

LA 1.2

ESTABLISHMENT OF A PANEL OF MULTI-DISCIPLINARY PROFESSIONAL SERVICE PROVIDERS TO ASSIST THE DEPARTMENT OF LAND REFORM AND RURAL DEVELOPMENT IN PLANNING, DESIGNING, IMPLEMENTING, MONITORING, EVALUATING AND TECHNICAL SUPPORT ON VARIOUS INFRASTRUCTURE DEVELOPMENT PROJECTS IN THE NINE (09) PROVINCES ON AN AS AND WHEN REQUIRED BASIS FOR A PERIOD OF THIRTY-SIX (36) MONTHS

5/2/2/1/ DLRRD 0005 (2026/2027)

CLOSING DATE: 03 AUGUST 2026 @ 11:00

TECHNICAL ENQUIRIES : Ms Sibongile Mankahla
TEL : 051 400 4200
EMAIL: Sibongile.Mankahla@dlrrd.gov.za

BID RELATED ENQUIRIES : Mr Bornapate Lewele
TEL : 012 312 8364
EMAIL: Bornapate.Lewele@dlrrd.gov.za

LA 1.1



agriculture, land reform & rural development

Department:
Agriculture, Land Reform and Rural Development
REPUBLIC OF SOUTH AFRICA

Chief Directorate: Supply Chain and Facilities Management Services: **Sub-Directorate:** Demand and Acquisition Management Services: **Enquiries:** Ms Sando Nkwana: **Tel:** (012) 312 8403

YOU ARE HEREBY INVITED TO BID TO THE DEPARTMENT OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT

RFQ NO: 5/2/2/1 DLRRD 0005 (2026/2027)

CLOSING TIME: 11H00

CLOSING DATE: 03 August 2026

BIDS RECEIVED AFTER THE CLOSING TIME AND DATE AS A RULE WILL NOT BE ACCEPTED FOR CONSIDERATION

1. Kindly furnish us with a bid for services shown on the attached forms.
2. Attached please find the General Contract Conditions (GCC), SBD1, Pricing Schedule SBD 3.3, SBD4, SBD6.1, terms of reference (TOR).
3. Bidders must ensure that they register with the National Treasury Central Supplier Database (CSD).
4. If you are a sole agent or sole supplier you should indicate your market price after discount to your other clients or if that is not possible your percentage net profit before tax, in order to decide whether the price quoted is fair and reasonable.
5. The attached forms must be completed in detail and returned with your bid. Bid document must be submitted in a sealed envelope stipulating the following information: Name and Address of the bidder, Bid number and closing date of bid. **(Failure to comply will disqualify your proposal)**

Yours faithfully

SIGNED
QUOTATION MANAGEMENT
DATE: 07 July 2026

**PART A
INVITATION TO BID**

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (DEPARTMENT OF AGRICULTURE LAND REFORM AND RURAL DEVELOPMENT)						
BID NUMBER:	5/2/2/1 DLRRD 0005 (2026/2027)		CLOSING DATE:	03 August 2026	CLOSING TIME:	11:00
DESCRIPTION	ESTABLISHMENT OF A PANEL OF MULTI-DISCIPLINARY PROFESSIONAL SERVICE PROVIDERS TO ASSIST THE DEPARTMENT OF LAND REFORM AND RURAL DEVELOPMENT IN PLANNING, DESIGNING, IMPLEMENTING, MONITORING, EVALUATING AND TECHNICAL SUPPORT ON VARIOUS INFRASTRUCTURE DEVELOPMENT PROJECTS IN THE NINE (09) PROVINCES ON AN AS AND WHEN REQUIRED BASIS FOR A PERIOD OF THIRTY-SIX (36) MONTHS					
BID RESPONSE DOCUMENTS MAY BE DEPOSITED TO: Quotations.Nat <Quotations.Nat@dalrrd.gov.za						
DEPARTMENT OF LAND REFORM AND RURAL DEVELOPMENT: 600 LILIAN NGOYI STREET, BEREA PARK, PRETORIA CENTRAL,						
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO			TECHNICAL ENQUIRIES MAY BE DIRECTED TO:			
CONTACT PERSON	Mr. Bornapate Lewele		CONTACT PERSON	Ms. Sibongile Mankahla		
TELEPHONE NUMBER	(012) 312 8364		TELEPHONE NUMBER	051 400 4200		
FACSIMILE NUMBER			FACSIMILE NUMBER			
E-MAIL ADDRESS	Bornapate.Lewele@dlrrd.gov.za		E-MAIL ADDRESS	Sibongile.Mankahla@dlrrd.gov.za		
SUPPLIER INFORMATION						
NAME OF BIDDER						
POSTAL ADDRESS						
STREET ADDRESS						
TELEPHONE NUMBER	CODE		NUMBER			
CELLPHONE NUMBER						
FACSIMILE NUMBER	CODE		NUMBER			
E-MAIL ADDRESS						
VAT REGISTRATION NUMBER						
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:		OR	CENTRAL SUPPLIER DATABASE No:	MAAA	
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE	TICK APPLICABLE BOX] <input type="checkbox"/> Yes <input type="checkbox"/> No	B-BBEE STATUS LEVEL SWORN AFFIDAVIT		[TICK APPLICABLE BOX] <input type="checkbox"/> Yes <input type="checkbox"/> No		
[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES & QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]						
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]	ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?		<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER THE QUESTIONNAIRE BELOW]		
QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS						

**PART B
TERMS AND CONDITIONS FOR BIDDING**

1. BID SUBMISSION:	
1.1.	BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
1.2.	ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED–(NOT TO BE RE-TYPED) OR IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.
1.3.	THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2022, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.
1.4.	THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).
1.5.	VALIDITY PERIOD: 120 DAYS
2. TAX COMPLIANCE REQUIREMENTS	
2.1	BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
2.2	BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VERIFY THE TAXPAYER’S PROFILE AND TAX STATUS.
2.3	APPLICATION FOR TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E-FILING THROUGH THE SARS WEBSITE WWW.SARS.GOV.ZA.
2.4	BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.
2.5	IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED; EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.
2.6	WHERE NO TCS PIN IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.
2.7	NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE, COMPANIES WITH DIRECTORS WHO ARE PERSONS IN THE SERVICE OF THE STATE, OR CLOSE CORPORATIONS WITH MEMBERS PERSONS IN THE SERVICE OF THE STATE.”

NB: FAILURE TO PROVIDE / OR COMPLY WITH ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID.

SIGNATURE OF BIDDER:

CAPACITY UNDER WHICH THIS BID IS SIGNED:
(Proof of authority must be submitted e.g., company resolution)

DATE:

BIDDER’S DISCLOSURE

1. PURPOSE OF THE FORM

Any person (natural or juristic) may make an offer or offers in terms of this invitation to bid. In line with the principles of transparency, accountability, impartiality, and ethics as enshrined in the Constitution of the Republic of South Africa and further expressed in various pieces of legislation, it is required for the bidder to make this declaration in respect of the details required hereunder.

Where a person/s are listed in the Register for Tender Defaulters and / or the List of Restricted Suppliers, that person will automatically be disqualified from the bid process.

2. Bidder’s declaration

2.1 Is the bidder, or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest¹ in the enterprise, employed by the state? **YES/NO**

2.1.1 If so, furnish particulars of the names, individual identity numbers, and, if applicable, state employee numbers of sole proprietor/ directors / trustees / shareholders / members/ partners or any person having a controlling interest in the enterprise, in table below.

Full Name	Identity Number	Name of State institution

2.2 Do you, or any person connected with the bidder, have a relationship

¹ the power, by one person or a group of persons holding the majority of the equity of an enterprise, alternatively, the person/s having the deciding vote or power to influence or to direct the course and decisions of the enterprise.

SBD4

with any person who is employed by the procuring institution? **YES/NO**

2.2.1 If so, furnish particulars:

.....
.....

2.3 Does the bidder or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest in the enterprise have any interest in any other related enterprise whether or not they are bidding for this contract? **YES/NO**

2.3.1 If so, furnish particulars:

.....
.....

3 DECLARATION

I, _____ the _____ undersigned, (name)..... in submitting the accompanying bid, do hereby make the following statements that I certify to be true and complete in every respect:

- 3.1 I have read and I understand the contents of this disclosure;
- 3.2 I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect;
- 3.3 The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium² will not be construed as collusive bidding.
- 3.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.
- 3.4 The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.
- 3.5 There have been no consultations, communications, agreements or arrangements made by the bidder with any official of the procuring

² Joint venture or Consortium means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract.

SBD4

institution in relation to this procurement process prior to and during the bidding process except to provide clarification on the bid submitted where so required by the institution; and the bidder was not involved in the drafting of the specifications or terms of reference for this bid.

- 3.6 I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

I CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 1, 2 and 3 ABOVE IS CORRECT.
 I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN TERMS OF PARAGRAPH 6 OF PFMA SCM INSTRUCTION 03 OF 2021/22 ON PREVENTING AND COMBATING ABUSE IN THE SUPPLY CHAIN MANAGEMENT SYSTEM SHOULD THIS DECLARATION PROVE TO BE FALSE.

Signature	Date
Position	Name of bidder

<p>This document must be signed and submitted together with your bid</p>
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THE NATIONAL INDUSTRIAL PARTICIPATION PROGRAMME

INTRODUCTION

The National Industrial Participation (NIP) Programme, which is applicable to all government procurement contracts that have an imported content, became effective on the 1 September 1996. The NIP policy and guidelines were fully endorsed by Cabinet on 30 April 1997. In terms of the Cabinet decision, all state and parastatal purchases / lease contracts (for goods, works and services) entered into after this date, are subject to the NIP requirements. NIP is obligatory and therefore must be complied with. The Industrial Participation Secretariat (IPS) of the Department of Trade and Industry (DTI) is charged with the responsibility of administering the programme.

