditional authority, signed and stamped by a registered commissioner of oaths, which confirms that the business has been operating from the said address in the preceding twelve (12) months.

ii. If Targeted Enterprise is less than twelve (12) months old and the company address:

(a) was changed with the CIPC in the twelve (12) months prior to the tender advertisement; or

(b) does not correlate with the company address recorded on the CSD,

the oldest registered address on either the CIPC or the CSD will be accepted as the Targeted Enterprise's address for the purpose of scoring locality points.

iii. If the Targeted Enterprise intends to operate from a branch office for the purpose of the anticipated sub-contract, the same additional proof that the company has been operating from the branch office in the twelve (12) months prior to the tender advertisement date must be provided as listed in the paragraphs above.

iv. If the above additional proof of address cannot be provided, locality points shall be awarded based on the tenderer's address registered with the CIPC in the twelve months prior to the tender advertisement date.

b. <u>Project Specific Target Groups, e.g., woman, youth, etc.</u>

In addition to the eligibility criteria for preferential procurement functionality points may also be allocated for the following Target Groups:

i. Tenderer is 51%+ owned by black people who are youth.
ii. Tenderer is 51%+ owned by black people who are women.
iii. Tenderer is 51%+ owned by black people with disabilities.
iv. Tenderer is 51%+ owned by black people who are military veterans.

The points allocated for Target Groups shall not be more than 15% of the total evaluation points.

One, two or three of the Target Groups listed above may be selected to count towards the score for Target Groups.

If any one of the Target Groups listed above is already an eligibility criterion, it must not be included as a functionality criterion as well.

The inclusion of any of the Target Groups listed above shall be based on the Service Provider's Resources and Skills Audit.

Youth and veterans may not be selected together.

iii) Stage 3 – Price and Preference

Tenderers that obtained the minimum threshold for functionality shall be further evaluated on their Price and Preference submissions, i.e.

a. Price = 80 / 90 %
b. Preference = 20 / 10 %

Preference will be scored as follows:

Table 2: Allocation of Preference Score

Specific Goals	Criteria	10 Points		20 Points	
		Points	Max Points	Points	Max Points
TE's B-BBEE Level	1	10	10	20	20
	2	9		18	
	3	6		14	
	4	5		12	
	5	4		8	
	6	3		6	
	7	2		4	
	8	1		2	
	Non-compliant	0		0	

The highest scoring tenderer for each sub-contract package shall be checked for compliance.

The Service Provider shall state in the tender advertisement and in the tender documents that only one sub-contract package shall be awarded to an entity at any one time for this project, meaning that a Targeted Enterprise may be awarded a work package and on conclusion thereof may be awarded a subsequent work package, but more than one work package may not be awarded simultaneously for this project.

If a tenderer tendered for more than one sub-contract package and scored the highest points in more than one package, the Service Provider shall award to the tenderer the work package that has the most economic benefit to the Employer.

iv) Stage 4 – Compliance Check

The highest scoring tenderer for each sub-contract package shall be checked for compliance with respect to the following criteria:

a. Proof that the Tenderer is compliant with the COID Act.
b. Proof that the Tenderer is tax compliant.

If the highest scoring tenderer fails to meet any of the compliance criteria, he will be given seven (7) calendar days to become compliant.

If the highest scoring tenderer fails to submit the requested compliance information in the required timeframe, he shall be deemed non-compliant, and the evaluator shall check the second highest tenderer for compliance. This process is repeated until a compliant tenderer has been identified.

d) Appoint successful Targeted Enterprises

i) Submitting a Tender Report.

The Service Provider shall present the Tender Report for each sub-contract package to the Employer's Project Manager prior to award of the sub-contract.

ii) Negotiating tender sum and/or rates with Targeted Enterprises.

a. **Rates**

If the Service Provider choose to include work for which he has tendered rates in the sub-contract package and the tenderer who scored the highest points tendered higher rates than that of the Service Provider, the Service Provider may negotiate rates and the final sum with the tenderer.

If the Service Provider fails to negotiate a reasonable tender sum or rates with the tenderer, he may:

i. approach the second highest points scoring compliant tenderer for negotiation. This process may be repeated up to the third highest points scoring compliant tenderer, where after the package shall be retendered. the Service Provider shall be limited to negotiate down to 25% above his own

rates (this process must be clearly explained to the PLC prior to negotiation.; or

ii. accept the highest points scoring tenderer's higher rates and total sum and remunerate the Subcontractor, at the Subcontractor's tendered rates, from the Lump Sum which the Service Provider has tendered for the fluctuation between the Service Provider's rates and that of the Targeted Enterprise Subcontractors.

b. Provisional Sum

If the Employer has provided a Provisional Sum for the work items in the sub-contract package, the Service Provider shall report on the feasibility of the highest point scoring compliant tenderer's tender rates and tender sum to the Employer's Project Manager and the Engineer.

i. If the highest points scoring compliant tenderer's rates and tender sum are deemed market related by the Engineer, the Service Provider shall obtain the Employer's approval to utilise the Provisional Sum provided for the work items.

ii. If the highest points scoring compliant tenderer's rates and tender sum are deemed not market related and the Employer does not approve the utilisation of the relevant Provisional Sum, the Service Provider may negotiate with the tenderer for market related rates and tender sum.

iii. If the Service Provider fails to negotiate market related rates and a tender sum with the tenderer, he may:

1. approach the next highest point scoring compliant tenderer for negotiation. This process may be repeated up to the third highest points scoring compliant tenderer, where after the package shall be retendered; or
2. accept the highest points scoring tenderers rates and total sum and remunerate the Subcontractor from the Lump Sum which the Service Provider has tendered for the fluctuation between the Service Provider's rates and that of the Targeted Enterprise Subcontractors. The Service Provider shall not pay rates or tender sums that is more than 15% higher than what are deemed market related by the Engineer.

iii) Low tender sums submitted by Targeted Enterprises.

The Service Provider shall report to the Employer's Project Manager and the Engineer on the feasibility of tendered rates, sums, or Provisional Sums of tenderers who tendered exceptionally low. Exceptionally low rates, sums or Provisional Sums are those that are more than five percent (5%) less than what the Service Provider tendered, or in the case of a Provisional Sum, what is deemed market related by the Engineer.

a. If the tendered rates, sums, or Provisional Sums of those tenderers who tendered exceptionally low are deemed by the Engineer to still be feasible, the Service Provider may continue to include these tenders in his tender evaluation.
b. If the tendered rates, sums, or Provisional Sums of those tenderers who tendered exceptionally low are deemed by the Engineer to not be feasible, the Service Provider may disqualify these tenders from his tender evaluation.

The Employer strongly discourages the appointment of Targeted Enterprises that did not tender feasible rates, sums, or mark-ups. If all prices submitted are deemed exceptionally low by the Engineer, the sub-contract package shall be retendered.

The consequences of exceptionally low prices must be clearly outlined in the Tender Report and clearly explained to the PLC prior to award or retendering of the sub-contract packages.

iv) Payment to the Service Provider.

a. The Employer shall not remunerate the Service Provider, other than what have been provided for in the payment items, for accepting higher tender sums tendered by Targeted Enterprises.
b. If the Service Provider accepts tender sums that are higher than what have been provided for in the Service Provider's tendered rates, or the Employer's provisional and/or prime cost sums, the costs shall be paid by the Service Provider from the Lump Sum which he tendered for the fluctuation between the Service Provider's rates and that of the Targeted Enterprise Subcontractors.

v) Entering the Sub-contract Agreement.

The Service Provider's TE Procurement Coordinator shall assist successful Targeted Enterprises to enter into a sub-contract agreement with the Service Provider as described in this Specifications.

D8 GENERAL RESPONSIBILITIES OF THE SERVICE PROVIDER TOWARDS TARGETED ENTERPRISES

The Service Provider shall have the responsibilities described in this Section, D1008 of the Specifications, towards all Targeted Enterprises sub-contracted in terms of the CPG as stated in the Specification Data.

a) The Employer's Independent Targeted Enterprise Monitor

The Employer shall, through its Transformation Unit, appoint an independent Targeted Enterprise Monitor, who shall audit the Service Provider with respect to his obligations to Targeted Enterprises and

who shall report his findings to the Employer's Project Manager, the Engineer, and the Regional Transformation Officer (RTO) monthly.

b) Failure to Comply with Responsibilities Towards Targeted Enterprises

If the Service Provider, in the opinion of the Employer's Project Manager, fails to comply with its responsibilities towards Targeted Enterprises, the Employer's Project Manager shall issue a written warning to the Service Provider, stating all the areas of non-compliance. The Service Provider's time to correct shall be stated in the letter and shall be in accordance with the relevant specifications for the aspects of non-compliance.

A copy of the letter of warning shall be forwarded to the Employer's Project Manager, and the Targeted Enterprise Monitor shall monitor that corrective action is taken by the Service Provider.

Failure by the Service Provider to comply with a deadline, will be sufficient grounds for the Employer to apply a penalty or institute a claim in accordance with the relevant Conditions of Contract.

D8.1 TARGETED ENTERPRISE (TE) MANAGER

The Service Provider shall appoint a dedicated TE Manager whose sole responsibility shall be to assist the Service Provider with the execution of his responsibilities towards Targeted Enterprises and Target Groups as prescribed in this Section D of the Specifications, with an emphasis on D8 and D10.

The TE Manager may be appointed from the Service Provider's existing staff or may be employed or sub-contracted for the purpose of this Contract. Irrespective of the contractual relationship between the TE Manager and the Service Provider, the TE Manager shall not perform any other duties than that of a dedicated TE Manager on a full-time basis for this Contract.

a) TE Manager's Obligations

Amongst others, the TE Manager shall facilitate the training, mentoring, guidance, coaching, development, and support of Targeted Enterprises as per the Service Providers approved Training and Skills Development Programme (see Section D10 of the Specifications).

The TE Manager shall submit monthly TE Progress Reports in the Employer's reporting format. The report shall be submitted to the Employer's Project Manager and Regional Transformation Officer, and the Service Provider, at least one week prior to the monthly site progress meeting.

This report shall include, amongst others:

i) Details of TEs trained, e.g., number, hours, value, modules, credits obtained, etc.
ii) Details of TEs sub-contracted, e.g., number, packages, values, etc.
iii) Details of TEs performance on the work packages, and skills gaps to be addressed, etc.

iv) Details of TEs growth and sustainability, e.g., CIDB grading upgrades, business success, etc.
v) Details of disputes and the associated interventions and/or resolutions.

b) TE Manager's Qualifications and Experience

The TE Manager shall have as a minimum NQF Level 6) qualification.

He/she shall have at least 5 years' experience as a project manager.

D8.2 GENERAL OBLIGATIONS

The Service Provider shall, with the assistance of the TE Manager, comply with the following general obligations:

a) Assist the Targeted Enterprises in instituting a quality assurance system.
b) Provide adequate training, coaching, guidance, mentoring and any other identified and approved assistance to Targeted Enterprises and their employees.
c) Provide support and any other identified and approved assistance to ensure that the Targeted Enterprises meet their obligations and commitments with respect to their sub-contracts.
d) Assist Targeted Enterprises to monitor and manage the schedules, costs, and cash flows of their sub-contracts.
e) Endeavour to avoid sub-contract disputes and if disputes do arise, facilitate a process to find an amicable solution.
f) Ensure that the CPG objectives are achieved.

D8.3 SUB-CONTRACT AGREEMENTS

The Service Provider shall conclude sub-contract agreements with each sub-contracted Targeted Enterprise and shall utilise the Employer's proforma document for Targeted Enterprise subcontracting (see ANNEXURE X3), which is based on the 2011 FIDIC Conditions of Sub-contract for Construction and shall be in accordance with the provisions of amended sub-clause 4.4 of the Conditions of Contract and shall be consistent with the terms and conditions of this Contract.

a) Special Conditions of Contract

Amongst others, the sub-contract agreement includes the following Particular Conditions of Contract:

i) The Targeted Enterprise's entitlement to receive the training contemplated in the main Contract.
ii) The Targeted Enterprise's obligation to participate and co-operate in the training provided for in the main Contract.
iii) The allowable sources from which Labour may be drawn in terms of the main Contract.
iv) The terms and conditions relating to the recruitment, employment and remuneration of Labour engaged on the main Contract.

v) The training to be provided to the Targeted Enterprise's.
vi) The terms and conditions related to payment of the Targeted.
vii) Sanctions in the event of failure by the Targeted Enterprise to comply with the terms and conditions of the sub-contract.
viii) Dispute avoidance and resolution.