1 PILLARS OF THE PROGRAMME

- 1.1 The NIP obligation is benchmarked on the imported content of the contract. Any contract having an imported content equal to or exceeding US\$ 10 million or other currency equivalent to US\$ 10 million will have a NIP obligation. This threshold of US\$ 10 million can be reached as follows:
- (a) Any single contract with imported content exceeding US\$10 million.
or
 - (b) Multiple contracts for the same goods, works or services each with imported content exceeding US\$3 million awarded to one seller over a 2 year period which in total exceeds US\$10 million.
or
 - (c) A contract with a renewable option clause, where should the option be exercised the total value of the imported content will exceed US\$10 million.
or
 - (d) Multiple suppliers of the same goods, works or services under the same contract, where the value of the imported content of each allocation is equal to or exceeds US\$ 3 million worth of goods, works or services to the same government institution, which in total over a two (2) year period exceeds US\$10 million.
- 1.2 The NIP obligation applicable to suppliers in respect of sub-paragraphs 1.1 (a) to 1.1 (c) above will amount to 30 % of the imported content whilst suppliers in respect of paragraph 1.1 (d) shall incur 30% of the total NIP obligation on a *pro-rata* basis.
- 1.3 To satisfy the NIP obligation, the DTI would negotiate and conclude agreements such as investments, joint ventures, sub-contracting, licensee production, export promotion, sourcing arrangements and research and development (R&D) with partners or suppliers.

- 1.4 A period of seven years has been identified as the time frame within which to discharge the obligation.

2 REQUIREMENTS OF THE DEPARTMENT OF TRADE AND INDUSTRY

- 2.1 In order to ensure effective implementation of the programme, successful bidders (contractors) are required to, immediately after the award of a contract that is in excess of **R10 million** (ten million Rands), submit details of such a contract to the DTI for reporting purposes.

- 2.2 The purpose for reporting details of contracts in excess of the amount of R10 million (ten million Rands) is to cater for multiple contracts for the same goods, works or services; renewable contracts and multiple suppliers for the same goods, works or services under the same contract as provided for in paragraphs 1.1.(b) to 1.1. (d) above.

3 BID SUBMISSION AND CONTRACT REPORTING REQUIREMENTS OF BIDDERS AND SUCCESSFUL BIDDERS (CONTRACTORS)

- 3.1 Bidders are required to sign and submit this Standard Bidding Document (SBD 5) together with the bid on the closing date and time.

- 3.2 In order to accommodate multiple contracts for the same goods, works or services; renewable contracts and multiple suppliers for the same goods, works or services under the same contract as indicated in sub-paragraphs 1.1 (b) to 1.1 (d) above and to enable the DTI in determining the NIP obligation, successful bidders (contractors) are required, immediately after being officially notified about any successful bid with a value in excess of R10 million (ten million Rands), to contact and furnish the DTI with the following information:

- Bid / contract number.
- Description of the goods, works or services.
- Date on which the contract was accepted.
- Name, address and contact details of the government institution.
- Value of the contract.
- Imported content of the contract, if possible.

- 3.3 The information required in paragraph 3.2 above must be sent to the Department of Trade and Industry, Private Bag X 84, Pretoria, 0001 for the attention of Mr Elias Malapane within five (5) working days after award of the contract. Mr Malapane may be contacted on telephone (012) 394 1401, facsimile (012) 394 2401 or e-mail at Elias@thedti.gov.za for further details about the programme.

4 PROCESS TO SATISFY THE NIP OBLIGATION

- 4.1 Once the successful bidder (contractor) has made contact with and furnished the DTI with the information required, the following steps will be followed:
- a. the contractor and the DTI will determine the NIP obligation;
 - b. the contractor and the DTI will sign the NIP obligation agreement;

- c. the contractor will submit a performance guarantee to the DTI;
- d. the contractor will submit a business concept for consideration and approval by the DTI;
- e. upon approval of the business concept by the DTI, the contractor will submit detailed business plans outlining the business concepts;
- f. the contractor will implement the business plans; and
- g. the contractor will submit bi-annual progress reports on approved plans to the DTI.

4.2 The NIP obligation agreement is between the DTI and the successful bidder (contractor) and, therefore, does not involve the purchasing institution.

Bid number	Closing date:.....
Name of bidder.....	
Postal address	
.....	
Signature.....	Name (in print).....
Date.....	

Js475wc

**PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL
PROCUREMENT REGULATIONS 2022**

BID PROCESS (EQUAL OR BELOW R50 MILLION)

This preference form must form part of all tenders invited. It contains general information and serves as a claim form for preference points for specific goals.

NB: BEFORE COMPLETING THIS FORM, TENDERERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF THE TENDER AND PREFERENTIAL PROCUREMENT REGULATIONS, 2022

1. DEFINITIONS

- (a) **“tender”** means a written offer in the form determined by an organ of state in response to an invitation to provide goods or services through price quotations, competitive tendering process or any other method envisaged in legislation;
- (b) **“price”** means an amount of money tendered for goods or services, and includes all applicable taxes less all unconditional discounts;
- (c) **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of tender invitation, and includes all applicable taxes;
- (d) **“tender for income-generating contracts”** means a written offer in the form determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions;
- (e) **“the Act”** means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000); and
- (f) "Historically Disadvantaged individuals" means a person historically disadvantaged by unfair discrimination on the basis of race: Provided that a person historically disadvantaged on the basis of race refers to Africans, Coloureds, Indians and people of Chinese descent who are South African citizens by birth or descent; or who became citizens of the Republic of South Africa by Naturalisation -
- Before 27 April 1994; or
 - On or after 27 April 1994 and who would have been entitled to acquire citizenship by naturalization prior to that date.

2. GENERAL CONDITIONS

2.1 The following preference point systems are applicable to invitations to tender:

- the 80/20 system for requirements with a Rand value of up to R50 000 000 (all applicable taxes included); and

2.2 To be completed by the organ of state

- a) The applicable preference point system for this tender is the 80/20 preference point system.
- b) 80/20 preference point system will be applicable in this tender. The lowest/ highest acceptable tender will be used to determine the accurate system once tenders are received.

2.3 Points for this tender (even in the case of a tender for income-generating contracts) shall be awarded for:

- (a) Price; and
- (b) Specific Goals.

2.4 To be completed by the organ of state:

The maximum points for this tender are allocated as follows:

	POINTS
PRICE	80
SPECIFIC GOALS	20
Total points for Price and SPECIFIC GOALS	100

2.5 Failure on the part of a tenderer to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.

2.6 Tenderers that fail to claim points for specific goals or that fail to fully complete the table in paragraph 2.12 below, will not be awarded points for specific goals.

2.7 Tenderers that make a calculation error when claiming points as per the table in paragraph 2.12 below, will not be awarded points for specific goals. Please take note of the examples on how to calculate points for specific goals as per paragraph 2.12 below.

2.8 Tenderers that fail to submit the correct SBD 6.1 form as issued by the Department of Agriculture, Land Reform and Rural Development, will not be awarded points for specific goals.

2.9 The organ of state reserves the right to require of a tenderer, either before a tender is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the organ of state.

2.10 Tenderers who wish to claim points in terms of the table in paragraph 2.12 below need to provide proof for each point claimed as guided below:

2.10.1 Historically Disadvantaged individuals (HDI):

- **Attach a copy of Identity Document (ID) and company registration document.**

2.10.2 Who is female:

- **Attach a copy of Identity Document (ID) and company registration document.**

2.10.3 Who has a disability:

- **Attach a certified copy or original doctor’s letter confirming the disability.**

2.10.4 Who is youth (a person that is not older than 35 years on the closing date of a bid):

- **Attach a copy of Identity Document (ID) and company registration document.**

2.11 The Department will use the Central Supplier Database and documents submitted by the tenderer to verify the points claimed for specific goals.

2.12 **Specific goals for the tender and points claimed are indicated per the table below.**

(Note to organs of state: Where either the 90/10 or 80/20 preference point system is applicable, corresponding points must also be indicated as such.

Note to tenderers: The tenderer must indicate how they claim points for each preference point system.)

The specific goals allocated points in terms of this tender	Number of points allocated (80/20 system)	Percentage ownership equity (To be completed by the tenderer)	Number of points claimed (80/20 system) (To be completed by the tenderer)
A person historically disadvantaged by unfair discrimination on the basis of race: provided that a person historically disadvantaged on the basis of race refers to Africans, Coloureds, Indians and people of Chinese descent who are South African citizen by birth or descent; who become citizen of the Republic of South Africa by Naturalisation- a) Before 27 April 1994 I. On or before 27 April 1994 and who would be entitled to acquire	8		

citizenship by naturalisation prior to the date.			
II. Who is female	5		
III. Who has a disability	2		
IV. Specific goal: Who is youth	2		
V. Specific goal: Locality (Promotion of SA owned enterprises)	3		

The number of points claimed for specific goals, are calculated as follow:

- (I) A maximum of 8 points may be allocated to tenderers who had no franchise in national elections before the 1983 and 1993 Constitution, on the following basis:
- **Percentage ownership equity** $\times 8 \div 100 =$ number of points claimed.
- (II) A maximum of 5 points may be allocated for to tenderers who is female, on the following basis:
- **Percentage ownership equity** $\times 5 \div 100 =$ number of points claimed.
- (III) A maximum of 2 points may be allocated to tenderers who has a disability, on the following basis:
- **Percentage ownership equity** $\times 2 \div 100 =$ number of points claimed.
- (IV) A maximum of 2 points may be allocated to tenderers who are youth, on the following basis:
- **Percentage ownership equity** $\times 2 \div 100 =$ number of points claimed.
- (V) A maximum of 3 points may be allocated to tenderers for locality, on the following basis:
- **Percentage ownership equity** $\times 3 \div 100 =$ number of points claimed.

2.13 It is important to note that failure by a tenderer to complete the table in paragraph 2.12 in full, will result in points for specific goals not to be allocated.

3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

3.1. POINTS AWARDED FOR PRICE

3.1.1 THE 80/20 PREFERENCE POINT SYSTEMS

A maximum of 80 points is allocated for price on the following basis:

80/20

$$Ps = 80 \left(1 - \frac{Pt - Pmin}{Pmin} \right)$$

Where

- Ps = Points scored for price of tender under consideration
 Pt = Price of tender under consideration
 Pmin = Price of lowest acceptable tender

3.2. FORMULAE FOR DISPOSAL OR LEASING OF STATE ASSETS AND INCOME GENERATING PROCUREMENT

3.2.1. POINTS AWARDED FOR PRICE

A maximum of 80 points is allocated for price on the following basis:

80/20

$$Ps = 80 \left(1 + \frac{Pt - Pmax}{Pmax} \right)$$

Where

- Ps = Points scored for price of tender under consideration
 Pt = Price of tender under consideration
 Pmax = Price of highest acceptable tender

4. POINTS AWARDED FOR SPECIFIC GOALS

- 4.1. In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. For the purposes of this tender the tenderer will be allocated points based on the goals stated in the table in paragraph 2.12 above as may be supported by proof/documentation stated in the conditions of this tender.
- 4.2. In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—
- (a) an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or
 - (b) any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system,

then the organ of state must indicate the points allocated for specific goals for both the 90/10 and 80/20 preference point system.

- 4.3 A consortium or joint venture may, based on the percentage of the contract value

managed or executed by their members, be entitled to claim points in respect of specific contract participation goals.

4.4 A tenderer will not be awarded points for HDI if it is indicated in the tender documents that such a tenderer intends sub-contracting more than 25% of the value of the contract to any other enterprise that does not qualify for the same number or more points for equity ownership.

4.5 A tenderer awarded a contract as a result of preference for contracting with, or providing equity ownership to a HDI, may not subcontract more than 25% of the value of the contract to a tenderer who is not a HDI or does not qualify for the same number or more preference for equity ownership.

5. SUB-CONTRACTING

5.1 Will any portion of the contract be sub-contracted?
(Tick applicable box)

YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
-----	--------------------------	----	--------------------------

5.1.1 If yes, indicate:

- i) What percentage of the contract will be subcontracted:%
- ii) The name of the sub-contractor:
- iii) Points claimed for HDI by the sub-contractor:

6. DECLARATION WITH REGARD TO COMPANY/FIRM

6.1. Name of company/firm:

6.2. Company registration number:

6.3. TYPE OF COMPANY/ FIRM

- Partnership/Joint Venture / Consortium
- One-person business/sole propriety
- Close corporation
- Public Company
- Personal Liability Company
- (Pty) Limited
- Non-Profit Company
- State Owned Company

[TICK APPLICABLE BOX]

6.4. I, the undersigned, who is duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the specific goals as advised in the tender, qualifies the company/ firm for the preference(s) shown and I acknowledge that:

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;

- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct;

- iv) If the specific goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have –
 - (a) disqualify the person from the tendering process;
 - (b) recover costs, losses or damages it has incurred or suffered as a result of that person’s conduct;
 - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
 - (d) recommend that the tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
 - (e) forward the matter for criminal prosecution, if deemed necessary.

..... SIGNATURE(S) OF TENDERER(S)	
SURNAME AND NAME:
DATE:
ADDRESS:



INVITATION TO TENDER FOR PROFESSIONAL SERVICES:

PROFESSIONAL SERVICES IN CONSORTIUM OR MULTI-DISCIPLINARY CONSISTING OF:

- 1. Project Management (Project Leader)**
- 2. Architectural Services**
- 3. Civil and Structural Engineering Services**
- 4. Mechanical and Electrical Engineering Services**
- 5. Quantity Surveying Services**
- 6. Agricultural Engineering Services**
- 7. Town and Regional Planning Services**
- 8. Environmental Management Services**
- 9. Occupational Health and Safety Services**

FOR THE PROJECT

ESTABLISHMENT OF A PANEL OF MULTI-DISCIPLINARY PROFESSIONAL SERVICE PROVIDERS TO ASSIST THE DEPARTMENT OF LAND REFORM AND RURAL DEVELOPMENT IN PLANNING, DESIGNING, IMPLEMENTING, MONITORING, EVALUATING AND TECHNICAL SUPPORT ON VARIOUS INFRASTRUCTURE DEVELOPMENT PROJECTS IN THE NINE (9) PROVINCES ON AN AS AND WHEN REQUIRED BASIS FOR A PERIOD OF 36 MONTHS

APPENDICES

- A STANDARD PROFESSIONAL SERVICES CONTRACT**
- B ENGINEERING COUNCIL OF SOUTH AFRICA: GUIDELINE PROFESSIONAL FEES (SCOPE OF SERVICES AND TARIFF OF FEES FOR PERSONS REGISTERED IN TERMS OF THE ENGINEERING PROFESSION ACT, 46 OF 2000**
- C PROCUREMENT APPROACH ENGAGEMENT MODEL**

1. Technical queries and SCM queries

Queries relating to these documents may be addressed to the Employer's authorised and designated representative who is the departmental project manager:

Ms Sibongile Mankahla

Tel no: 051 400 4200

Cell no: 071 331 6342

Email: Sibongile.Mankahla@dlrrd.gov.za

OR

Queries relating to the issuing of this document and Supply Chain Management may be addressed to:

Mr Bornapate Lewele

Tel no: 012 312 8364

Email: bornapate.lewele@dlrrd.gov.za

2 Tender Data

- 2.1 The conditions of tender are the **Standard Conditions of Tender as contained in Annex F of the CIDB Standard for Uniformity in Construction Procurement.**

Clause number	
	<p>The conditions of tender are the Standard Conditions of Tender as contained in Annex F of the CIDB Standard for Uniformity in Construction Procurement as Board Notice 62 of 2004 in Government Gazette No 26427 of 9 June 2004 as amended in Board Notice 67 of 2005 in Government Gazette No 27831 of 22 July 2005, Board Notice 99 of 2005 in Government Gazette No 28127 of 14 October 2005 and Board Notice 92 of 2006 in Government Gazette No 29138 of 18 August 2006, Board Notice 9 of 2008 in Government Gazette No 30692, of 1 February 2008,</p>

	<p>Board Notice 11 of 2009 in Government Gazette No 31823, of 30 January 2009 and Board Notice 86 of 2010 in Government Gazette No 33239 of 28 July 2015 (see www.cidb.org.za).</p> <p>The Standard Conditions of Tender make several references to the Tender Data for details that apply specifically to this tender. The Tender Data shall have precedence in the interpretation of any ambiguity or inconsistency between it and the Standard Conditions of Tender.</p> <p>Each item of data given below is cross-referenced to the clauses marked “F” in the Standard Conditions of Tender to which it mainly applies.</p> <p>By submitting a tender in response to Notice and Invitation to Tender above, the tenderer binds himself to a <i>pactum de contrahendo</i> (contract aimed at conclusion of another contract), the terms of which are contained in the Standard Conditions of Tender and Tender Data</p>
F.1.1	The Employer is the Government of the Republic of South Africa in its Department of Land Reform and Rural Development.
F.1.2	<p>For this Contract the single volume approach is adopted.</p> <p>This procurement document has been formatted and compiled under the headings for a single volume approach as contained in table 6 of the CIDB’s “Standard for Uniformity in Construction Procurement.”</p> <p>The tendering Service Provider’s attention is specifically drawn to the Returnable Documents identified in the List of Returnable Documents and in the Returnable Schedules. The Returnable Documents must be obtained, and the Returnable Schedules must be completed by a tenderer when submitting a tender.</p>
F.1.4	The Employer’s agent for the purpose of this tender is deemed to be the authorised and designated representative of the Employer, who will be the departmental project manager as noted in Notice and Invitation to Tender.

F.2 **Tenders will only be considered for acceptance if** (or will only be regarded as responsive if):

.1 **THE BIDDER COMPLIES WITH MANDATORY REQUIREMENTS**

Tenders will only be considered responsive if

1. The tendering Service Provider in **Consortium** is made up of professional practices, and each of the professional services as listed in the tender document is owned and controlled by registered professionals of that specific profession as per below.

Project and Construction Management Act, 2000 (Act No 48 of 2000)

Engineering Profession Act, 2000 (Act no 46 of 2000) (Civil & Structural),

Engineering Profession Act, 2000 (Act no 46 of 2000) (Mechanical & Electrical),

Engineering Profession Act, 2000 (Act no 46 of 2000) (Agricultural),

Quantity Surveying Profession Act, 2000 (Act no 49 of 2000),

Architectural Professions Act, 2000 (Act no 44 of 2000),

Planning Profession Act, 2002 (Act 36 of 2002)

National Environmental Management Act, 1998 (Act 107 of 1998) (Section 24H): (EAPASA)

Construction Health and Safety Act, 2000 (Act No. 48 of 2000)

and who will hereafter be referred to as registered principals.

Whichever one is applicable and who will hereafter be referred to as registered principles of the practices

And/or

a **multi-disciplinary** professional practice or practices, that also provide some of the professional services listed in the tender document above, of which each professional division/section in the practice or practises is under the fulltime supervision of a registered professional in that specific profession and, which is +50% owned and controlled by registered professional(s).

Project and Construction Management Act, 2000 (Act No 48 of 2000)

Engineering Profession Act, 2000 (Act no 46 of 2000) (Civil & Structural),

Engineering Profession Act, 2000 (Act no 46 of 2000) (Mechanical & Electrical),

Engineering Profession Act, 2000 (Act no 46 of 2000) (Agricultural),

Quantity Surveying Profession Act, 2000 (Act no 49 of 2000),

Architectural Professions Act, 2000 (Act no 44 of 2000),

Planning Profession Act, 2002 (Act 36 of 2002)

National Environmental Management Act, 1998 (Act 107 of 1998) (Section 24H): (EAPASA)

Construction Health and Safety Act, 2000 (Act No. 48 of 2000)

and who will hereafter be referred to as registered principals.

NB: SERVICE PROVIDERS MUST INDICATE WHETHER THEY ARE TENDERING IN CONSORTIUM OR MULTI DISCIPLINARY.

SERVICE PROVIDERS TO INDICATE WHETHER	YES (X)	No (X)
TENDERING IN CONSORTIUM		
TENDERING IN MULTI DISCIPLINARY		

2. **“Supply a valid and verifiable professional certificate NB Authentication of the certificate will be done on the submitted certificate, should it not meet the authentication standards of the designated body your proposal will be deemed non-responsive. These include certificates authenticated through the Privy seal, using QR Code water mark, etc. All** the registered principals mentioned above shall be included with the tender as part of the returnable documentation. In the event of any legal entity, as meant above, being a private Company with shareholding, the same information/documentation as for registered principals must be provided with the tender, in respect of all Directors formally appointed to manage the business undertaking. Sole Proprietors, Partners in Partnerships, and Members of Close Corporations are principals as defined in 1 above and information/documentation in respect of such persons must be provided as described.