Further Special Conditions of Contract required by the Service Provider shall only be included into the sub-contract agreement once approved by the Employer and the Engineer.

b) Monitoring of Sub-contract Agreements

The proforma sub-contract agreement for each group of work packages shall be tabled to the Employer's Independent Targeted Enterprise Monitor for his review and confirmation that sub-contract agreements are in terms of the Employer's requirements and policies.

A copy of each sub-contract agreement shall be filed with the Employer after confirming that it is in accordance with the provisions of this Contract.

D8.4 PAYMENT OF TARGETED ENTERPRISES

Targeted Enterprises shall be paid the rates and/or Provisional Sums, which they have tendered, or which have been negotiated as described in this Section D of the Specifications.

a) Payment of Provisional and General Obligations

Provision shall be made in the sub-contract agreement for the Targeted Enterprise's preliminary and general obligations (P&Gs), which shall be calculated as a minimum of 15% of the value of the scheduled sub-contract work items.

Where the Service Provider's sub-contract work is not paid from a Provisional Sum, the P&Gs of the Targeted Enterprise shall be paid from the Lump Sum tendered by the Service Provider for the P&Gs of Targeted Enterprises.

P&Gs shall be paid to Targeted Enterprises as per Section V3.5 of Volume 3 of the special project specification payment items, i.e.:

V3.5(a) paid in 4 instalments of 25% each.
V3.5(b) paid monthly for the Subcontractor's contract duration.

b) Monitoring of Payment of Targeted Enterprises

The Employer's independent Targeted Enterprise Monitor shall audit the Service Provider's Payment of Targeted Enterprises to ensure timeous and correct payment in terms of the Employer's requirements and Policies and shall report his findings to the Employer's Project Manager on a regular basis.

D8.5 QUALITY OF WORK AND PERFORMANCE OF TARGETED ENTERPRISES

a) Ensuring Quality of Work and Performance

The purpose of the Employer's CPG is to, amongst others, enhance the utilisation and development of Targeted Enterprises. Thus, while the Service Provider remains responsible for the quality of work and performance of Targeted Enterprises, he may not neglect the developmental requirements in the subcontracting of Targeted Enterprises.

It is thus emphasised that the Service Provider's TE Manager shall closely monitor and supervise all Targeted Enterprises and shall train, coach, guide, mentor and assist each Targeted Enterprise in all aspects of management, execution, and completion of its sub-contract. This shall typically include assistance with planning of the Works, sourcing and ordering of materials, labour relations, monthly measurements, and invoicing procedures. The extent and level of such training, coaching, guidance, mentoring, and assistance to be provided by the Service Provider shall be commensurate with the level of sub-contract applicable and shall be directed at enabling the Targeted Enterprise to achieve the successful execution and completion of its sub-contract.

b) Failure by the Targeted Enterprise to Comply

If the Targeted Enterprise, in the opinion of the Employer, fails to comply with any of the criteria listed below, the Employer shall issue a written warning to the Service Provider, stating all the areas of non-compliance. A copy of the letter of warning shall be forwarded to the Employer's independent Targeted Enterprise Monitor. The criteria are as follows:

i) Deliver acceptable standard of work as set out in the specifications.
ii) Progress in accordance with the time constraints in the sub-contract agreement.
iii) Punctual and full payment of the workforce and suppliers.
iv) Site safety.
v) Accommodation of traffic.

c) Assist the Targeted Enterprise to Make Good

The Service Provider shall, in terms of the sub-contract agreement, give reasonable warning to the Targeted Enterprise when any contravention of the terms and conditions of the sub-contract agreement has occurred or appears likely to occur.

The Service Provider shall, together with the Targeted Enterprise, identify the causes that led to failure to comply and jointly develop a plan to rectify, which plan shall be submitted to the Employer's Project Manager and the Engineer for information purposes.

Based on the plan to rectify, the Service Provider shall give the Targeted Enterprise reasonable opportunity to make good any such contravention, or to avoid such contravention, and shall render all reasonable assistance to the Targeted Enterprise in this regard.

d) Monitoring Execution of the Plan to Make Good

The Employer's independent Targeted Enterprise Monitor shall review plans to rectify and monitor the execution thereof to ensure that Targeted Enterprises are given a fair opportunity to rectify within a developmental environment. He shall report his findings to the Employer's Project Manager monthly.

D8.6 DISPUTE AVOIDANCE AND RESOLUTION PROCEDURES

When any disputes arise, the Service Provider shall within seven (7) calendar days inform the Employer's Project Manager and the Employer's Targeted Enterprise Monitor, in writing, of the details of the dispute.

a) Facilitate Dispute Avoidance

Prior to taking any action, the Service Provider shall commence with a facilitation process by arranging a formal meeting with the Targeted Enterprise with the aim to find an amicable solution to the dispute. The meeting shall be attended by the Employer's Project Manager and the Employer's Targeted Enterprise Monitor to ensure a fair and transparent process in reaching a settlement.

If the parties are unable to find an amicable solution, the Service Provider shall explain fully to the Targeted Enterprise the provisions in the sub-contract agreement to address disputes. If action is necessary, it shall be discussed with the Employer's Project Manager prior to any action being taken.

b) Support to Targeted Enterprise during Dispute Resolution Process

While the Employer's Project Manager will observe the dispute resolution process to ensure fairness and transparency, the Targeted Enterprise may request consultation and assistance from the Targeted Enterprise Monitor. The Targeted Enterprise Monitor will assist the Targeted Enterprise with the interpretation of the Conditions of Sub-contract and will guide the Targeted Enterprise during the dispute resolution process.

c) Issuing a Letter of Warning to Targeted Enterprise

The Service Provider shall issue a letter of warning to the Targeted Enterprise, whom shall have 21 calendar days from the date of receipt of the letter of warning by the Service Provider to address and rectify the issues raised by the Employer's Project Manager, except for issues pertaining to Site Safety

and Accommodation of Traffic, for which the reaction time shall be in accordance with the relevant specifications for those aspects of the Works, but which shall not be longer than 24 hours.

d) Failure by the Targeted Enterprise to Comply

Failure by the Targeted Enterprise to comply with a deadline, will be sufficient grounds for the Service Provider to apply a penalty or terminate the sub-contract agreement provided that the Employer's Project Manager are satisfied that the Service Provider has made every effort to correct the performance of the Targeted Enterprise.

The Targeted Enterprise may dispute any ruling given or deemed to be given by the Service Provider or the Employer's Project Manager, within 21 calendar days after receipt thereof by submitting a written Dispute Notice to the Service Provider, in terms of the relevant Conditions of the Sub-contract.

On request by the Targeted Enterprise, the Targeted Enterprise Monitor will assist the Targeted Enterprise with the interpretation of the Conditions of Sub-contract and will guide the Targeted Enterprise during the dispute resolution process.

D9 WORK SUITABLE FOR EXECUTION BY TARGETED ENTERPRISES

To assist the Service Provider in achieving his CPG, the following work items have been identified as being suitable for execution by Targeted Enterprises:

a) Provision of traffic control facilities.
b) Management of traffic control facilities and traffic safety as part of the accommodation of traffic.
c) Installing temporary traffic counting stations with 24-Hour, 48-Hour, 7-days and 14-days durations.
d) Installing cameras for manual traffic monitoring
e) Conducting Origin-Destination Surveys
f) Conducting pedestrian counts
g) Site Security Services.
h) Haulage of materials.

The work to be carried out by Targeted Enterprises is not limited to the work listed above and the Service Provider may need to engage Targeted Enterprises on other aspects of the Works to achieve the CPG.

D10 TRAINING, COACHING, GUIDANCE, MENTORING AND ASSISTANCE

The Service Provider shall with the input and support of the Employer develop a Training and Skills Development Programme (TSDP) which shall be managed by the Service Provider's TE Manager.

D10.1 PURPOSE OF THE TRAINING AND SKILLS DEVELOPMENT PROGRAMME (TSDP)

Skills development forms an integral part of the Employer's Transformation and Community Development Policies and hence, it is important to the Employer that Targeted Labour and Targeted Enterprises be equipped with skills that can be used to gain meaningful future employment and secure subcontracting opportunities.

It is, therefore, a requirement of this Contract that the Service Provider provide adequate training, coaching, guidance, mentoring and assistance to the Targeted Labour and Targeted Enterprises, to ensure skills development within the Construction Industry.

The TSDP shall provide the learning detail for Targeted Labour, Targeted Enterprises and other Learner categories, including course and/or module contents and timeframes. See ANNEXURE X5 for the TSDP format.

D10.2 DEVELOPING THE TSDP

The Employer shall, through its Project Manager, be involved in the decision making and quality control pertaining to the development and implementation of the TSDP facilitated through this Contract.

The complete TSDP shall be developed during the Mobilisation Period, accepted by the Employer's Project Manager before any training commence.

a) <u>Skills Development Requirements</u>

i) Contract Skills Development Goals (CSDG)

This section establishes a minimum CSDG which is to be achieved in the performance of a Contract in relation to the provision of different types of workplace opportunities linked to work associated with a Contract which culminate in or lead to:

a. a part- or full occupational qualification registered on the National Qualification Framework,
b. a trade qualification leading to a listed trade (GG No. 35625, 31 August 2012),
c. a national diploma registered on the National Qualification Framework, and
d. registration in a professional category by one of the professional bodies listed in Table 1 of the Standard.

The Service Provider shall achieve or exceed the CSDG in the performance of the Contract. The Service Provider may, if need be, devolve their obligations onto Subcontractors.

The CSDG shall not be less than the final contract value multiplied by the percentage (%) for Civil Engineering work (CE) as set in the Specification Data.

To attain the CSDG, it is estimated that the following number of Learners must be trained on the Contract in the stated categories:

Table 3: Number of Learners per Category

Learning Category		**Number of Learners**
Method 1	Occupational qualification.	10
Method 2	TVET College graduates, or	1
	Apprenticeships.	1
Method 3	P1 and P2 learners, or	1
	240 credits qualification.	1
Method 4	Candidates, 360 credits qualification.	1
	Candidates, 480 or more credits qualification.	1
Generic Skills	Occupational qualification.	10
Community Training	Occupational qualification.	10

ii) Achieving Contract Skills Development Goal (CSDG)

The Service Provider shall achieve the CSDG by providing employment opportunities to Trainees requiring structured workplace learning using one or a combination of any of the following methods in relation to work directly related to the Contract:

Method 1: Structured workplace Learning opportunities for Learners (LoL) towards the attainment of a part or a full occupational qualification.

This training method shall apply to Targeted Enterprises and Targeted Labour.

Method 2: Structured workplace Learning opportunities for Apprentices or other artisan Trainees (LoA) towards the attainment of a trade qualification leading to a listed trade (GG No. 35625, 31 August 2012) subject to at least 60% of the artisan Trainees being holders of public FET college qualifications.

This training method shall apply to Targeted Enterprises and Targeted Labour.

Method 3: Work integrated Learning opportunities for University of Technology or Comprehensive University Students (LoUS) completing their national diplomas.

This training method shall apply to P1 and P2 Trainees, or Trainees with a 240 credits qualification. Both the permanently employed and temporary employed Trainees shall be considered under this training method.

Method 4: Structured workplace Learning opportunities for Candidates (LoC) toward registration in a professional category by a statutory council listed in Table 1 of the Standards.

This training method shall apply to Candidates with 480 credits qualification. Both the permanently employed and temporary employed Trainees shall be considered under this training method.

No single method shall contribute more than 50 percent (%) of the CSDG. The Service Provider's permanently employed Trainees may not account for more than 25 percent (%) of the CSDG, and not more than one method may be applied to any individual concurrently in the calculation of the CSDG.

iii) CSDG Credits

The CSDG shall be calculated by multiplying the number of people employed by the Service Provider and placed for continuous training opportunities in a three-month period by the notional values contained in Table 3 of the Standard, or as revised in a Gazette notice.

iv) Denial of Credits

Credits towards the CSDG shall be denied should the Service Provider not fulfil all the requirements listed in clause 3.4 (a) to (f) of the Standards.

v) Compliance with Requirements

The Service Provider shall comply with the requirement as set out in clause 4 of the Standards.

vi) Records

The Training Service Provider shall keep comprehensive records of the training provided to each Trainee and shall ensure that Trainees' successful completion of successive Unit Standards is entered onto the national SAQA database. After the successful completion of generic skills courses each Trainee shall be issued with a certificate indicating the course contents as proof of attendance and completion. The Service Provider shall keep a register of certificates issued. Whenever required, the Service Provider shall provide copies of such records to the Engineer.