3. In accordance with CIDB Joint Venture provisions, all parties forming part of a Joint Venture must individually comply with the tender requirements. The information requested in items 1 and 2 above must be submitted separately by each JV partner, not collectively meaning each participating company in the JV is required to provide full and independent documentation as stipulated. Failure by any single JV member to submit the required information may result in the entire JV being deemed non-responsive.

In essence: CIDB requires that a JV is assessed based on the combined capacity, but individual compliance by each partner is mandatory for administrative and eligibility requirements.

4. At least one registered professional Construction Project Manager or Construction Manager; Architect; Civil Engineer & or Structural Engineer; Quantity Surveyor; Mechanical &/or Electrical Engineer; Town & Regional Planner; Agricultural Engineer, Environmental Assessment Practitioner, Construction Health & Safety of whom the same documentation as in 2 above has been included in the tender, of the tendering Service Provider has been listed in Key Persons.

5. **Confirmation of the required level of professional indemnity insurance** not less than R5 million. If confirmation/proof of professional indemnity insurance is not duly confirmed, the risk to Employer will be regarded as unacceptable and render the tender unacceptable (Insurance Cover or Confirmation Letter or Letter of Intent)

Note: Any tender not complying with any of the above-mentioned stipulations, will be regarded as non-responsive and will therefore not be considered for further evaluation.

- F.3 The tenderer is required to submit with his tender with all documents listed in Returnable Documents. Calculate total tender evaluation points: Quality (functionality) will be scored on those tenders regarded as being responsive. The criteria to be applied in evaluating the proposal is set out in the table below:
- 0 being non -submission of information, 1 being poor, 2 being average, 3 being good, 4 being very good and 5 being excellent.**

EVALUATION CRITERIA,	Evaluation Criteria Schedule					
	Scoring					
	0	1	2	3	4	5
1. ABILITY AND EXPERIENCE (PERSONNEL) <i>Number of Years of Experience in Construction Project Management (PROFESSIONAL PROJECT MANAGER)</i>	No information provided	The Principal Project Manager is professionally registered with SACPCMP with less than 3-year post registration exp. in project management, managing construction projects	The Principal Project Manager is professionally registered with SACPCMP with 3 year to 5 years' post registration exp. in project management, managing construction projects	The Principal Project Manager is professionally registered with SACPCMP with more than 5 years to 7 years' post registration exp. in project management, managing construction projects	The Principal Project Manager is professionally registered with SACPCMP with more than 7 years to 9 years' post registration exp. in project management, managing construction projects	The Principal Project Manager is professionally registered with SACPCMP with more than 9 years' post registration exp. in project management, managing construction projects
<i>Number of Years of Experience as a Professional ARCHITECT</i>	No information provided	The Architect is professionally registered with SACAP with less than 3 years' post registration experience.	The Architect is professionally registered with SACAP with 3 years to 5 years' post registration experience.	The Architect is professionally registered with SACAP with more than 5 years to 7 years' post registration experience.	The Architect is professionally registered with SACAP with more than 7 years to 9 years' post registration experience.	The Architect is professionally registered with SACAP with more than 9 years' post registration experience.
<i>Number of Years of Experience as a Professional QUANTITY SURVEYOR</i>	No information provided	The Quantity Surveyor is professionally registered with SACQSP with less than 3 years' post registration experience.	The Quantity Surveyor is professionally registered with SACQSP with 3 years to 5 years' post registration experience.	The Quantity Surveyor is professionally registered with SACQSP with more than 5 years to 7 years' post registration experience.	The Quantity Surveyor is professionally registered with SACQSP with more than 7 years to 9 years' post registration experience.	The Quantity Surveyor is professionally registered with SACQSP with more than 9 years' post registration experience.
<i>Number of Years of Experience as a Professional CIVIL ENGINEER/ TECHNOLOGIST</i>	No information provided	The Civil Engineer/ Technologist is professionally registered with ECSA	The Civil Engineer/ Technologist is professionally registered with ECSA with 3	The Civil Engineer/ Technologist is professionally registered with ECSA with	The Civil Engineer/ Technologist is professionally registered with ECSA with more than 7	The Civil Engineer/ Technologist is professionally registered with ECSA with

			with less than 3 years' post registration experience.	years to 5 years' post registration experience.	more than 5 years to 7 years' post registration experience.	years to 9 years' post registration experience.	more than 9 years' post registration experience.
	No information provided	The Electrical Engineer/ Technologist is professionally registered with ECSA with less than 3 years' post registration experience. OR The Mechanical Engineer/ Technologist is professionally registered with ECSA with less than 3 years' post registration experience.	The Electrical Engineer/ Technologist is professionally registered with ECSA with 3 years to 5 years' post registration experience. OR Mechanical Engineer/ Technologist is professionally registered with ECSA with 3 years to 5 years' post registration experience.	The Electrical Engineer/ Technologist is professionally registered with ECSA with more than 5 years to 7 years' post registration experience. OR Mechanical Engineer/ Technologist is professionally registered with ECSA with more than 5 years to 7 years' post registration experience.	The Electrical Engineer/ Technologist is professionally registered with ECSA with more than 7 years to 9 years' post registration experience. OR Mechanical Engineer/ Technologist is professionally registered with ECSA with more than 7 years to 9 years' post registration experience.	The Electrical Engineer/ Technologist is professionally registered with ECSA with more than 9 years' post registration experience. OR Mechanical Engineer/ Technologist is professionally registered with ECSA with more than 9 years' post registration experience.	
2. TENDERER'S PREVIOUS EXPERIENCE (WITH RESPECT TO PMU SERVICES OR MULTI-DISCIPLINARY PROJECTS)	No information provided	1 x PSP or PMU Project completed in the last 10 years provide reference letters from the clients with contactable references and contact details.	2 x PSP or PMU Projects completed in the last 10 years provide reference letters from the clients with contactable references and contact details.	3 x PSP or PMU Projects completed in the last 10 years. provide reference letters from the clients with contactable references and contact details.	4 x PSP or PMU Projects completed in the last 10 years. provide reference letters from the clients with contactable references and contact details.	5 x PSP or PMU Projects completed in the last 10 years. provide reference letters from the clients with contactable references and contact details.	

<p>3. PROPOSED METHODOL OGY</p>	<p>No informatio n provided</p>	<p>Proposal submitted does not address the understanding of TOR</p>	<p>The proposal submitted only partially addresses the Terms of Reference (ToR) and does not adequately demonstrate the use of appropriate project management software for planning purposes.</p>	<p>The proposal submitted adequately addresses the Terms of Reference (ToR) and clearly demonstrates the use of appropriate project management software for planning purposes.</p>	<p>The proposal submitted sufficiently meet the requirements and addresses the Terms of Reference (ToR) and clearly demonstrates the use of appropriate project management software for planning purposes.</p>	<p>The proposal submitted exceptionally meet the requirements and addresses the Terms of Reference (ToR) and clearly demonstrates the use of appropriate project management software for planning purposes.</p>
<p>4. PROVINCIAL FOOTPRINT AND CAPACITY REQUIREMENTS</p>	<p>No informatio n provided</p>	<p>information submitted is inadequate, unverifiable, or non-compliant. No provincial organogram submitted, or resources are insufficient to support service delivery in the province. Significant risk exists regarding the bidder's ability to deliver services.</p>	<p>Limited proof of office presence submitted with insufficient supporting evidence. Provincial organogram submitted but reflects inadequate personnel or resources to effectively service the province. Concerns remain regarding operational readiness and sustainability.</p>	<p>Acceptable proof of office presence submitted and verified. Provincial organogram demonstrates sufficient personnel and resources to provide services within the province. Bidder demonstrates reasonable operational capability and readiness to perform the required services.</p>	<p>Comprehensive proof of office presence submitted. Provincial organogram demonstrates a well-established structure with adequate qualified personnel, management oversight, and operational resources. Bidder demonstrates strong capacity and readiness to provide services effectively within the province.</p>	<p>Extensive and verifiable proof of office presence submitted. Provincial organogram demonstrates a fully resourced provincial operation with dedicated management, technical personnel, support staff, and infrastructure. Bidder demonstrates exceptional operational capacity, sustainability, and immediate readiness to service the province without delays</p>

TOTAL POINTS FOR EVALUATION CRITERIA		
Evaluation criteria	Application	Weights
1. ABILITY AND EXPERIENCE (Personnel)	Proposed key technical team to be utilized in the execution of the project per specialised category; (duly signed CV's clearly indicating skills, knowledge, experience, and qualifications):	50
	<ul style="list-style-type: none"> Professional Project Manager Project Management registered with SACPCMP. (Tender's post professional registration experience in construction project management) 	10
	<ul style="list-style-type: none"> Professional Architect registered with SACAP, (Tender's post professional registration experience) 	10
	<ul style="list-style-type: none"> Professional Quantity Surveyor Registered with SACQSP (Tender's post professional registration experience) 	10
	<ul style="list-style-type: none"> Professional Civil Engineer/ Civil Engineering Technologist registered with ECSA (Tender's post professional registration experience) 	10
	<ul style="list-style-type: none"> Professional Mechanical Engineer/ Mechanical Engineering Technologist OR Professional Electrical Engineer/ Electrical Engineering Technologist registered with ECSA (Tender's post professional registration experience) 	10
2. Tenderer's previous experience (with respect to PMU Services or Multi-Disciplinary Projects)	<p>Attach reference letters from the clients with contactable references and contact details.</p> <p>NB: Only letters with a positive reference will be considered in allocation of points. The Department reserve a right to verify all reference letters at its own discretion.</p>	20

<p>3. Proposed Methodology</p>	<p>Demonstrate Understanding of the Project and Terms of References.</p>	<p>15</p>
<p>4. Provincial Footprint and Capacity Requirements</p>	<p>Bidders must have a footprint of presence within one or multiple provinces for which they seek accreditation.</p> <p>Complete Annexure A and indicate the province(s) for which they seek accreditation.</p> <p>For each province selected, bidders must submit:</p> <p>Proof of Office Presence within the respective province (e.g., lease agreement or proof of ownership, or municipal account in the name of the bidder, or utility bill, or Permission to Occupy); and</p> <p>Provincial Resource Capacity, including a provincial organisational structure (organogram) demonstrating the personnel and resources available to support service delivery within that province.</p> <p>The information submitted will be used to assess the bidder's operational capacity, resource availability, and readiness to render services effectively across the provinces for which accreditation is sought.</p>	<p>15</p>
<p>TOTAL</p>		<p>100</p>

The proposal will be evaluated individually on score sheets, by a representative evaluation panel according to the evaluation criteria indicated above. All service providers who scored less than 60 out of 100 points for functionality will not be considered further for accreditation to the panel.

NB: Points scored above 60 out of 100 for Quality (functionality) will be used to accredit all qualifying bidders to panel of PSP

3. RETURNABLE DOCUMENTS

This tender document in its entirety, duly initialled on each page, with all returnable documents, which must be attached to this tender document, and all returnable schedules must be returned when the tender is submitted.

3.1 List of Returnable Documents (to be obtained/compiled by the tenderer and attached to this tender). All documents must be duly completed and signed where applicable.

- **“Supply a valid and verifiable professional certificate NB Authentication of the certificate will be done on the submitted certificate, should it not meet the authentication standards of the designated body your proposal will be deemed non-responsive. These include certificates authenticated through the Privy seal, using QR Code water mark, etc.:**

- South African Council of Project and Construction Management Professions
- Engineering Council of South Africa (Civil)
- Engineering Council of South Africa (Mechanical & Electrical)
- Engineering Council of South Africa (Agricultural)
- South African Council for the Architectural Profession
- South African Council for the Quantity Surveyors
- South African Council for Planners
- Environmental Assessment Practitioners Association of South Africa
- South African Council of Project and Construction Management Professions (Construction Health and Safety Professionals)

as “Professional”, with the registration numbers, of all the registered principals and professionals.

- An exposition, with necessary annexures, in suitable format and in sufficient detail, providing all the information necessary for the evaluation panel to be able to evaluate the proposals.

4. Returnable Schedules (all bound into this tender document – to be completed by tenderer)

All SBD documents and forms must be duly completed and signed where applicable.

PA-15.2: RESOLUTION OF BOARD OF DIRECTORS TO ENTER INTO CONSORTIA OR JOINT VENTURES

RESOLUTION of a meeting of the Board of *Directors / Members / Partners of:

(Legally correct full name and registration number, if applicable, of the Enterprise)

Held at _____ *(place)*

on _____ *(date)*

RESOLVED that:

1. The Enterprise submit a Tender, in consortium/joint venture with the following Enterprises:

(List all the legally correct full names and registration numbers, if applicable, of the Enterprises forming the consortium/joint venture)

to the Department of Land Reform and Rural Development in respect of the following project:

(Project description as per Tender Document)

Tender Number: _____ *(Tender Number as per Tender Document)*

- 1 *Mr/Mrs/Ms:

in *his/her Capacity as: _____ *(Position in the Enterprise)*

and who will sign as follows:

be, and is hereby, authorised to sign a consortium/joint venture agreement with the parties listed under item 1 above, and any and all other documents and/or correspondence in connection with and relating to the consortium/joint venture, in respect of the project described above.

- 2 The Enterprise accept joint and several liability with the parties listed above for the due fulfilment of the obligations of the joint venture deriving from, and in any way connected with, the Contract to be entered into with the Department in respect of the project described above.

- 3 The Enterprise choose as its *domicilium citandi et executandi* for all purposes arising from this joint venture agreement and the Contract with the Department in respect of the project above:

Physical address: _____

 _____ (code)

Postal Address: _____

 _____ (code)

Telephone number: _____ (code)

Fax number: _____ (code)

	Name	Capacity	Signature
1			
2			
3			
4			
5			

6			
7			
8			
9			
10			
11			
12			
13			
14			
15			

Note:

1. * Delete which is not applicable.
2. **NB.** This resolution must be signed by all the Directors / Members / Partners of the Tendering Enterprise.
3. Should the number of Directors / Members / Partners exceed the space available above, additional names and signatures must be supplied on a separate page.

ENTERPRISE STAMP

PA-15.3: SPECIAL RESOLUTION OF CONSORTIA OR JOINT VENTURES

RESOLUTION of a meeting of the duly authorised representatives of the following legal entities who have entered a consortium/joint venture to jointly tender for the project mentioned below: *(legally correct full names and registration numbers, if applicable, of the Enterprises forming a Consortium/Joint Venture)*

- 1 _____
- 2 _____
- 3 _____
- 4 _____
- 5 _____
- 6 _____
- 7 _____
- 8 _____
- 9 _____
- 10 _____

Held at _____ *(place)* on _____ *(date)*

RESOLVED that:

- A. The above-mentioned Enterprises submit a tender in Consortium/Joint Venture to Department of Land Reform and Rural Development in respect of the following project:

(Project description as per Tender Document)

Tender Number: _____ (*Tender Number as per Tender Document*)

B. Mr/Mrs/Ms:

in *his/her Capacity as: _____ (*Position in the Enterprise*)

and who will sign as follows:

be, and is hereby, authorised to sign the tender, and any and all other documents and/or correspondence in connection with and relating to the tender, as well as to sign any Contract, and any and all documentation, resulting from the award of the tender to the Enterprises in Consortium/Joint Venture mentioned above.

C. The Enterprises constituting the Consortium/Joint Venture, notwithstanding its composition, shall conduct all business under the name and style of:

D. The Enterprises to the Consortium/Joint Venture accept joint and several liability for the due fulfilment of the obligations of the Consortium/Joint Venture deriving from, and in any way connected with, the Contract entered into with the Department in respect of the project described under item A above.

E. Any of the Enterprises to the Consortium/Joint Venture intending to terminate the consortium/joint venture agreement, for whatever reason, shall give the Department 30 days written notice of such intention. Notwithstanding such decision to terminate, the Enterprises shall remain jointly and severally liable to the Department for the due fulfilment of the obligations of the Consortium/Joint Venture as mentioned under item D above.

F. No Enterprise to the Consortium/Joint Venture shall, without the prior written consent of the other Enterprises to the Consortium/Joint Venture and of the Department, cede any of its rights or assign any of its obligations under the consortium/joint venture agreement in relation to the Contract with the Department referred to herein.

G. The Enterprises choose as the *domicilium citandi et executandi* of the Consortium/Joint Venture for all purposes arising from the consortium/joint venture agreement and the Contract with the Department in respect of the project under item A above:

Physical address: _____

_____ (code)

Postal Address: _____

_____ (code)

Telephone number: _____ (code)

Fax number: _____ (code)

	Name	Capacity	Signature
1			
2			
3			
4			
5			
6			
7			

	Name	Capacity	Signature
8			
9			
10			
11			
12			
13			
14			
15			

Note:

- 1 * Delete which is not applicable.
2. **NB:** This resolution must be signed by all the Duly Authorised Representatives of the Legal Entities to the Consortium / Joint Venture submitting this tender.
3. Should the number of Duly Authorised Representatives of the Legal Entities joining forces in this tender exceed the space available above, additional names, capacity and signatures must be supplied on a separate page.
4. Resolutions, duly completed and signed, from the separate Enterprises who participate in this Consortium / Joint Venture must be attached to the Special Resolution.

5. Contract Data

5.1 Standard Professional Services Contract

The conditions applicable to this Contract are the **Standard Professional Services Contract (July 2009)** published by the Construction Industry Development Board, and are attached hereto as **Appendix A**.

5.2 Data provided by the Employer

Clause	
C1	The CIDB Standard Professional Services Contract (July 2009) make several references to the Contract Data for details that apply specifically to this tender. The Contract Data shall have precedence in the interpretation of any ambiguity or inconsistency between it and the General

	<p>Conditions of Contract.</p> <p>Each item of data given below is cross-referenced to the clause in the CIDB Standard Professional Services Contract to which it mainly applies (Appendix A).</p>
C2	The Employer is the Government of the Republic of South Africa in its Department of Land Reform and Rural Development
C3	The Period duration of the Panel will be for 36 months from the date of accepting appointment letter(s).
C4	<p>The Project is:</p> <p>ESTABLISHMENT OF A PANEL OF MULTI-DISCIPLINARY PROFESSIONAL SERVICE PROVIDERS TO ASSIST THE DEPARTMENT OF LAND REFORM AND RURAL DEVELOPMENT IN PLANNING, DESIGNING, IMPLEMENTING, MONITORING, EVALUATING AND TECHNICAL SUPPORT ON VARIOUS INFRASTRUCTURE DEVELOPMENT PROJECTS IN THE NINE (9) PROVINCES ON AN AS AND WHEN REQUIRED BASIS FOR A PERIOD OF 36 MONTHS.</p>

5.3 Data provided by the Service Provider

Clause	
	Each item of data given below is cross-referenced to the clause in the General Conditions of Contract.
	The authorised and designated representative of the Service Provider is the person named in the resolution PA-15.1 or PA-15.3 by the tendering Service Provider.
5.4.1	<p><u>Indemnification of the Employer</u></p> <p>I, the undersigned, being duly authorized by the Service Provider, in terms of the completed resolution (PA-15.1 or PA-15.3)</p> <p>..... (Name of authorized person)</p> <p>hereby confirm that the Service Provider known as:</p> <p>..... (Legal name of entity tendering herein)</p> <p>tendering on the project:</p> <p>.....</p>

	<p>.....(Name of project as per C1.1 Form of offer and acceptance)</p> <p>holds professional indemnity insurance cover, from an approved insurer, duly registered with the Finance Services Board, of not less than R5 million, with the first amount payable not exceeding 5% of the value of indemnity. I further confirm that the Service Provider will keep such professional indemnity fully subscribed. I further confirm that should the professional indemnity insurance, with no knowledge of the Employer, be allowed to lapse at any time or in the event of the Service Provider cancelling such professional indemnity insurance, with no knowledge of the Employer, at any time or if such professional indemnity cover is not sufficient, then the Service Provider, (i) accepts herewith full liability for the due fulfilment of all obligations in respect of this Service; and (ii) hereby indemnifies, and undertakes to keep indemnified, the Employer in respect of all actions, proceedings, liability, claims, damages, costs and expenses in relation to and arising out of the agreement and/or from the aforesaid Service Provider’s intentional and/or negligent wrongful acts, errors and/or omissions in its performance on this Contract.</p> <p>I confirm that the Service Provider undertakes to keep the Employer indemnified, as indicated above, beyond the Final Completion Certificate/Final Certificate by the Employer (whichever is applicable) for a period of ten (10) years after the issue of such applicable certificate.</p> <p>I confirm that the Service Provider renounces the benefit of the <i>exceptionis non causa debiti, non numeratae pecuniae</i> and <i>excussionis</i> or any other exceptions which may be legally raised against the enforceability of this indemnification.</p> <p>Notwithstanding the indemnification required above, the Employer reserves the right to claim damages from the Service Provider for this Project where the Service Provider neglects to discharge its obligations in terms of this agreement.</p> <p>NAME:</p> <p>CAPACITY:</p> <p>SIGNATURE:</p>
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6. Special Conditions

NB: These conditions may be applicable during the execution of specific task order/projects.