The Service Provider shall submit all the documentation required in terms of clause 4 of the Standards, in a timely manner and according to a prescribed format where applicable.

The Employer's Project Manager shall certify the value of the credits counted towards the CSDG, if any, whenever a claim for payment is issued to the Employer and shall notify the Service Provider of this amount.

The Service Provider shall, upon termination of the opportunities provided to satisfy the CSDG, certify the quantum and nature of the opportunity and submit the certificate, counter-certified by the relevant individual, to the Employer for record-keeping purposes.

vii) Sanctions (Penalty)

Failure to achieve the CSDG shall render the Service Provider liable for a penalty as prescribed in clause 8.7 of the FIDIC Conditions of Contract. Penalties shall be as follows:

a. Penalty = {[LoAs + LoLs + LoUSs + LoCs]}

Where:

LoLs = Monetary Value of the shortfall for structured workplace learning opportunities for Trainees towards the attainment of a part or a full occupational qualification.

LoAs = Monetary Value of the shortfall for structured workplace learning opportunities for apprentices or other artisan Trainees towards the attainment of a trade qualification leading to a listed trade (GG No. 35625, 31 August 2012) subject to at least 60% of the artisan Trainees being holders of public FET college qualifications.

LoUSs = Monetary Value of the shortfall for work integrated learning opportunities for University of Technology or Comprehensive University students completing their national diplomas (LoUS).

LoCs = Monetary Value of the shortfall for structured workplace learning opportunities for candidates towards registration in a professional category by a statutory council listed in Table 1 of the Standards (LoC).

b. Delay the issuing of the Performance Certificate until all the required records described in clause 5 of the Standards are received.

D10.3 TSDP GENERAL REQUIREMENTS

The Training and Skills Development Programme shall consist of Learnerships that include multiple, but related Unit Standards which are (1) relevant to the Works to be constructed, (2) aimed at achieving the skills development objectives of the Programme, and (3) lead towards a formal qualification in the Construction Industry.

Learnerships shall include both the theoretical and practical components of each Unit Standard and shall be in accordance with the various laws and regulations contained in the South African Qualification Authority (SAQA) statutes.

a) Sourcing of Trainees

The Employer may provide the Service Provider with its list of Trainees or source from which Trainees may be selected.

The Employer may deploy students to the project to obtain experiential training. The Service Provider shall provide experiential training to these students in accordance with the relevant academic institution's requirements, which is typically a university, a university of technology, or a TVET.

The Service Provider shall also provide students with all the tools (including appropriate information technology hardware and software) and site office space necessary to carry out engineering work as if they were the Service Provider's own permanent staff.

Reporting on training progress of each student shall be compiled according to the formats and intervals set be the relevant academic institution

If the Employer does not provide the Service Provider with a list or source of Trainees, the Service Provider may source beneficiaries of the CSDG from the CIDB Skills Development Agency (SDA) or an SDA recognised by the CIDB such as the Construction Education and Training Authority (CETA) or a relevant Sector Education and Training Authority (SETA).

All beneficiaries shall be registered with a Skills Development Agency (SDA) recognised by the CIDB.

b) Skills Audit and Analysis

To develop the Training and Skills Development Programme(s), the Service Provider shall conduct a skills audit and analysis of Labour on the Targeted Labour database and the Targeted Labour of sub-contracted Targeted Enterprises to determine their levels of education, existing qualifications, and skills sets. The outcome of the skills audit and analysis shall be used to develop a Training and Skills Development Programme that will benefit both the employee and the Construction Industry at large.

Included in the skills audit and analysis shall be a separate section, analysing the education, qualifications and skills sets of the Targeted Enterprise's owners and their supervisors sub-contracted by the Service Provider, to develop a Training and Skills Development Programme that will develop and improve the ability of small business owners and their supervisory staff to better manage their enterprises.

c) Selection of Trainees

To complete a Learnership successfully requires minimum literacy and numeracy competencies as defined by SAQA. The Training Service Provider shall utilise the skills audit and analysis and conduct additional skills analysis to benchmark the literacy and numeracy levels of Targeted Labour and Targeted Enterprises and their employees. This information shall guide the Training Service Provider in formulating the Trainee selection methodology(ies) and process(ess). The Training Service Provider shall make provision for:

i) baseline assessments, e.g., conducting RPL enquiries and tests, and
ii) a skills gap programme consisting of Fundamental Unit Standards, to facilitate the selection process.

Trainees identified as having already acquired some tertiary training, particularly in the field of Civil Engineering, may be suitable for a specialised Trainee programme or a higher NQF Level programme. The Training and Skills Development Programme shall, therefore, make provision for Trainees with a variety of competency levels and shall make provision for different levels of training.

It should be noted that where this Section D of the Specifications refers to the selection and training of Trainees, any person, employed by any national, provincial, or local authority, being it full time or part time, is expressly excluded from being considered for this training.

d) Training Programme Requirements and Considerations

The Skills Audit and Analysis shall inform the Service Provider of every employee's Recognised Prior Learning (RPL) skills and competencies, which shall be taken into consideration in the development of the Training and Skills Development Programme so that the RPL skills and competencies, together with the Training Programme Unit Standards offerings, will lead to a full Learnership outcome and hence a formal qualification.

It is recognised that the Training and Skills Development Programme may consist of several Unit Standards but totalling insufficient credits for a full Learnership qualification. Nevertheless, the competencies and credits achieved in the Programme shall contribute to a full Learnership by a later acquisition of the outstanding Unit Standards required for the full Learnership.

The Training and Skills Development Programme shall be structured in a manner to prioritise those Unit Standards that will equip Trainees with the minimum skills and competencies required to become economically involved in the execution of the Works as soon as possible.

The Training Service Provider shall apply the SAQA Learnership criteria of which the basic elements are listed below to demonstrate the Employer's requirements:

i) Minimum credits for qualification.

ii) Fundamental Unit Standards and credit values.
iii) Core Unit Standards and credit values.
iv) Elective Units Standards and credit values.
v) Assumption that NQF Level 3 literacy, numeracy, and computer competencies exist.
vi) RPL processes.
vii) Exit level outcomes.

The above criteria are not exhaustive, and the Training Service Provider shall apply the systems and processes required by the relevant SAQA and other related legislation pertinent to training. The Training Service Provider shall regularly consult the SAQA website (www.saqa.org.za) to ensure that the most current Unit Standards are presented. In the event of any conflict, the legislated requirements shall apply.

While structuring the Learnership offerings, the Training Service Provider shall distinguish between the levels of learning required. The bulk of the training shall focus on NQF Levels 4 and 3. NQF Level 5 training is not anticipated but may be suitable for qualifying staff of established small Service Providers.

It may be necessary to include additional Core Unit Standards, e.g., “Tendering” or “Entrepreneurship” as an additional Unit Standard for NQF Level 4, to achieve the Contract’s development objectives. The identification of any additional Unit Standards shall be discussed with the Engineer and shall not be implemented without prior approval.

Before qualifying, Trainees will be expected to demonstrate competence in a practical situation that integrates the assessment of all specific outcomes, for all Unit Standards in the Learnership Programme.

All training shall take place within normal working hours, or as agreed with the trainees.

e) Learning Material

Learning material is required for each Unit Standard. This learning material is the equivalent of prescribed textbooks for other qualifications. Each Trainees shall receive a copy of the learning material to learn the contents and to use it as reference source after obtaining the qualification.

The SAQA Unit Standard curriculums define the contents of the learning material. The learning material shall not only comply with the SAQA and CETA guidelines but shall be technically and practically aligned to road construction and/or road maintenance. Any input from a subject matter expert required to ensure the appropriateness of a learning material contents shall be included in the Training Service Provider’s costs.

The requirements to be addressed in learning material as outlined by the SAQA Unit Standard curriculums are, amongst others, the following:

i) Purpose of the Unit Standard.
ii) Specific outcomes (typically 4 per Unit Standard).
iii) Assessment criteria (typically 4 per specific outcome).
iv) Range as is defined for each specific outcome.
v) Critical cross-field outcomes for the Unit Standard.
vi) Unit Standard essential embedded knowledge.

f) Generic Skills Training

Generic skills training, which is not construction (technical) specific, but which are beneficial to the skills development of Targeted Enterprises and Targeted Labour, shall be taught in learning areas where the need has been identified and approved by the Employer's Project Manager and the Engineer.

The Service Provider shall make representation to the Employer's Project Manager and the Engineer, who shall approve candidates that should attend such courses as they deem appropriate. Those selected shall receive formal generic skills training in a programmed and progressive manner. The PLC may also identify a need for generic skills training.

Typical examples of generic skills training programmes are:

i) National Certificate: Vocational, levels 1, 2, and 3 in various fields.
ii) National Certificate: Road Safety Development.
iii) National Certificate: Occupational Hygiene and Safety.

.

Generic skills training shall add towards the Service Provider's CSDG credits and shall be structured learning as per the CSDG Method 1 requirements. Training shall be accredited by the relevant Sector Education and Training Authority (SETA) and shall be provided by SETA accredited entities and individuals.

g) Community Training

Community training shall be taught in learning areas where the need has been identified. Affected Communities may submit their training needs to the PLC for the Service Provider's consideration and inclusion into the Training and Skills Development Programme.

While considering the training needs of affected Communities, the Engineer shall inform the PLC of the Contract's training limitations, as well as of the training that could be undertaken through the Contract.

Trainees from the Community shall be identified through the Community structures and with the input and support of the PLC. Trainees selected from the Community shall receive formal skills training in a programmed and progressive manner in compliance with sub-clause (d). Priority shall be given to training that will equip Community members with skills that will enhance their employability.

Typical examples of community training programmes are:

i) General Education and Training Certificate: Hygiene and Cleaning
ii) General Education and Training Certificate: ABET
iii) National Certificate: Vocational, levels 1, 2, and 3 in various fields.
iv) National Certificate: Travel and Community Tourism
v) Further Education and Training Certificate: Community Development
vi) Further Education and Training Certificate: Public Awareness HIV/AIDS

Community skills training shall add towards the Service Provider's CSDG credits and shall be structured learning as per the CSDG Method 1 requirements. Training shall be accredited by the relevant Sector Education and Training Authority (SETA) and shall be provided by accredited entities and individuals.

D10.4 THE TRAINING SERVICE PROVIDER

The Employer has no service agreement or memorandum of understanding with any education and training quality assurance body and, therefore, does not function as the "Employer" as defined under any three-party-agreement between the Trainee, the Training Provider, and the Employer.

However, the Employer requires similar outcomes to that of formal learnership programmes and the Service Provider shall structure a Training and Skills Development Programme in a manner that permits continued access to further learning and qualifications within a defined programme.

While the Service Provider's TE Construction Manager will manage the Training, Development and Support Programme and mentor Targeted Enterprise Subcontractors from a practical point of view, the Service Provider shall sub-contract a Training Service Provider to implement the theoretical training components of the Programme by applying the Employer's Supply Chain Management Policy for second tier procurement.

a) Accreditation of the Training Service Provider

The Training Service Provider entity shall be accredited, and have in its employ Practitioners, Assessors and Moderators who are registered, with the Construction Education Training Authority (CETA). Proof of accreditation and registration shall be current, valid and list the NQF levels and Unit Standards for which the entity and its staff are accredited.

b) Qualifications and Experience of the Training Service Provider

The training and competency levels required of the Training Service Provider and his staff are outlined in the table below:

Table 4: QUALIFICATIONS FOR TRAINING STAFF

Designation	Title and Unit Standard No	NQF Level	Credit
Practitioner	Train the trainer; No 7384	4	16
Assessor	Conduct outcome base assessment; No 115753	5	15
Moderator	Conduct moderation of outcome-based assessment; No 115759	6	10

In addition to the above qualifications, and in keeping with current CETA practical experience requirements for registration as a Practitioner, NQF Level 4 Unit Standards shall only be presented by Practitioners with NQF Level 5 (one level up) credentials.

The Employer further requires that Assessors and Moderators shall have at least 5 years' experience as a Site Agent, managing construction processes in the fields of roads maintenance, new roads construction, roads rehabilitation and structures.

Elective Unit Standards are typically more vocational orientated and may require specialist input. It is thus not a requirement that individual Practitioners and Assessors shall have all the necessary skills for all the different categories of Unit Standards. The Training Service Provider may and shall therefore, when necessary, appoint Practitioners and Assessors on and ad hoc basis with the levels of experience which are required for the Unit Standards to be presented.

c) Training Facilities

The Service Provider shall be responsible for providing everything necessary to offer the various training workshops and modules including:

i) a suitable venue with sufficient furniture, lighting, and power,
ii) all necessary stationery consumables and study material,
iii) transport for attendees.

D11 LABOUR ENHANCED CONSTRUCTION (NOT APPLICABLE TO THIS CONTRACT)

The Service Provider's attention is drawn to the fact that it is an objective of the Contract to maximise the labour content of certain operations or portions thereof. In this regard, where the specified work allows for a choice between mechanical or labour-enhanced means, the former should generally be kept to the practical minimum.

Before commencing with any labour enhanced operations, the Service Provider shall discuss his intentions with the Engineer, and shall submit to the Engineer monthly, daily labour returns indicating the numbers of temporary persons employed on the Works and the activities on which they were engaged.

NOT APPLICABLE

It should be noted that activities that are conventionally done by labour methods, e.g., gabions, shall not qualify under this Section D of the Specifications.

D12 COMMUNITY DEVELOPMENT (NOT APPLICABLE TO THIS CONTRACT)

D12.1 CORPORATE SOCIAL INVESTMENT (CSI)

The Service Provider shall demonstrate its willingness to actively participate in the social development initiatives for local Communities affected by the Contract. To this end, the Service Provider shall provide details of CSI initiatives it will actively pursue under Form D9: Corporate Social Investment.

D12.2 COMMUNITY DEVELOPMENT PROJECTS

NOT APPLICABLE

Community Development (CD) Projects are primarily training and skills development programmes to benefit an identified Community and Trainee Targeted Enterprises selected from the Community.

The owners and supervisors of Trainee Targeted Enterprises receive SAQA accredited training towards an accredited NQF qualification which consists of theoretical and practical components.

The theoretical training, as well as the practical training (which is the construction of the CD Works) is undertaken by the Trainee Targeted Enterprises under the mentorship and supervision of a Training and Construction Manager.

a) CD Project(s)' Service Provider(s)

CD Projects identified for implementation in association with this Contract will be let for tender by the Employer as separate Contracts.

The name(s) and contact details of the Service Provider(s) appointed for the implementation of the CD Project(s) will be provided to the Service Provider on award of the Contract or as soon as the Service Provider(s) has/have been appointed.

The Service Provider shall collaborate and cooperate with the CD Project(s)' Service Provider(s) and take cognisance of the CD Project(s)' programme in compiling the programme of the Works Contract.

NOT APPLICABLE

b) CD Project(s) Associated with this Contract

The Employer identified a CD Project with project number and description: SANRAL C.xxx-xxx-20xx/1 for xxx xxx xxx (insert CD project number and description).

The CD Project commenced/is envisaged to commence (select relevant wording) on xx Xxx 20xx (insert date) and has an estimated duration of xx (insert no.) months.

The CD Project Works entail the following: (insert a detailed description of the CD Project Works below):

i) xxx
ii) xxx
iii) xxx

The Employer will identify a CD Project in the Project Area of this Contract and will inform the Service Provider of the CD project number and description as soon as it has been registered, together with all other relevant detail.

D13 MEASUREMENT AND PAYMENT

Item.....Unit

D10.01 TARGET GROUP PARTICIPATION

(a)	N/A	

Item.....Unit

D10.02 STAKEHOLDER AND COMMUNITY LIAISON AND SOCIAL FACILITATION

(a)	Cost of liaison, social facilitation, and PLC support	Prime Cost (PC) Sum
(b)	Handling cost and profit in respect of sub-item D10.02(a).	Percentage (%)

The prime cost sum for item D10.02(a) shall cover the direct costs incurred by attending members of the PLC. The rate of compensation shall be fair and agreed by the Engineer in accordance with clause 13.5 of the FIDIC Conditions of Contract. The tendered percentage for sub-item D10.02(b) shall include full compensation for all handling costs and profit of the Service Provider associated with sub-item D10.02(a).

The liaison with, and assistance provided by the Service Provider to the PLC to perform its duties shall not be paid from the prime cost sum. The Service Provider's costs to liaise with the PLC and render such assistance shall be deemed to have been included in its rate offered for pay sub-item C1.3.1.3, Service Provider's Establishment on Site and General Obligations: Time Related Obligations.

Item.....Unit

D10.03 TENDER PROCESS FOR TARGETED ENTERPRISES

(a)	**Service Provider's charge for the management and execution of the Targeted Enterprise procurement process:**	
(i)	Procurement process for the totality of all tenders concluded for the appointment of Targeted Enterprise Subcontractors	Number (No)
(b)	Targeted Enterprise Procurement Coordinator	Month

The unit of measurement for item D10.03(a) shall be the number of individual sub-contract agreements concluded with Targeted Enterprise Subcontractors and suppliers in accordance with the procurement process described in this Section D of the Specifications.

The tendered monthly rate for sub-item D10.03(b) shall include full compensation for the provision of the relevant personnel on a full-time basis to carry out the requirements in terms of sub-item D10.03(b) and the full contents of this Section D of the Specifications.

Each tendered rate shall be in full compensation for the management and execution of the Targeted Enterprise procurement process including for the appointment of a TE Procurement Coordinator (if required), the pre-tender training of eligible Targeted Enterprises, the compilation, printing, binding and issue of the tender documents for each tender, for the advertising of each tender, for the provision of the venue and the conducting of each compulsory briefing session for tenderers, for the conducting of each tender opening process, for the adjudication of the tenders received for each tender, for the preparation of each tender adjudication report and the review thereof in conjunction with the Employer for the award of each tender and for the conclusion of the sub-contract agreement with each successful Targeted Enterprise tenderer, and any other relevant requirement described in this Section D of the Specifications.

Item.....Unit

D10.04 RESPONSIBILITIES OF THE SERVICE PROVIDER TOWARDS TARGETED ENTERPRISES

(a)	Service Provider's establishment, management, management support, assistance, coaching, guidance, mentoring and supervision of Targeted Enterprises	Month
(b)	Targeted Enterprise Manager	Person-Month
(c)	Targeted Enterprise Site Supervisors	Person-Month

The tendered monthly rate for sub-item D10.04(a) shall include full compensation for the registration of all the sub-contract agreements and the management of all the Targeted Enterprise sub-contracts, including for the

provision of the necessary management, support, coaching, guidance, mentoring and supervision of the Targeted Enterprise Subcontractors.

The tendered monthly rate for sub-items D10.04(b) and (c) shall include full compensation for the provision of the relevant personnel on a full-time basis to carry out the requirements in terms of sub-item D10.04(a) and the full contents of this Section D of the Specifications.

Item.....Unit

D10.05 TRAFFIC MONITORING WORKS BY TARGETED ENTERPRISES

(a)	Payments associated with the traffic monitoring works executed by Targeted Enterprise Subcontractors appointed in terms of Section D of the Specifications.	Prime Cost (PC) Sum
(b)	Handling costs and profit in respect of payment associated with sub-item D10.05(a).	Percentage (%)
(c)	Preliminary and General Obligations of Targeted Enterprise Subcontractors appointed in terms of Section D of the Specifications	Lump Sum (LS)

Expenditure under sub-items D10.05(a) shall be in accordance with clause 13.5 of the FIDIC Conditions of Contract.

The Prime Cost Sum for sub-item D10.05(a) is provided to cover the cost of the construction works, including preliminary and general obligations, carried out by the Targeted Enterprise Subcontractors of CIDB 1 and 2 contractor grading designation as certified by the Engineer, in separate payments for each Targeted Enterprise in accordance with Section D of the Specifications. Expenditure under sub-item D10.05(a) shall be limited to the Prime Cost Sum amount stated in the Pricing Schedule. Traffic Monitoring works by Targeted Enterprise Subcontractors exceeding the Prime Cost Sum amount shall be measured for payment from the applicable work items in the Service Provider's pricing schedule

The tendered percentage for sub-item D10.05(b) is the percentage of the amount spent under sub-item D10.05(a) and shall include full compensation for the Service Provider's handling costs, profit or any other costs associated with the work conducted by the Targeted Enterprise Subcontractors, which are not provided for in other pay-items.

The Lump Sum tendered under item D10.05(c) is for the Preliminary and General Obligations of Targeted Enterprise Subcontractors. Payment of the Lump Sum shall be on a pro-rata basis to provide compensation for the P&Gs of Targeted Enterprise Subcontractors until the Lump Sum is depleted. Any costs incurred for the P&Gs of Targeted Enterprise Subcontractors more than that tendered for under item D10.05(c) will be for the Service Provider's account.

Item.....Unit

D10.06 TRAINING, COACHING, GUIDANCE, MENTORING AND ASSISTANCE

(a)	**Accredited occupational qualification training.**	
(i)	Stipend/wages for unemployed learners	Prime Cost (PC) Sum
(ii)	Handling costs and profit in respect of payment associated with sub-item D10.06(a)(i).	Percentage (%)
(iii)	Mentorship and other costs	Person Month
(iv)	Procurement process for the totality of all tenders concluded for the appointment of Targeted Enterprise suppliers	Number (No)
(b)	**TVET college graduates and apprenticeships.**	
(i)	Stipend/wages for unemployed learners	Prime Cost (PC) Sum
(ii)	Handling costs and profit in respect of payment associated with sub-item D10.06(b)(i).	Percentage (%)
(iii)	Mentorship and other costs	Person Month
(c)	**P1 and P2 learners and learners with a 240 credits qualification.**	
(i)	Stipend/wages for unemployed learners.	Prime Cost (PC) Sum
(ii)	Handling costs and profit in respect of payment associated with sub-item D10.06(c)(i).	Percentage (%)
(iii)	Mentorship and other costs	Person Month
(iv)	Travel and Accommodation	Prime Cost (PC) Sum
(v)	Handling costs and profit in respect of payment associated with sub-item D10.06(c)(iv).	Percentage (%)
(d)	**Candidates with 360 credits or more qualification**	
(i)	Stipend/wages for unemployed learners	Prime Cost (PC) Sum
(ii)	Handling costs and profit in respect of payment associated with sub-item D10.06(d)(i).	Percentage (%)
(iii)	Mentorship and other costs	Person Month
(iv)	Travel and Accommodation	Prime Cost (PC) Sum
(v)	Handling costs and profit in respect of payment associated with sub-item D10.06(c)(iv	Percentage (%)

(e)	**Generic skills training**	
(i)	Stipend/wages for unemployed learners	Prime Cost (PC) Sum
(ii)	Handling costs and profit in respect of payment associated with sub-item D10.06(e)(i).	Percentage (%)
(iii)	Mentorship and other costs	Person Month
(f)	**Community training**	
(i)	Stipend/wages for unemployed learners	Prime Cost (PC) Sum
(ii)	Handling costs and profit in respect of payment associated with sub-item D10.06(f)(i)	Percentage (%)
(iii)	Mentorship and other costs	Person Month

The Prime Cost Sums under sub-items D10.06(a)(i), (b)(i), (c)(i), (d)(i), (e)(i), and (f)(i) shall be paid in accordance with the provisions of sub-clause 13.5 of the FIDIC Conditions of Contract. The Prime Cost Sums shall cover the monthly stipends and/or wages as prescribed by the Employer to be paid to the relevant categories of unemployed Trainees receiving training and/or workplace training. No provision is made for stipends or wages of employed Trainees, and the Service Provider must make provision for loss of production for his own employees which are included in the TSDP.

The Percentage tendered for sub-items D10.06(a)(ii), (b)(ii), (c)(ii), (d)(ii), (e)(ii), and (f)(ii) is the percentage of the stipends and wages paid under sub-item D10.06(a)(i), (b)(i), (c)(i), (d)(i), (e)(i), and (f)(i) and shall include full compensation for the Service Provider's handling costs, and any other costs associated with the pay-out of stipends and wages, which are not provided for in other pay-items.