- 6.1 **Disbursements in respect of all travelling and related expenses during designs,** including all travelling costs, time charges and subsistence allowances related thereto.

- 6.2 The site must be visited as often as the works require for the execution of all duties on the Project.
- 6.3 The Service Provider must be available at 24 hours' notice to visit the site if so required.
- 6.4 All fee accounts must be accompanied by an updated original written certification by the quantity surveyor, if appointed, of the amount(s) on which fees are based. The onus, however, rests on the Service Provider to calculate fees on the appropriate value and according to the correct fee scale, read in conjunction with this Contract.
- 6.5 All fee accounts need to be signed by a principal of the Service Provider and submitted in original format, failing which the accounts will be returned. Copies, facsimiles, electronic and other versions of fee accounts will not be considered for payment.
- 6.6 For all Services provided on a time basis, time sheets giving full particulars of the work, date of execution and time duration, should be submitted with each fee account.
- 6.7 Payments to the Service Provider will be made electronically according to the banking details furnished by the Service Provider. Any change in such banking details must be communicated to the departmental project manager timeously. Fee accounts, correct in all respects, will be deemed submitted when received by the Employer and settled when electronically processed by the Employer. The Employer reserves the right to dispute the whole account, any item or part of an item at any time and will deal with such case in terms of clause 14.3 of the General Conditions of Contract.
- 6.8 Accounts for Services rendered may be submitted on the successful completion of each stage of work. Interim accounts will only be considered during the construction stage of the works and then not more frequently than quarterly except if otherwise agreed between the authorised and designated representative of the Service Provider and the Employer. Payment of accounts rendered will be subject to the checking thereof by the departmental project manager. The Employer reserves the right to amend the amounts claimed to conform to the rates stipulated in this Contract and make payment on the basis of the balance of the account in accordance with clause 14.3 of the General Conditions of Contract.

7. Normal services

The fee for normal services shall be the tendered percentage based on the fee provided in the '2025 ECSA-Scope of Engineering Services and Tariff of Fees.

Where the Service Provider is required to perform a portion of the normal services only, the relevant portion of the fee shall be paid.

C2.1.3.3 Time charges for work done under a value-based fee

Where time charges are payable according to clause 3.2 of the Guidelines for Services and Processes and Estimating Fees for Persons Registered in terms of '2025 ECSA-Scope of Engineering Services and Tariff of Fees (if basis of remuneration has been set at "value

based”), the principles as described in the ‘2025 ECSA-Scope of Engineering Servicers and Tariff of Fees, clause 4.4, and the rates will be applicable.

C2.1.3.5.1 Time charges are reimbursable at rates applicable at the time of the actual execution of the specific service. The "Rates for Reimbursable Expenses" as amended from time to time and referred to below, is obtainable on the Employer's Website: <http://www.ecsa.gov.za/> under “Consultants Guidelines” item 1.

C2.1.3.5.2 The scale of fees on time charges, on which Value Added Tax is excluded, shall be at the following rates per hour, rounded off to the nearest rand:

- (i) for a person in category A and B: 18,75 cents for each R100,00 of the total annual remuneration package attached to the lowest notch of a level 13 salary range (Director) in the Public Service;
- (ii) for a person in category C: 17,5 cents for each R100,00 of the total annual remuneration package attached to the lowest notch of a level 12 salary range (Deputy Director second leg) in the Public Service;
- (iii) for a person in category D: 16,5 cents for each R100,00 of his/her gross annual remuneration; provided that this hourly rate shall not exceed 16,5 cents for each R100,00 of the total annual remuneration package attached to the lowest notch of a level 11 salary range (Deputy Director first leg) in the Public Service.

Hourly rates calculated in terms of (i), (ii) and (iii) above shall be deemed to include overheads and charges in respect of time expended by clerical Personnel which shall, therefore, not be chargeable separately.

C2.1.3.5.3 Unless otherwise specifically agreed in writing, remuneration for the time expended by principals in terms of C2.1.3.5.2 (i) above on a project shall be limited to 5 per cent of the total time expended for time charges in respect of the Project. Any time expended by principals in excess of the 5 per cent limit shall be remunerated at the rates determined in (ii) or (iii) above.

C2.1.3.5.4 Notwithstanding the above, where work is of such a nature that Personnel as described in C2.1.3.5.2 (iii) above are capable of performing such work, it shall be remunerated at that level and not at the rates described in (i) and (ii) above, irrespective of who in fact executed the work.

C2.1.3.5.5 Gross annual remuneration in C2.1.3.5.2 (iii) above shall mean basic salary and guaranteed annual bonus; fringe benefits not included in basic salary; income benefit, as determined from time to time by the South African Revenue Services for income tax purposes, for the private use of a motor vehicle by the employer; employer’s contribution to pension/provident fund, medical aid and group life assurance premiums; Compensation Fund and Unemployment

Fund contributions, Metropolitan Council levies and any other statutory contributions or levies; all other costs and benefits as per conditions of appointment but excluding any share of profit and payment for overtime.

C2.1.3.5.6 The salaries referred to in C2.1.3.5.2 (i) to (iii) above can change from time to time, which will, therefore, change the rates applicable. These rates will, however, only be adjusted on the first day of each calendar year, irrespective of any changes in salary ranges during the relevant year. The rates applicable at the time of the execution of the work as set out in Table 8 of the "Rates for Reimbursable Expenses", as amended from time to time, may be claimed.

C2.1.3.6 **Additional Services**

C2.1.3.6.1 Additional Services pertaining to all Stages of the Project

Unless separately provided for hereunder and scheduled in the Activity Schedule, no separate payment shall be made for the additional services specified in C3.3.3. The cost of providing these services shall be deemed to be included in the value-based fee tendered for normal services.

C2.1.3.6.2 **Construction monitoring**

The construction monitoring requirements are as specified in C3.3.2.2.

(a) If Level 1: Periodic Construction Monitoring

The consulting engineer's staff must:

- (i) visit the works at a frequency agreed with the client or at on-call basis at a notice time agreed with the contractor and the client, with extra visits for works completion inspections, provision of design/technical clarifications and inspections for works defect lists
- (ii) review random samples of material and work procedures, for conformity to contract documentation, and review random samples of important completed work prior to covering up, or on completion, as appropriate
- (iii). The cost of providing construction monitoring staff and transport shall be deemed to be included in the value-based fee tendered for normal services.

(b) Level 2: **Part-time Construction Monitoring**

The consulting engineer's staff, or part-time construction monitoring staff must:

- (i) regularly visit the site at a frequency that may vary during the course of the project, and such visits may be daily or weekly, according to the project demands; the frequency and duration of site visits are must be agreed in writing between the client and the consulting engineer prior to commencement of the services

- (ii) review regular samples of materials and work procedures, for conformity to contract documentation, provide design/ technical clarifications where required and review regular samples of important completed work prior to covering up, or on completion, as appropriate
 - (iii) where the consulting engineer is the sole professional service provider or principal agent, carry out such administration of the project as is necessary on behalf of the client.
- (c) Level 3: **Full-time Construction Monitoring (full-time staff resident on site for the duration of the works and paid for by the client as an additional service)**

The full-time construction monitoring staff will be required to:

- (i) maintain a full-time presence on site to constantly review samples of materials and work procedures, for conformity to contract documentation, provide design/ technical clarifications and review completed work prior to covering up, or on completion, as appropriate
- (ii) assist with the preparation of as-built records and drawings to the extent required in the agreement with the client
- (iii) where the consulting engineer is the sole professional service provider or principal agent, carry out such administration of the project as is necessary on behalf of the client

C2.1.3.6.3 Occupational Health and Safety Act, 1993 (Act No. 85 of 1993)

No separate payment shall be made for the service specified in C3.3.2.3. The cost of providing this service shall be deemed to be included in the value-based fee tendered for normal services.

C2.1.3.6.4 Quality Assurance System

No separate payment shall be made for the implementation of a quality management system as specified in C3.3.2.4. The cost of providing this service shall be deemed to be included in the value-based fee tendered for normal services.

C2.1.3.6.5 Lead Consulting Engineer

No separate payment shall be made for assuming the leadership of an Employer specified joint venture, consortium or team of consulting engineers as specified in C3.3.2.5. The cost of providing this service shall be deemed to be included in the value-based fee tendered for normal services.

C2.1.3.6.6 Principal Agent of the Client

No separate payment shall be made for assuming the role of principle agent of the Employer if specified in C3.3.2.6. The cost of providing this service shall be deemed to be included in the value-based fee tendered for normal services.

C2.1.3.6.7 Land Survey and Geotechnical Studies

Separate payment shall be made for the services specified in C3.3.3.1. The cost of providing this service is included in the Activity Schedule for value-based fees.

C2.1.3.6.8 Other unspecified services

The Employer may order duties that fall outside the scope of the project as tendered. Such additional duties may involve, but not limited to:

- Additional design requirements
- Evaluation of alternative tenders
- Additional investigations during the Defects and Liability Period
- Diverse other services

Any such additional services that may be required will be remunerated on a Time Basis as set out in C2.1.3.5. The level of expertise necessary for any such additional work shall be concomitant with the issues to be addressed. The category of personnel necessary to undertake the work shall be approved by the Employer. Any additional identified service shall be fully scheduled and submitted to the Employer for approval prior to the commencement thereof.

C2.1.4 Time based fees**C2.1.4.1 Fees for work done under a time-based fee**

Where time based fees are payable (if basis of remuneration has been set at “time basis” according to C2.1.1.1), the principles as described in clauses 4.4 (1), (2) and (3) of the ‘2021 ECSA-Scope of Engineering Servicers and Tariff of Fees, excepting that the rates referred to in clause 4.4 (3) shall be replaced by the various rates per hour tendered for the various categories in C2.2.2 Activity Schedule for Time Based Fees, column (e). These rates will be used for the full Period of Performance.

C2.1.4.2 The various categories (referred to in C2.2.2 Activity Schedule for Time Based Fees, are the categories described in clauses 4.4 (2) of the ‘2021 ECSA-Scope of Engineering Servicers and Tariff of Fees.

C2.1.4.3 Work will be remunerated for at the category level in which it falls as defined in C2.1.4.2 above, irrespective of whether the person who in fact had executed the work functions at a higher category of responsibility and competence.

C2.1.5 Set off

The Employer reserves the right to set off against any amount payable to the Service Provider, any sum which is owed by the Service Provider to the Employer in respect of this or any other project.

C2.1.6 Typing, printing and duplicating work and forwarding charges

C2.1.6.1 Reimbursable rates

The costs of typing, printing and duplicating work in connection with the documentation which must of necessity be done, except those which must in terms of the relevant Manual or other instructions be provided free of charge, shall be reimbursable at rates applicable at the time of the execution of such work. The document "Rates for Reimbursable Expenses" as amended from time to time and referred to below, is obtainable on the Employer's Website: <http://www.ecsa.gov.za/> under "Consultants Guidelines" item 1.

C2.1.6.2 Typing and duplicating

If the Service Provider cannot undertake the work himself, he may have it done by another service provider which specialises in this type of work and he shall be paid the actual costs incurred upon submission of statements and receipts which have been endorsed by him confirming that the tariff is the most economical for the locality concerned.

If the Service Provider undertakes the work himself, he shall be paid in respect of actual expenses incurred subject to the maximum tariffs per A4 sheet as set out in Table 1 in the "Rates for Reimbursable Expenses".

Typing and duplicating expenses shall only be refunded in respect of the final copies of the following documents namely formal reports, formal soil investigation reports, specifications, feasibility reports, bills of quantities, material lists, minutes of site meetings and final accounts. The cost of printed hard covers shall only be paid in respect of documents which will be made available to the public such as bills of quantities and specifications or where provision of hard covers is specifically approved.

The typing of correspondence, appendices and covering letters are deemed to be included in the value-based fees and time based fees paid.

C2.1.6.3 Drawing duplication

- (a) For drawing duplication, the standard rate as set out in Table 2 in the “Rates for Reimbursable Expenses” may be claimed **or** may be claimed according to the provisions as in (b) or (c) below.
- (b) If the Service Provider undertakes the duplication of drawings, using his own duplication equipment, he shall be paid the actual cost incurred on condition that it is not higher than the lowest of three quotations of local firms doing drawing duplication in his locality. Such quotations must accompany his account.
- (c) If the Service Provider does not undertake his own drawing duplication, he shall be paid the lowest of three quotations of local firms doing plan printing in his locality. Such quotations must accompany his account.
- (d) Should there not be three firms doing drawing duplication in his locality, it must be mentioned on his account and the available quotation(s) must then accompany the account.

(The cost of providing all polyester negative prints required to form part of the original set of drawings, as-built drawings including computer assisted drawing records for all facets/disciplines involved in the project are included in the tendered fees and will not be reimbursed separately.)

C2.1.6.4 Forwarding charges

- (a) Only the charges in respect of the forwarding of parcels by courier or air freight on special request by the Employer will be refunded, provided that such charges will not be refunded if the request had been made as a result of a delay caused by the Service Provider.
- (b) The cost of postage, facsimile transmissions, telephone calls, e-mails, etc, is deemed to be included in the value-based fees and time-based fees paid.

C2.1.7 Travelling and subsistence arrangements and tariffs of charges

Notwithstanding the ruling in C2.1.2.4 above (regarding disbursements and travelling expenses which will not be paid separately), when the Service Provider is requested in writing by or obtained prior approval in writing from the Employer to attend specific meetings at any of the Employer’s offices or any extraordinary meetings on site or elsewhere, he will be remunerated according to the provisions under C2.1.7.1 to C2.1.7.5 herein.

C2.1.7.1 General

The most economical mode of transport is to be used taking into account the cost of transport, subsistence and time. Accounts not rendered in accordance herewith may be reduced to an amount determined by the Employer.

As the tariffs referred to hereunder are adjusted from time to time, accounts must be calculated at the tariff applicable at the time of the expenditure.

Where journeys and resultant costs are in the Employer's opinion related to a Service Provider's malperformance or failure, in terms of this Contract, to properly document or co-ordinate the work or to manage the Contract, no claims for such costs will be considered.

C2.1.7.2 Travelling time

Fees for travelling time are as set out in the "Rates for Reimbursable Expenses".

Fees are payable for travelling time at the tariff, as set out in C2.1.3.5 Time charges for work done under a value-based fee. Travelling time will be fully reimbursed.

C2.1.7.3 Travelling costs

Fees for travelling costs are as set out in the "Rates for Reimbursable Expenses".

Travelling costs will be refunded for the full distance covered per return trip measured from the office of the Service Provider appointed.

Compensation for the use of private motor transport will be in accordance with the Government tariff for the relevant engine swept volume, up to a maximum of 3000 cubic centimetres, prescribed from time to time and as set out in the "Rates for Reimbursable Expenses".

C2.1.7.4 Hired vehicles

In cases where use is made of hired vehicles, the most economical sized vehicle available is to be used but compensation shall nevertheless be restricted to the cost of a hired car not exceeding a capacity of 1300 cc. Where use of a special vehicle is essential (e.g. four track or minibus to accommodate more people), prior approval in writing must be obtained from the departmental project manager.

C2.1.7.5 Subsistence allowance

The subsistence allowances are as set out in the "Rates for Reimbursable Expenses".

Only actual costs are payable in respect of absence from office of less than 24 hours.

8. **SCOPE OF SERVICES**

C3.1 Employer's objectives

This tender is for:

A Service Provider performing work on a Panel of Multi-Disciplinary Professional Service Providers in a **Built Environment**.

C3.2 Description of the Services

C3.2.1 Services

Establishment of A Panel of Multi-Disciplinary Professional Service Providers to assist the Department of Land Reform and Rural Development in Planning, Designing, Implementing, Monitoring, Evaluating and Technical Support on various infrastructure development projects in the Nine (9) Provinces as and when required for a period of 36 Months

C3.2.2 Project description

C3.2.2.1 Background

The Department of Land Reform and Rural Development (DLRRD) has several programs to support the livelihood of rural communities and development in all the 9 provinces of South Africa. These programs include the provision of social and economic infrastructure development for land reform beneficiaries. The infrastructure covers a wide variety of structures and processes such as basic infrastructure that includes transport, water supply, sanitation and electricity; housing social infrastructure that includes education, health, community facilities, ICT& telecommunications; economic and market infrastructure that includes marketplaces, financial infrastructure, enterprise zones, transport terminals and environmental and resilience infrastructure that includes, flood management, soil and land conservation, waste management and agricultural development. These programs are implemented across all 9 provinces in various municipalities across the country.

The optimal, sustainable, and improved rural livelihoods, as well as the promotion of social and economic development, remain the responsibility of the DLRRD on land reform projects. It is therefore crucial that the set of legislations, strategies, plans, and reforms be translated into action to promote broad economic development by

addressing the legacy of land dispossession, food security, rural economic development, job creation, and business development. Promotion of the latter will therefore be based on the provision of post-settlement support to intended beneficiaries of the land reform projects within the parameters of the stipulated Departmental programmes.

C3.2.2.1.1 **Scope**

The Department of Land Reform and Rural Development wishes to appoint a suitably qualified and competent Service Provider(s) who is a professional Multi-Disciplinary Firm in the built environment who has the ability to undertake the following services for a period of 36 months:

- 1) Project Management (Project Leader)
- 2) Civil and Structural Engineering Services
- 3) Agricultural Engineering Services
- 4) Mechanical and Electrical Engineering Services
- 5) Architectural Services
- 6) Quantity Surveying Services
- 7) Town and Regional Planning Services
- 8) Environmental Management Services
- 9) Occupational Health and Safety Services

The Service provider will be expected to assist, amongst other functions normally required in projects of this nature, to provide the following functions:

- a) Project Management, Planning, Engineering Services, Built Environment Professional Services and Advisory Services on projects implemented within the Department of Land Reform and Rural development on all 9 provinces of the country and across all key Departmental Programmes for infrastructure projects (social, economic and agriculture).

Expectations of the department include the following but not limited:

- Consultation with the client or client's authorized representative.
- Inspection of the site of the project.
- Preliminary investigation, route location, planning and a level of design appropriate to allow decisions on feasibility.
- Consultation with authorities having rights or powers of sanction as well as consultation with the public and stakeholder groups.
- Advice to the client as to regulatory and statutory requirements, including environmental management and the need for surveys,

analyses, tests and site or other investigations, as well as approvals, where such are required for the completion of the report.