The Person Month under sub-items D10.06(a)(ii), (b)(ii), (c)(ii), (d)(ii), (e)(ii), and (f)(ii) shall be paid in accordance with the provisions of sub-clause 13.5 of the FIDIC Conditions of Contract. The Person Month shall cover the monthly cost to mentor and/or train a Trainee and shall include all charges for the provision and delivery of the service including an accredited Training Service Provider (if required), learning material, stationery, information technology hardware and software, connection or licence costs, Trainee sustenance, fully furnished and equipped training venue(s), travel and accommodation (if/where required) and any other requirement as described in Section D1010 of the Specifications, and shall include the Service Provider's loss of production, handling cost, profit, record keeping, reporting to the Employer and any other body or organisation as required in terms of the mentoring or training category, and all other administrative and overhead costs associated with mentoring and training. No mark-up is payable to the Service Provider under this item.

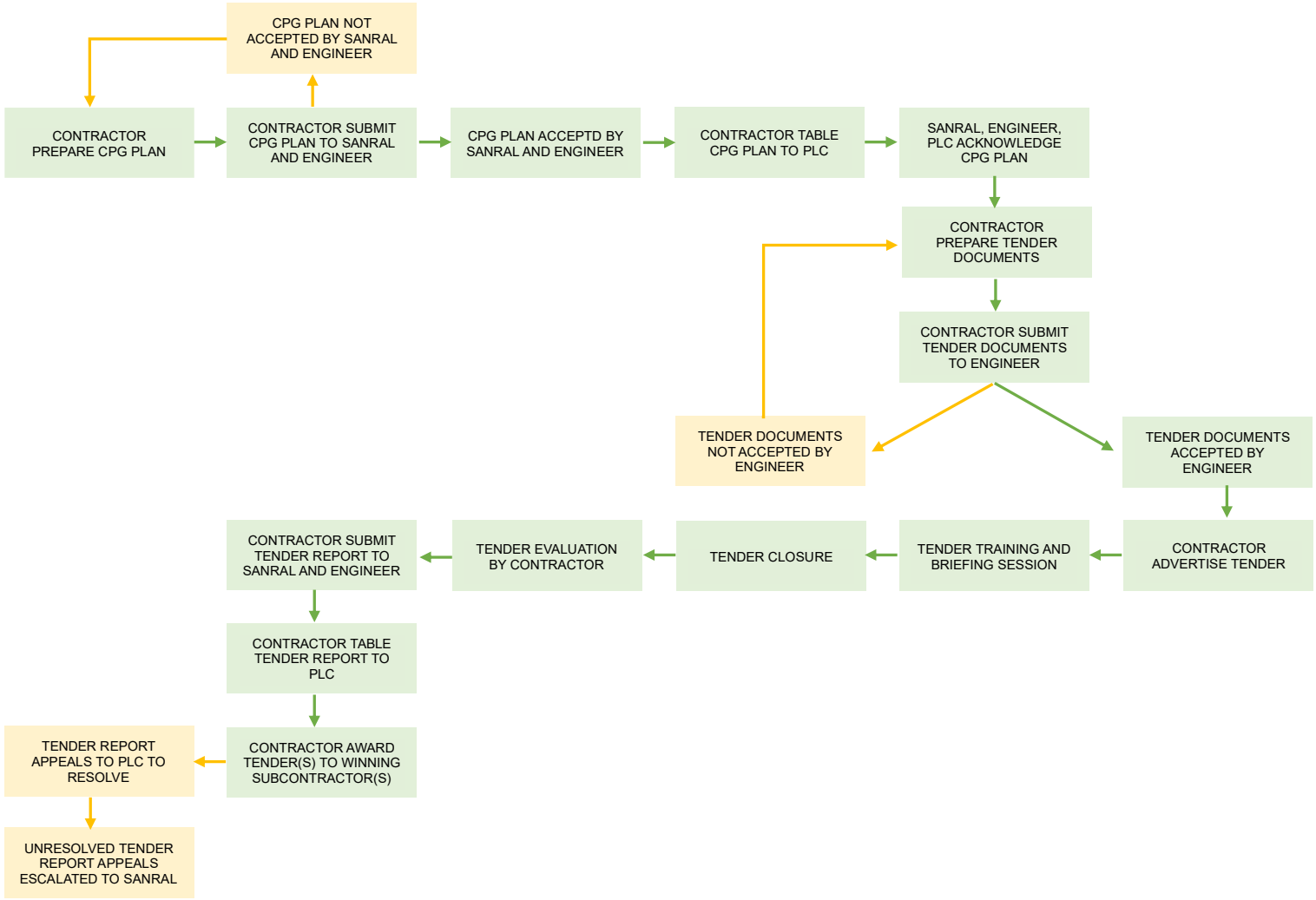
No payment, nor pro rata payment, shall be made for trainees that, once selected, do not attend or only partially complete structured training modules. The Service Provider's own staff may attend the training modules provided. However, training of the Service Provider's staff shall be considered for measurement and payment purposes within the limits set in Section D1010.02 and if they also qualify as Targeted Labour.

The Prime Cost Sums under sub-items D10.06(c)(iv) and (d)(iv) shall be paid in accordance with the provisions of sub-clause 13.5 of the FIDIC Conditions of Contract. The Prime Cost Sums shall cover the travel and accommodation of Trainees in the relevant learning categories and in line with the Employer's Travel, Accommodation and Disbursement Policy. No provision is made for travel and accommodation of Trainees in other learning categories and the Service Provider must make provision for travel and accommodation (if required) for these categories in other relevant pay-items.

The Percentage tendered for sub-items D10.06(c)(v) and (d)(v) is the percentage of the travel and accommodation paid under sub-item D10.06(c)(iv) and (d)(iv) and shall include full compensation for the Service Provider's handling costs, and any other costs associated with the travel and accommodation, which are not provided for in other pay-items.

ANNEXURE X1

CONTRACT PARTICIPATION GOAL (CPG) PLAN FORMAT



Service Provider Logo and details

Contract Participation Goal Plan

SANRAL Contract Number: XXXX

Contract Name: XXXX

Author:

Date:

Version

1. INTRODUCTION

Xxx (insert details)

Xxx

Xxx

2. OBJECTIVE

Xxx (insert details)

Xxx

Xxx

3. TARGETED ENTERPRISES

3.1. List of Work Packages for Targeted Enterprises

3.2. List of Work Packages for Main Service Provider

Table 1: CPG Expenditure Breakdown

Project Number				
Project Name				
Target Groups	**Final Contract Value**		**R**	
	Min (TE) CPG Target		**%**	
	Min (TE) CPG Target Amount		**R**	
Description of CPG Category	**CPG Target as per Contract**		**CPP Planned Achievement**	
	Min. Target % as per Contract	**Target Amount**	**Min. Allocated % as per Market Analyses**	**Expected Amount**
Targeted Labour (TL)	**Min. xx% of Final Contract Value**	**R**	**%**	**R**
Youth				
Women				
Disabled				
Other				
Targeted Enterprises (TEs)	**Min. xx% of Final Contract Value**	**R**	**%**	**R**
Youth				
Women				
Military Veterans				

Disabled				
CIDB 1 and 2				
CIDB 3 and 4				
Other				

3.3. Breakdown of Work Packages

The table below describes the work package breakdown with reference to Target Groups and Functionality:

Table 2: Breakdown of Work Packages

Project Number																
Project Name																
Contract Price																
CPG Target %																
CPG Target Value																
No.	**Type of Work Package**	**EME or QSE**	**TE Amount**	**% of CPG Value**	**Proposed CIDB Grading**	**Tender Value Limit**	**Proposed No. of Work Packages**	**Proposed TE Target Group Amount**					**CIDB Expenditure**			
								Black Youth	**Black Woman**	**Black Military Veterans**	**Black Disabled**	**Other**	**Black 1 & 2 CE**	**Black 3 & 4 CE**	**Comment**	
TE Subcontractors																
1																
2																
3																
TE Suppliers and Service Providers																
4																
5																
6																

TE Subcontractor Sub-total													
TE Supplier/Service Provider Sub-total													
Provisional Total													
Provisional %													
Target Amount													
Target %													

3.4. Schedule of works and CPG Expenditure Plan

3.4.1. Schedule of work (Insert Programme)

3.4.2. CPG Expenditure Plan

Table 3: Example: CPG Expenditure Plan

Planned CPG Expenditure					
Final Contract Value	R 100 000 000				
CPG (TE) Value	R 30 000 000				
Timeline	**2021/2022**	**2021/2022**	**2021/2022**	**2021/2022**	**Total**
Project Expenditure	R 20 000 000	R 30 000 000	R 30 000 000	R 20 000 000	R 100 000 000
Work Packages (CPG %) Expenditure	R 6 000 000	R 9 000 000	R 9 000 000	R 6 000 000	R 30 000 000
Cumulative % Spend	20%	50%	80%	100%	
Cumulative Amount Spend	R 6 000 000	R 6 000 000	R 6 000 000	R 6 000 000	R 6 000 000
Package 1	R 2 000 000				
Package 2	R 2 000 000				
Package 3	R 2 000 000				
Total	**R 6 000 000**	R	R	R	R

3.5. Targeted Enterprises Procurement Program

Table 4: Example: Targeted Enterprise Procurement Program

Item	**Activity Name**	**Duration (Days)**	**Start**	**Finish**

3.6. Procedures for Targeted Enterprises Subcontracting (As Per Section D1000 of the Specifications)

3.6.1. Tender Preparation

3.6.1.1. Compilation of TE Work Packages

3.6.1.2. Establishment of a Help Desk

3.6.1.3. Market Analysis and Resources and Skills Audit

3.6.1.4. Compilation of Tender Documents

3.6.2. Tender Process

3.6.2.1. Advertising of Works Packages

3.6.2.2. Tender Briefing Sessions

3.6.2.3. Minimum Tender Submission Documents

3.6.2.4. Tender Closure and Opening of Tenders

3.6.3. Tender Evaluation

3.6.3.1. Eligibility

3.6.3.2. Functionality

3.6.3.3. Price and Preference

3.6.3.4. Compliance Check

3.6.4. Appointment of Successful Targeted Enterprise

3.6.4.1. Price and Rates Discussion

3.6.4.2. Sub-contract Agreement

4. TARGETED LABOUR

4.1. Appointment of Targeted Labour

5. TRAINING DEVELOPMENT AND IMPLEMENTATION PLAN

5.1. General Overview

5.2. Purpose of the Training Interventions

5.3. Proposed Training for Targeted Enterprises and Targeted Labour

5.4. The table below depicts the proposed training for the Targeted Enterprises.

Table 5: Proposed Targeted Enterprise Training

Training Summary							
No.	**Course Content**	**Facilitator or Mentor**	**No. of Participants**	**Duration of the Course**	**Training Type**	**Start Date**	**Comments**
1							
2							
3							
4							
5							
Etc.							

The table below depicts the proposed training for the Targeted Labour.

Table 6: Proposed Targeted Labour Training

Training Summary							
No.	**Course Content**	**Facilitator or Mentor**	**No. of Participants**	**Duration of the Course**	**Training Type**	**Start Date**	**Comments**
1							
2							
3							
4							
5							
Etc.							

5.4 Training Methodology

5.5 Selection of Participants

5.6 Targeted Participants

5.7 Training Materials

5.8 Training Times

5.9 Training Implementation Plan

5.10 Supporting Documents

ANNEXURE X2

PROJECT LIAISON COMMITTEE AND PROJECT LIAISON OFFICER FORMS

FORM A1: PROJECT LIAISON COMMITTEE – MEMBER NOMINATION FORM

Notes to Nominators and Nominees:

1) General Principles of Membership:
   a) Membership is open to any person residing within the boundaries of the Project Area and that are duly nominated by their constituency.
   b) Persons nominated as co-opted members do not necessarily have to reside within the boundaries of the Project Area (see explanation in c) below).
   c) The nomination process will be conducted in consultation with the Local Municipalities within the Project Area.

2) Nominations for Membership
   a) Nominators will submit this prescribed nomination form and include the following information:
      i) Name of the nominee,
      ii) Name of the proposer and five (5) seconders,
      iii) Residential address of the nominee,
      iv) Constituency whom the nominee will represent, and
      v) Acceptance of nomination by the nominee.

3) Co-opted Members
   a) Co-opted members are members that the PLC chooses to add in addition to PLC members selected through the representative nomination process.
   b) Co-opted members may include a PLC member from the RRM PLC within the Project Area, and specialists such as environmental specialists, etc.
   c) Co-opted members will have limited participation rights in PLC meetings, will not have voting rights and will not receive any reimbursement for participating in the PLC meeting.

4) Duration of Membership
   a) The duration of a nominee's membership of the PLC will depend on the duration of the project or the duration of the PLC, whichever occurs first.
   b) A nominee's membership will end with immediate effect in terms of the Rules of Engagement for PLC members.

1. Details of individual or organisation making the nomination:

I, ……, representing …… hereby nominate …….
to be a member of the PLC for Project ……
……

Signature …… Date ……..

2. Details of the seconders (individuals supporting the nomination):

	Name	Surname	Organisation	Signature
1				
2				
3				
4				
5				

3. Details of the individual accepting the nomination (nominee):

Name and Surname	
Organisation	
Residential Address	
Ward Number	
Municipality	

I, ……, I.D. number …… hereby accept the nomination to be a member of the PLC for Project …….
……

I further accept to be bound by the rules, responsibilities and duties prescribed for the Project Liaison Committee Members and the Project Liaison Officers and will always act in good faith.

Signature …… Date ……..
Witnesses:
Name and Surname …….. Signature ……..
Name and Surname …….. Signature ……..

FORM A2: PROJECT LIAISON COMMITTEE – RULES, RESPONSIBILITIES AND DUTIES (DERIVED FROM D1004.03)

The PLC is the official communication channel through which SANRAL, the Engineer, Service Provider and project Stakeholders and affected Communities communicates on project matters. This platform is also used to communicate the impact that the project has or may have on project Stakeholders and the affected Communities. This Form describes the general processes pertaining to the PLC, as well as its role and responsibilities.

1) Establishment of the PLC

The PLC will be established prior to commencement of the Contract or as soon as possible by SANRAL. The PLC consists of SANRAL, the Engineer, Service Provider and representatives of project Stakeholders and affected Communities. To ensure that all relevant Stakeholders are represented in the PLC, SANRAL did, or will, consult with the Executive Mayor's office, as well as with the LED Department of the Local Municipalities in the Project Area

Stakeholder representation on the PLC is project and project Area specific and may, amongst others, include:

a) Relevant provincial departments.
b) Relevant District and Local Municipal departments.
c) Traditional leadership representation.
d) Organised forums representing community interest groups.
e) Organised forums representing the youth, woman, and people with disabilities.
f) other structured community groups such as religion, education, farming, etc.
g) g)
h) Organised forums representing the business sector.
i) Organised forums representing the transport sector.
j) Organised forums representing road users and road safety interest groups.
k) Organised forums representing environmental interest groups.
l) Any other relevant stakeholder forum or organisation recognised by the Employer and the District and/or Local Municipality.

Every forum/organisation/constituency may have one (1) representative on the PLC, which representation will be confirmed by a duly signed nomination form.

It should be noted that the PLC is not a political platform. While political office bearers may be invited to some PLC meetings, they may not be PLC members and hence, will not have voting rights when attending a PLC meeting.

2) Reimbursement of for PLC Members

PLC membership is voluntary and PLC members will not be renumerated for any time spent in PLC meetings or work done outside of PLC meetings, which are associated with representing their constituencies on the PLC.

Provision has been made in the Contract to reimburse PLC members for actual costs incurred in executing their PLC duties (other than time spent in PLC meetings or work done outside of PLC meetings). The Service Provider will determine and table to the PLC a realistic monthly, reimbursable amount which will be substantiated by an outline of the anticipated actual costs envisaged to be incurred by PLC members.

In establishing a reimbursement amount for PLC members, the factors listed below, as well as the Project Classification Table may be considered, but is not mandatory or conclusive:

i) Transportation costs.
ii) Sustenance (if not provided during meetings).
iii) Type, size, and complexity of the project.
iv) Facilitation of performance milestones.

Table D1004.03(a): Project Classification (Type, Size, Complexity)

Project Classification	Project Value (Rm)	Indicative PLC Reimbursement
Maintenance (M) (OPEX)	< R 100	R 585
	> R 100	R 585
Development (D) (CAPEX)	< R 100	R 585
	R 100 – R 300	R 705
	R 300 – R 500	R 820
	> R 500	R 935

PLC members will be reimbursed monthly, and the reimbursable amount may be revised bi-annually should the actual costs incurred by PLC members change during the project.

The PLC reimbursement amount will be increased annually, or twelve (12) months after the last bi-annual adjustment, based on the CPI figure contained in Table B2 of Statistical Release P0141 by StatsSA (base date March 2023).

3) Induction of the PLC

SANRAL will conduct an induction meeting with the PLC to acquaint PLC members with the following information:

a) SANRAL's Horizon 2030 Strategy.
b) SANRAL's Principles for Project Liaison.

c) The role and responsibilities of PLC members.
d) SANRAL's Transformation Policy.
e) How the Transformation Policy impacts on SMMEs.
f) Relevant details of the Contract, e.g.
   i. Start and end dates
   ii. Important milestones
   iii. CPG targets
   iv. Envisaged Targeted Enterprise packages
   v. Envisaged work for other SMMEs (non-CPG).

4) Rules of Engagement for the PLC

In the execution of their duties, members of the PLC shall adhere to the undertakings listed below and the Service Provider shall inform the Engineer of any transgression of these undertakings.

a) General Matters and Membership

i) A PLC member may not be a politically elected representative, and political party representation will not be allowed in the PLC.
ii) Ward Councillors may interact with the PLC through the Mayor's Office and the PLC Chairperson (the Employer).
iii) If required, and in consultation with SANRAL, a Political Steering Committee (PSC) may be established to address political matters.

b) Term of Office for the PLC

i) The duration of PLC members' participating in the PLC (term of office) shall depend on the duration of the project.
ii) If SANRAL finds the performance of a PLC member to be below expectation or their conduct to be unacceptable, the affected member will be discharged from their obligations and the constituency whom they represented will be requested to nominate a replacement member.

c) Targeted Enterprises and Targeted Labour

PLC members shall:

i) ensure that they, or companies in which they hold equity, do not tender for any work or on any subcontract that are issued for this Contract. Should a PLC member, or a company in which he/she holds equity, tender for such work or subcontract, it will be treated as a conflict of interest and the person shall cease to be a PLC member for this Contract, and the tender proposal submitted will not be evaluated.

ii) not have private or business interests in any of the sub-contract tenders tabled to the PLC or considered in this Contract.

iii) shall recuse themselves from discussions that deal with a sub-contract tender if any other member is of the opinion that a member's participation in deliberations, which is rightly or wrongly construe as improper or irregular, may lead to the award of a sub-contract to a tenderer known to the member.

iv) during the tender and tender evaluation processes, neither deliberately favoured nor prejudiced a person or tenderer, as intended, or contemplated in treasury Regulation 16, A8.3 (a), (b) & (c).

v) ensure that no conflict of interest arises from members' involvement in the PLC and potential involvement in targeted labour recruitment and/or targeted enterprises procurement and/or any other manufacturer/supplier/Subcontractor/service provider procurement or involvement in the contract.

d) Confidentiality

i) PLC members shall accept that all information, documentation, and discussions regarding any matter serving before the PLC are confidential and undertake not to communicate this information outside of the PLC meeting.

ii) Decisions of PLC meetings may not be disseminated to any party other than the constituency whom they are representing.

iii) Information for public dissemination shall be clearly documented in the minutes of the meeting of the PLC to ensure that sensitive information is disseminated to the correct audience.

e) Removal from Office

i) PLC members who violate the provisions of these Rules of Engagement for PLCs will be removed from their role as a PLC member at the sole discretion of SANRAL.

ii) SANRAL reserves the right to recover any costs from PLC members whose actions can be regarded as detrimental to SANRAL or to the execution of the project.

iii) SANRAL also reserves the right to recommend criminal prosecution if the offence warrants such action.

iv) SANRAL reserves the right to dissolve the entire PLC should it believes that such an action is in its best interest, or that of the project. SANRAL will not be obliged to reconstitute the PLC if such a dissolution occurs.

5. Responsibilities and Duties of the PLC

The PLC will execute specific duties during the design and construction phases of the project.

Some of the PLC's duties during the design and construction stages overlap and hence, for completeness, a description of the PLC's duties in both project stages is provided here.

The PLC will execute the following duties:

a) Project Design Stage

i) Meet as often as required to provide input to the project's design stage matters which are of interest or concern to the parties to the PLC.

ii) Peruse the Project Liaison Committee rules, responsibilities and duties outlined in this Form and agree on the rules, responsibilities, and duties of, and procedures to be followed by, the PLC to fulfil its duties.

Note: The principles outlined in this Form shall not be amended, but duties and procedures may be altered to be project specific and to improve the functionality of the PLC.

iii) Act in accordance with the agreed terms of reference for the PLC.

iv) Inform the Employer's Project Manager of any training that PLC members require to execute their duties.

v) Provide input to the Engineer in sourcing suitable candidates, based on SANRAL's qualifying criteria, for the position of PLO.

vi) Observe that the qualifying criteria and procedures applied by the Engineer to select and employ the PLO were executed in a fair and transparent manner and were within the prescripts of the relevant labour legislation and regulations.

vii) Provide input to the Engineer in identifying the project's Target and Project Area(s) from which Targeted Labour and Targeted Enterprises could be employed and sub-contracted, respectively.

viii) Provide input to the Engineer in identifying the project's Target Groups for inclusion in the Tender Documents.

b) Project Construction Stage

i) Meet formally prior to SANRAL's monthly site meeting, or as may be required, to discuss and resolve project matters which are of interest or concern to the parties to the PLC.

ii) Provide input to the Service Provider in establishing the selection criteria and process to employ Targeted Labour

iii) Provide input to the Service Provider in identifying the eligibility, functionality, preference, and compliance criteria to select and sub-contract Targeted Enterprises.

iv) Provide input to the Databases compiled by the PLO and the Service Provider from which Targeted Labour will be selected and employed and Targeted Enterprises will be sub-contracted, respectively.

v) Observe that the criteria and methodologies applied by the Service Provider to select and employ Targeted Labour and sub-contract Targeted Enterprises are executed in a fair and

transparent manner and are within Government legislation and regulations and SANRAL's Policies.

vi) Observe that the conditions of employment and the conditions of subcontracting, in the employment of Targeted Labour and subcontracting of Targeted Enterprises are applied in a fair and transparent manner and according to SANRAL's employment and subcontracting requirements.

vii) Provide input to the Service Provider on the training needs, eligibility criteria and selection criteria for the provision of training to Targeted Labour, Targeted Enterprises, Target Groups, project Stakeholders and the affected Communities.

viii) Observe that training and skills development programmes, which the Service Provider committed to, are implemented, and executed as approved and intended.

ix) Inform the constituency whom they represent of any project matters which the respective parties to the PLC wishes to communicate with each other.

x) Inform the constituencies whom they represent of any project matters that are impacting or may impact, either positively or negatively, on the respective parties to the PLC.

xi) Inform the SANRAL, the Engineer and Service Provider of any road safety concerns within the Project Area(s) and provide input on possible mitigating measures and/or road safety programs that will be most suitable for acceptance by the affected Communities to promote road safety.

xii) Agree on a dispute resolution mechanism to resolve any disputes that may arise between the parties to the PLC.

xiii) Assist parties to the PLC to liaise with their respective constituencies to resolve any disputes amongst the parties which may occur due to the project.

6. PLC Meetings

a) Frequency

i) Meetings will be conducted monthly or as required by the parties to the PLC based on the urgency of project matters.

b) Notice of meetings

i) The notice of the PLC meeting shall be given at least seven (7) calendar days prior to the meeting date.

ii) Where meetings have been diarised over a period by the PLC, it shall be the duty of each PLC member to ensure his/her attendance on the set dates.

iii) Where a PLC member has been absent from a meeting, he/she bears the onus of acquiring the date and venue of the next meeting.

c) Venue

i) The venue for PLC meetings shall be the project site office or any other venue agreed to by the members of the PLC and approved by SANRAL.

ii) During the Covid 19 lockdown, or any other lockdown as announced by government, the meetings shall be held on an online platform such as WhatsApp, Teams, Zoom or similar.

d) Agenda

i) An agenda shall be made available or displayed to PLC members at the commencement of such meetings or the minutes of the previous meeting will serve as the agenda of such meetings.

ii) The agenda shall not be amended without prior approval from SANRAL.

e) Chairperson

i) PLC meetings shall be chaired by SANRAL which will typically be the SANRAL's Project Manager, or a SANRAL staff member with decision--making delegation.

ii) The Chairperson shall:

(1) chair all meetings of the PLC,

(2) co-ordinate all the activities of the PLC with the assistance of the PLO,

(3) monitor that PLC members are fulfilling their tasks as assigned by the PLC,

(4) see to the execution of decisions taken by the PLC,

(5) ensure, with the assistance of the Engineer, the validity of members' claims for reimbursement,

(6) monitor that all activities of the PLC comply with current laws, regulations, and SANRAL policies, and

(7) be a co-signatory to all official documents of the PLC.

f) Secretariate

i) The Engineer's staff shall provide a secretarial service to take minutes of PLC meetings.

ii) Secretarial support other than taking minutes at PLC meetings shall be provided by the PLO.

g) Quorum

i) The quorum for PLC meetings shall be constituted by 50%+1 ratio excluding co- opted members.

h) h) Apologies and Non-attendance

i) Apologies shall be in writing. In an emergency where a PLC member could not apologise in advance, a written apology must be submitted as soon as possible.

ii) Apologies may be sent through any media agreed to by the PLC for example through SMS or WhatsApp messaging or similar application.

iii) The constituency, represented by a PLC member who fails to attend three (3) consecutive meetings without an apology, will be informed in writing and requested to nominate a replacement member.

i) Language

i) PLC meetings will be conducted in English to enable all participants to understand the discussions of the meeting.

ii) However, care and consideration must be given to provide non-English speakers an opportunity to participate and hence, if agreed by all PLC members, any of the 11 official languages may be spoken and translated during the meeting. Even if a language other than English is used, the minutes of the meeting will be recorded in English.

j) Other

i) Sustenance shall be provided at PLC meetings as per government policy.

7. Amendments or Additions

The rules, responsibilities, and duties for PLC members in this Form are adopted and will be in force with effect from this ……. day of ……... 20……

	Name and Surname	**Signature**	**Date**
Accepted for SANRAL			
Accepted for Engineer			
Accepted for Service Provider			
Accepted for PLC			
Accepted by PLC			

FORM A3: CHECKLIST – PROJECT LIAISON COMMITTEE – MEMBER APPOINTMENT

Notes:

a) The checklist consists of several sections. Only print the relevant sections.
b) Indicate what has been completed and sign off at the end.
c) While other individuals can assist in this process, the Project Manager (PM) remains accountable for all deliverables.
d) All forms/records to be kept by the PM and availed to line management upon request.

Form No.	Item	Explanatory Note for Compliance Check		Responsibility	Complete (Yes/No or N/A)
A3.1	**PLC Member Appointment:**				
1	**Nomination forms completed.**	a)	Form must indicate the nominee and the individual or organisation making the nomination.	Stakeholder Coordinator (SC) /Contracts Engineer (CE)	
		b)	Forms circulated with the assistance of Municipality's LED office.	SC/CE	
		c)	All completed forms collected from the Municipality's LED office.	SC/CE	
2	**Members selected.**	a)	Confirm the membership of the PLC.	SC/Project Management Team (PMT)	
		b)	Where there are multiple entries, the team can select the member with the highest number of nominations.	SC/PMT	
		c)	Where there is an equal number of nominations, the team will request the nominating organisation to confirm the member	SC/PMT	

Form No.	Item	Explanatory Note for Compliance Check		Responsibility	Complete (Yes/No or N/A)
			who should join the PLC.		
		d)	The last alternative is to allow for a snap election in a community meeting.	SC/PMT	
		e)	Communicate the PLC membership to the affected stakeholders.	SC/PMT	
3	**Formal appointment to PLC signed.**	a)	Ensure that the PLC membership is confirmed in line with Form A3.2	SC/Project Manager (PM)	
		b)	All members must be provided with a copy of the PLC Duties and Responsibilities (extract from D1004.03). The signed duties and responsibilities must be scanned and shared with all members. The PM retains a copy for future reference.	SC/PMT	
		c)	Document must be signed again when the membership changes. The PM must add the version of the document to ensure that the various versions can be tracked.	PM	
Stakeholder Coordinator:					
Name		**Sign**		**Date**	
Project Manager:					
Name		**Sign**		**Date**	

FORM A3.2: PROJECT LIAISON COMMITTEE – MEMBER LIST

No.	Sector/Entity/Forum	Name and Surname	Signature
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			

FORM A4: CHECKLIST – PROJECT LIAISON OFFICER – APPOINTMENT

Notes:

a) The checklist consists of several sections. Only print relevant sections.
b) Indicate what has been completed and sign off at the end.
c) While other individuals can assist in this process, the Project Manager (PM) remains accountable for all deliverables.
d) All forms/records to be kept by the PM and availed to line management upon request.

Form No.	Item	Explanatory Note for Compliance Check		Responsibility	Complete (Yes/No or N/A)
A4	**PLO Appointment:**				
1	**Post advertised in local media.**	a)	Job profile prepared.	CE/PMT	
		b)	Post advertised in the media.	CE/PMT	
		c)	Copy of advert kept on file.	CE/PMT	
2	**Shortlisting completed.**	a)	All CVs received collated.	CE/PMT	
		b)	Shortlisting done by the PMT.	CE/PMT	
		c)	PLC provided with the final shortlist.	CE/PMT	
3	**Interviews held.**	a)	Candidates invited.	CE/PMT	
		b)	Interview grid prepared.	CE/PMT	
		c)	The PLC can nominate a member to sit on the interview panel as an observer to ensure transparency in the process.	CE/PMT	
		d)	Formal interviews carried out.	CE/PMT	
		e)	Interview scores collated.	CE/PMT	
4	**Formal appointment of PLO.**	a)	PLO appointment letter issued.	CE	

Form No.	Item	Explanatory Note for Compliance Check		Responsibility	Complete (Yes/No or N/A)
		b)	PLO employment contract signed.	CE	
		c)	PLO performance agreement signed.	CE	
Stakeholder Coordinator:					
Name		**Sign**		**Date**	
Project Manager:					
Name		**Sign**		**Date**	

FORM A5: CHECKLIST – PROJECT LIAISON COMMITTEE – MEETINGS

Notes:

a) The checklist consists of several sections. Only print relevant sections.
b) Indicate what has been completed and sign off at the end.
c) While other individuals can assist in this process, the Project Manager (PM) remains accountable for all deliverables.
d) All forms/records to be kept by the PM and availed to line management upon request.

Form No.	Item	Explanatory Note for Compliance Check		Responsibility	Complete (Yes/No or N/A)
A5	**PLC Meeting Checklist:**				
1	**Attendance register completed.**	a)	All members of the PLC to sign the attendance register in ink.	PLO/PM	
		b)	Where meetings are on an online platform such as MS Teams, the attendance list must be downloaded from that platform.	PLO/PM	
2	**Quorum met.**	a)	The quorum for PLC meetings shall be constituted by 50% + 1 ratio excluding co-opted members.	PLO/PM	
3	**Agenda approved.**	a)		PM	
4	**Previous minutes approved.**	a)	Minutes must be prepared, signed off and dated by the Chairperson at the following meeting.	PLO/PM	
5	**Minutes and resolutions captured.**	a)		RE/PLO	
6	**Declaration of interest completed.**	a)	All members of the PLC to sign the DoL in ink.	PLO/PM	
Stakeholder Coordinator:					

Form No.	Item	Explanatory Note for Compliance Check		Responsibility		Complete (Yes/No or N/A)
Name		**Sign**		**Date**		
Project Manager:						
Name		**Sign**		**Date**		

FORM A6: PROJECT LIAISON COMMITTEE – DECLARATION OF INTEREST

Notes:

a) This declaration of interest shall be signed by all attendees at every PLC meeting.

THE SOUTH AFRICAN NATIONAL ROADS ANGECY LTD

PROJECT LIAISON COMMITTEE - DECLARATION OF INTEREST

We, as members of the PLC and persons present in the meeting, hereby solemnly swear and declare that we have no private or business interest or stake in any of the Work Packages or Tender Reports tabled here today or to be discussed in this project.

If one of us is of the opinion/view that some people may, rightly or wrongly construe as improper/irregular, his/her participation/involvement in deliberations that may lead to the award of a tender to a tenderer known to him/her, that person shall then recuse himself/herself from the proceedings/discussions that deal with that Work Package or Tender Report. Additionally, such a member shall recuse himself/herself from the operations of this PLC going forward and shall cease to be a PLC member for this project.

We certify that we, during the process neither deliberately favoured nor prejudiced and person or tenderer, as intended or contemplated in treasury Regulation 16, A8.3 (a), (b) & (c).

We further accept that all information, documentation, and decisions regarding any matter serving before the Committee are confidential. We, therefore, undertake not to communicate decisions/discussions of the meeting to external or internal parties unless so directed and approved by the Project Manager.

Members	**Signature**	**Date**

FORM B: CHECKLIST – TARGETED ENTERPRISE TENDERING PROCESS

Form No.	Item	Explanatory Note for Compliance Check		Responsibility	Complete (Yes/No or N/A)	Source Document
B1	**Target Area:**					
1	**Target Area Defined by PLC.**	a)	Target Area for Targeted Labour and Targeted Enterprises identified and disseminated to the PLC.	PLO/PM		
		b)	Target Groups identified and disseminated to the PLC.	PLO/PM		
2	**Database of Service Providers and Suppliers.**	a)	Database criteria setup and disseminated to the PLC.	PLO/PM		
		b)	Signed off database criteria handed over to PLC.	PLO/PM		
B2	**Tender Phase:**					
1	**Tender Advert.**	a)	Copy of advert on file.	Service Provider		
		b)	Proof of publication in selected local publications.	Service Provider		
		c)	Proof of publication on SANRAL website.	Service Provider		
2	**Tender Document.**	a)	Copy of specification available on file, copy of the Tender CD, or printed.	Service Provider		

Form No.	Item	Explanatory Note for Compliance Check		Responsibility	Complete (Yes/No or N/A)	Source Document
3	**Clarification Meeting Attendance register.**	a)	Attendance register signed by all attendees of the clarification meeting	Service Provider		
4	**Clarification Meeting Minutes.**	a)	Minutes must be prepared, signed off and dated by the Chairperson within 14 days of the date of the meeting	Service Provider		
5	**Clarification Meeting Presentation.**	a)	Copy of the presentation on file.	Service Provider		
6	**Addenda**	a)	All addenda issued must be recorded on the file.	Service Provider		
		b)	Proof (e-mail) of those persons that the addenda was sent to (if applicable).	Service Provider		
7	**Register of tenders issued (if applicable).**	a)	Record the names of persons / companies that collected tender documents (website/by hand).	Service Provider		
B3	**Tender Opening:**					
1	**Register of Tenders Received.**	a)	Record the names of persons / companies that submitted tender offers.	Service Provider		
2	**Tender Opening, Declaration of Interest.**	a)	Declaration by SANRAL officials at the opening.	Service Provider		

Form No.	Item	Explanatory Note for Compliance Check		Responsibility	Complete (Yes/No or N/A)	Source Document
3	**Tender Opening, Attendance Register.**	a)	Record the names of persons present at the opening of tenders.	Service Provider		
4	**Register for late tenders received.**	a)	Record names and time of late tenders received.	Service Provider		
5	**Tender Opening, Opening Data.**	a)	Register of the opening of the Technical Offer on the Tender Data sheet.	Service Provider		
B4	**Tender Evaluation:**					
1	**Extension of validity period.**	a)	Confirmation of issue of letters of extension of validity period.	Service Provider		
		b)	Confirmation of response on extension of validity period by the bidders.	Service Provider		
2	**Declaration of Interest.**	a)	All members of the Bid Evaluation Committee to sign the DoI in ink.	Service Provider		
3	**Attendance Register.**	a)	All members of the BEC to sign the attendance register in ink.	Service Provider		
4	**Minutes**	a)	Minutes must be prepared, signed off and dated by the Chairperson within 14 days of the date of the meeting.	Service Provider		

Form No.	Item	Explanatory Note for Compliance Check		Responsibility	Complete (Yes/No or N/A)	Source Document
5	**Signed evaluation report.**	a)	Report signed by the Chairperson of the BEC detailing deliberations and discussions of the BEC meeting.	Service Provider		
6	**PPPFA Scoring sheet**	a)	Scoring sheet detailing the scores of all tenders evaluated as per the PPPFA.	Service Provider		
7	**CSD Compliance Report.**	a)	Printout of the CSD Report for compliance verification for the successful tenderer.	Service Provider		
8	**CIDB grade confirmation (if applicable).**	a)	Verification of active status.	Service Provider		
		b)	JV calculator for Joint Ventures.	Service Provider		
9	**B-BBEE Certificate.**	a)	B-BBEE Certificate of winning tenderer on file for verification of preference points.	Service Provider		
10	**SANRAL List of Restricted Bidders.**	a)	Verification that the winning tenderer is not restricted from doing business with SANRAL.	Service Provider		
11	**Clarification correspondence after tender closing (individual tenderers or all).**	a)	All correspondence relating to RFT correction of arithmetic errors/balancing of rates etc.	Service Provider		
12	**Report for the award of the contract.**	a)	Report detailing information from tender phase to evaluation phase, and a recommendation with	Service Provider		

Form No.	Item	Explanatory Note for Compliance Check		Responsibility	Complete (Yes/No or N/A)	Source Document
			motivation for the approval of the winning tenderer.			
13	**Review Report.**	a)	Receive high level reports and ensure transparency in the appointment of Targeted Enterprises. The reports must exclude sensitive evaluation information.	PLC /PLO/PM	Report not to be supplied to PLC*.	
B5	**Award of Contract:**					
1	**BAC Declaration of Interest.**	a)	All members of the BAC to sign the DoI in ink.	Project Bid Adjudication Committee Secretariat (PBAC)		
2	**BAC Attendance Register.**	a)	All members of the BAC to sign the attendance register in ink.	PBAC Secretariat		
3	**BAC Minutes.**	a)	Minutes must be prepared, signed off and dated by the Chairperson within 14 days of the date of the meeting.	PBAC Secretariat		

FORM C: CHECKLIST – TARGETED ENTERPRISE CONTRACT ADMINISTRATION

Form No.	Item	Explanatory Note for Compliance Check		Responsibility	Complete (Yes/No or N/A)	Source Document
C	**Contract Administration Phase**					
1	**Letter of award / Letter of Acceptance.**	a)	Copy of letter issued to the successful bidder.	Service Provider		
2	**Letters to unsuccessful bidder(s).**	a)	Standard letter informing unsuccessful bidders of the tender outcome with proof of emails.	Service Provider		
3	**Publication of award, within 7 working days from date of award.**	a)	Proof of publication on SANRAL website.	Service Provider / PLO / Project Manager		
4	**Contract document.**	a)	Original signed contract on file.	End-User / Service Provider		
5	**Closure of contract.**	a)	Copy of close-out report (SIPDM).	End-User / Service Provider		
6	**Performance report (for Engineering contracts).**	a)	Copy of Service Provider performance report.	End-User / Service Provider		
Project Manager:						
Name		**Sign**		**Date**		

ANNEXURE X3

PROFORMA SUB-CONTRACT DOCUMENT FOR TARGETED ENTERPRISES

https://docs.nra.co.za/otcs/cs.exe/link/19334307

ANNEXURE X4

ACCEPTANCE TO ADVERTISE SUBCONTRACT TENDER

Notes to Compiler:

1. *Delete all notes to Compiler (highlighted in yellow) before submitting for acceptance.*
2. *Every package to be tendered must appear in the table(s); Insert more tables if necessary.*
3. *Refer to the functionality points guidelines below and table to the PLC before submitting for acceptance by the PLC and the Employer.*
4. *Tables A and B are guidelines, and the Service Provider must consult the Contract document or the relevant proforma subcontract agreements where applicable.*

Table A – Example of Maximum Points per Functionality Criteria

CIDB Grade (if applicable) and Package Value	*Points Allocation*			*Total Points*
	Locality	*CIDB Grading (or other relevant sector criteria)*	*Target Groups*	
1 - R 500 000	*60*	*30*	*10*	*100*
2 - R 1 000 000	*60*	*30*	*10*	*100*
3 - R 3 000 000	*60*	*35*	*5*	*100*
4 - R 6 000 000	*60*	*35*	*5*	*100*
5 - R 10 000 000	*60*	*35*	*5*	*100*
6 - R 20 000 000	*60*	*30*	*10*	*100*

Table B – Example of Allocation of Points for Functionality Criteria

	CIDB Package Category	1CE	2CE	3CE	4CE	5CE	6CE
	Typical Package Value	Up to R 1 mill		R 1 - 6 mill		R 6 - 20 mill	
Locality	Tenderer is based in the Local Municipality(ies).	60	60	60	60	60	60
	Tenderer is based outside the Local Municipality(ies), but in the District Municipality(ies).	45	45	40	40	40	40
	Tenderer is based outside the District Municipality(ies), but in the Province.	0	0	35	35	35	35
	Tender is based outside the Province, but in the RSA.	0	0	0	0	30	30
-							
CIDB Grading (or other relevant sector criteria)	Tenderer is registered as a CIDB 1	30	30	0	0	0	0
	Tenderer is registered as a CIDB 2	30	30	30	0	0	0
	Tenderer is registered as a CIDB 3	0	0	35	30	0	0
	Tenderer is registered as a CIDB 4	0	0	30	35	30	0
	Tenderer is registered as a CIDB 5	0	0	0	30	35	30
	Tenderer is registered as a CIDB 6	0	0	0	0	30	35
	Tenderer is registered as a CIDB 7 - 9	0	0	0	0	0	30
-							
Target Groups	Tenderer is 51%+ owned by black youth.	5	5	5	5	5	5
	Tenderer is 51%+ owned by black women.	5	5	5	5	5	5
	Tenderer is 51%+ owned by black people with disabilities.	5	5	5	5	5	5
	Tenderer is 51%+ owned by black military veterans.	5	5	5	5	5	5
	Maximum Total Points	100	100	100	100	100	100

Table 1: CPG Plan Tracker (Example)

Contract Value*	*e.g.* R 100 000 000						
Contract Data**	**Employer's Min CPG (%)****	**Packages Previously Let (No.)**	**Packages in this Form (No.)**	**Packages still to be Let (No.)**	**Total Packages to be Let (No.)**	**Service Provider's Tendered CPG (%)**	**CPG Tendered Value (R)**
TEs	*e.g.* 30%	0	4	16	20	30%	R 30 000 000
TE Sub-Goals							
CIDB 1	9%	0	1	8	9	4,5%	R 4 500 000
CIDB 2		0	2	3	5	4,5%	R 4 500 000
CIDB 3	9%	0	0	1	1	3,0%	R 3 000 000
CIDB 4		0	0	1	1	6,0%	R 6 000 000
CIDB 5	N/A	0	0	1	1	10,0%	R 10 000 000
CIDB 6		0	0	0	0	0%	R 0
Other Sectors***	N/A	0	1	2	3	2,0%	R 2 000 000

* From Letter of Award

** From Service Provider's Contract Document.

*** Manufacturers, Suppliers, Service Providers.

Table 2: Subcontract Packages for Targeted Enterprises

Package Number	**1** ***(Example)***	**2** ***(Example)***	**3** ***(Example)***
Package Description	General Maintenance	Repair Potholes	Install Culverts
Package Estimated Value	R 500 000	R 1 000 000	R 1 000 000
Target Group(s)			
a) Locality	Sundays River LM	Sundays River LM	Sundays River LM
b) CIDB Grade	1CE	2CE	2CE
Functionality Criteria			
a) Locality	60	60	60
b) CIDB Grade	30	30	30
c) Target Groups	20	20	20
d) Total	100	100	100
e) Threshold	75	75	75

Table 3: Sub-contract Packages for Targeted Enterprises

Package Number	**4** ***(Example)***	**5**	**6**
Package Description	Site Security		
Package Estimated Value	R 500 000		
Target Group(s)			
a) Locality	Sundays River LM		
b) CIDB Grade	N/A		
Functionality Criteria			
a) Locality	60		
b) PSIRA Registration *(E.g., security sector requirement.)*	30		
c) Target Groups	20		
d) Total	100		
e) Threshold	75		

The sub-contract packages in Tables 1 to x (insert no. of tables) for Targeted Enterprises and the accompanying Tender Notice have been perused and are supported.

RECOMMENDED:

NAME	DESIGNATION	SIGNATURE	DATE
	Service Provider		
	Engineer		
	SANRAL Project Manager		
	PLC Representative *(other than above members)*		

ACCEPTED:

NAME[1]	DESIGNATION[1]	SIGNATURE	DATE
	SR Planning Manager		
	SR Construction Manager		
	SR CD Representative		
	SR Transformation Officer		

[1]Minimum 3 signatures required.

SUB-CONTRACT NRA X.xxx-xxx-xxxx/x – XX (Insert sub-contract project number.)

SUB-CONTRACTS FOR THE XXX OF NATIONAL ROUTE Xxx SECTION xxx (KM xxx) TO SECTION xxx (KM xxx) BETWEEN XXX AND XXX (Insert project description.)

TENDER NOTICE

CLOSING DATE: XXXX, XX XXXX 20XX AT XX:00 (Insert day, date and time.)

Xxx (insert Main Service Provider company name) invites experienced EME and QSE sub-contractors to a tender briefing session for Contract X.xxx-xxx-xxx/x - XX (insert sub-contract project number) for the XXX OF NATIONAL ROUTE Xxx SECTION xx (KM xx) TO SECTION xx (KM xx) BETWEEN XXX AND XXX (insert project description) on behalf of the South African National Roads Agency SOC Limited (SANRAL). This project is in the province of the Eastern Cape and in the district municipalities of Xxx and Xxx (insert district municipality(ies)).

Preferences are offered to prospective tenderers from the targeted area, namely the Xxx and Xxx Local Municipalities (insert local municipality(ies)), as well as the CIDB grades and classes indicated for each sub-contract package. This tender will be evaluated in terms of functionality as a criterion and the price and preference points system. Tenderers who satisfy the following criteria are eligible to submit tenders:

a) B-BBEE Level 1 or 2 contributor.
b) Exempted Micro Enterprise (EME) or Qualifying Small Enterprise (QSE).
c) Registered on the National Treasury Central Supplier Database (CSD).
d) Registered as “active” with the Construction Industry Development Board (CIDB) in the relevant contractor grade and class designation.

An award will only be made to preferred Tenderers that are:

a) Compliant with the Compensation for Occupational Injuries and Diseases Act (COID); and
b) Tax Compliant.

Sub-contractors are required for the following subcontracts: (List sub-contract packages, e.g.:)

1. Package 1

1 x General Maintenance Package (CIDB 4CE PE)

2. Packages 2 and 3

2 x General Maintenance Packages (CIDB 2CE PE)

Note to Tenderers:

a) Xxx (insert Main Service Provider company name) will reserve the right to negotiate feasible rates with the preferred tenderers if necessary.

b) Tenderers may submit tenders for all sub-contracts in this Tender Notice, but only 1 (one) subcontract will be let per preferred Tenderer at any one time for this project.

A compulsory information briefing meeting and a training session will take place at Xxx (insert name of venue and physical address) on xxx (insert day), xxx (insert date) at xxx (insert time) where prospective Tenderers shall meet the Service Provider.

Tender documents will be made available at the information briefing in the form of a CD. The CD will contain an electronic copy of the tender document, in PDF format. Only the documents within the folder named "Returnable Document" must be printed, bound and completed with all the relevant supporting documents attached.

Tenderers must be represented at the information briefing meeting by a representative who must be the Tenderer himself or an authorised person in the direct employment of the Tenderer.

Late arrivals to the compulsory information briefing meeting will not be allowed access, and therefore will not be allowed to submit a tender. Such tenders received, shall be deemed non-responsive.

The tender and supporting documents shall be sealed in an envelope and clearly marked:

"Sub-Contract NRA X.xxx-xxx-xxxx/x – XX (insert sub-contract project number) for … " (relevant sub-contract name, e.g. xxx (insert example name) and shall be delivered by hand to Xxx (insert name of venue and physical address) between the hours 09:00 to 16:00.

Note: Telephonic, telegraphic, telex, facsimile, e-mailed or electronic applications will not be accepted.

The Tender Documentation for all packages in this Tender Notice shall reach the stipulated address no later than xxh00 (insert time) on Xxx (insert day), xxx (insert date).

Queries relating to issues arising from this document may be addressed to:

Contact:	Xxx	(Insert Main Service Provider's contact person(s).)
Company Name:	Xxx	(Insert Main Service Provider's company name.)
Tel No:	xxx xxx xxx	(Insert contact person's tel./cell phone number.)
e-mail:	xxx@xxx	(Insert contact person's e-mail address.)

ANNEXURE X5

TRAINING AND SKILLS DEVELOPMENT PROGRAMME

(Note to Compiler: Insert form of tenderer's commitment in Book1 here.)