- Searching for, obtaining, investigating and collating available data, drawings and plans relating to the works.
 - Investigating financial and economic implications relating to the proposals, feasibility studies and/or option analysis and recommendations.
- b) Advise the Employer on matters relating to planning and environmental management, water use licences, wastewater management, land development applications in terms of the Spatial Planning and Land Use Management Act, designs, tender documentation, contracting and project management, construction monitoring etc as well as any other additional services related to the implementation of the projects.
- c) Provide professional advice including reviewing and approving designs prepared by other appointed consultants.
- d) Keep proper records of all information relating to projects, etc.

During the execution of specific task order/project the contract(s) will be professional fees-based and will be governed by or regulated by the Guideline Scope of Services and Tariff of Fees for Persons Registered in Terms of the Engineering Profession Act, 2000 (Act 46 of 2000), published in terms of Government Gazette Vol: 719 No. 52691 of 2025, as amended, for the relevant work description. Refer also to the Department of Public Service and Administration (DPSA) and Department of Public Works (DPW) websites in this regard.

Rates for persons not registered in terms of the Engineering Profession Act, 2000 should be in accordance with their relevant professional bodies and registered with the South African Council for Natural Scientific Professions (SACNASP), according to the Natural Scientific Professions Act, 2003 (Act No. 27, 2003), where applicable.

C3.2.2.1.3 Subjected to the outcome of the Planning, Studies, Investigations and Assessments Reports -the go-ahead will be given for:

- a) Inception
- b) Concept and Viability (also termed Preliminary Design)

- c) Design Development (also termed Detail Design)
- d) Contract Administration, Inspection and site supervision
- e) Close-out

C 3.2.2.1.4 The successful Service Provider shall also be required to render or facilitate the rendering of the following Additional Services as part of his duties:

- Ensure compliance with the requirements of the National Environmental Management Act (NEMA) in terms of the preparation and submission of a Basic Assessment Report (BAR) and Environmental Management Plan (EMP) in terms of the NEMA: Environmental Impact Assessment Regulations of 2014 to obtain a decision on Environmental Authorisation for the project. During the construction phase the Service Provider must also make provision for Independent Environmental Control Officer (ECO) monitoring requirements on a monthly basis for the duration of the construction and rehabilitation phases of the project.
- Ensure compliance with the requirements of the National Water Act in terms of the preparation and submission of the necessary Water Use Licence Application/s for the project. These licences may include but are not limited to abstraction rights or activities which may involve the alteration of the beds, banks or functioning of a watercourse or wetland system.
- Act as an “agent” of the Client to undertake duties falling under the Occupational Health and Safety Act, 1993 (act No. 85 of 1993) and the Construction Regulations in terms thereof, on behalf of the Client.
- Detailed topographical survey of the study area for design purposes by a Registered Professional Land Surveyor
- Comprehensive Geotechnical Investigations, including soil testing, drilling, etc to ascertain engineering characteristics of the in-situ material for design purposes by a Registered Professional Specialist Geotechnical Engineer.

- Lab tests. Selected from soil profiling for distinguishable soil forms and series, with minimum one set of tests for each horizon for each test pit (1 per 16 ha). Selected from soil profiling for distinguishable soil forms and series, with minimum one set of tests for A Horizon and soil at 1.5m depth for each test pit and auger hole. (Test Texture analysis and Chemical analysis to evaluate the suitability for irrigation of the tested area.)
 - Full time Construction monitoring Level 3, on site during the construction phase in accordance with the stipulations of ECSA.
- a) C3.2.2.2 The present list (but not limited to) of Programs that the Department are using for Basic Infrastructure Development for post settlement support and that will be covered by the services of the Establishment Land Development Supports projects.
 - b) Food security projects.
 - c) Rural Infrastructure Development (RID) projects (inclusive of Socio-Economic projects).
 - d) Tenure Reform (Communal Property Associations, Labour Tenants and Farm Dwellers) projects.
 - e) Restitution Post Settlement Support projects.
 - f) Development and Maintenance of Agricultural Facilities.
 - g) Agricultural Risk Management (Droughts, Floods, etc.).
 - h) Dam Safety and Revitalisation of basic infrastructure in all land reform and rural development projects.

Professional Engineers are as follows:

- C3.2.2.3 The point of services to be provided shall be at the Department of Land Reform and Rural Development including its Provincial Shared Service Centres in all nine (9) provinces.
- C3.2.2.4 Allocation of Work to the Appointed Service Providers will be applied as per **Appendix C: Procurement Engagement Model**.

Multidisciplinary Professional Consulting Engineering firms shall adhere to and comply with the following legislations:

- a) Project and Construction Management Act, 2000 (Act No. 48 of 2000).
- b) Engineering Profession Act, 2000 (Act no 46 of 2000) (Civil & Structural).
- c) Engineering Profession Act, 2000 (Act no 46 of 2000) (Mechanical & Electrical).
- d) Engineering Profession Act, 2000 (Act no 46 of 2000) (Agricultural).
- e) Quantity Surveying Profession Act, 2000 (Act no 49 of 2000).
- f) Architectural Professions Act, 2000 (Act no 44 of 2000).
- g) Planning Profession Act, 2002 (Act 36 of 2002).
- h) Natural Scientific Professions Act of 2003, (Act 27 of 2003).
- i) Land Survey Act, 1997 (Act No. 8 of 1997).
- j) Standard Professional Services Contract July 2009. Edition 3 of CIDB document.
- k) Integrated Social Facilitation Framework (ISFF)

C3.2.2.6 Note: All electronic data should be Geographical Information System (GIS) compatible.

C3.2.2.7 Reporting Requirements and Approval Procedure

The Service Provider shall meet with the Employer as and when reasonably instructed by the Employer to discuss and minute progress of the services. Notwithstanding any other requirements, the Service Provider shall submit a bi-weekly progress report to the Employer in a format approved by the Employer.

All project milestones including associated reports are to be approved by the Departmental Project Manager prior to proceeding to the next stage of the project. Budgets, cashflows and execution programmes are also subject to the approval of the Departmental Project manager.

C3.3 Extent of the Services

The following services as defined in the Guidelines for Services and Processes and Estimating Fees for Persons Registered in terms of the Engineering Profession Act, 2000 (Act No. 46 of 2000), clause 3, are required: (The clause references refer to the corresponding clauses in the Guidelines for Services and Processes and Estimating Fees for Persons Registered in terms of the Engineering Profession Act, 2000 (Act No. 46 of 2000).)

C3.3.1 Planning, Studies, Investigations and Assessments Reports

C3.3.2 Normal Services (clause 3.2) including:

Clause 3.2.1 Inception Stage

Clause 3.2.2 Preliminary Design: Concept and Viability

Clause 3.2.3 Detail Design Stage

- Clause 3.2.4 Documentation and Procurement Stage
- Clause 3.2.5 Contract Administration and Inspection Stage
- Clause 3.2.6 Close-Out Stage

C3.3.3 Additional Services (clause 3.3) including:

C3.3.3.1 Clause 3.3.1 Additional Services pertaining to all Stages of the Project

This contract requires the following additional services to be undertaken:

- Clause 3.3.1 Surveys and geotechnical investigations
- Clause 3.3.2 Construction Monitoring
- Clause 3.3.3 Occupational Health and Safety Act Services
- Clause 3.3.4 Quality Assurance System
- Clause 3.3.5 Lead Consulting Engineer
- Clause 3.3.6 Principal Agent of the Client

Specialist Studies associated with the legislated Basic Assessment Environmental Impact Assessment (EIA) & Water Use Licence Application are likely to include the following:

1. Terrestrial Biodiversity Assessment;
2. Riparian & Wetland Delineation and Functionality Assessment including Risk Matrix;
3. Wetland Rehabilitation Plan;
4. Storm water Management Plan;
5. 1:100 Year Flood line Assessment;
6. Heritage Impact Assessment;
7. Desktop Geohydrological Assessment; and
8. Water Resource Assessment including desktop Environmental Flow Requirement for water abstractions.

C3.3.2.2 **Clause 3.2.2 Construction Monitoring**

(i) General

The consultant must make available construction monitoring staff.

The competence and experience of the tenderer's proposed site personnel shall be an integral part of the Employer's tender evaluation process. On acceptance of their tender by the Employer, the Service Provider shall not be permitted to offer alternative core personnel unless such alternative offer is because of a bona fide unforeseen circumstance.

In such an event, the Employer shall only accept alternative personnel possessing at least similar qualifications and experience to those persons proposed in the tender.

The Employer shall be entitled to instruct the Service Provider to remove from the Works any person employed by the Service Provider on or about the execution of the Works who, in the opinion of the Employer, misconducts himself or is incompetent or negligent in the proper performance of his duties, or whose presence on site is otherwise considered by the Employer, on reasonable grounds, to be undesirable.

(ii) Accommodation

Appropriate housing for the site staff shall be provided by the Service Provider. Site staff shall be housed as near to the location of the Works as may be practically possible. No separate payment will be made for the accommodation of site staff and rates tendered for the relevant site staff shall include full compensation for all accommodation costs.

(iii) Establishment of site office

Provision and maintenance of a site office building, all related services and supply of office furniture will be made under the Works Contract. The Service Provider shall however provide all office equipment and incidentals required for carrying out administration, supervision and inspection of the Works and shall include:

- a) Cell phones, including rental and call charges.
- b) All safety equipment for supervisory staff in accordance with the OHS requirements (e.g. safety jackets, boots etc).
- c) All equipment including copier rental, fax machine, consumables, stationary, digital camera etc.
- d) All necessary computer hardware, software, printers and modems and associated consumables.
- e) Any other items necessary for the capture of all relevant data required for administering the contract and reporting to the Employer.

One landline, including rental and call costs for work related office and fax usage shall be provided through the Works Contract.

(iv) Transport for site staff

The Service Provider shall provide sufficient appropriate vehicles on site for site staff.

C3.3.2.3 Clause 3.3.3 Occupational Health and Safety Act, 1993 (Act No. 85 of 1993)

The Service Provider shall act as an “agent” of the Employer in rendering Occupational Health and Safety services as contemplated in the Construction Regulations to the Occupational Health and Safety Act, 1993 (Act 85 of 1993).

The Service Provider under this contract shall however make provision for the incorporation of the Occupational Health and Safety specifications, compiled by others, in the tender documentation, if applicable.

It is a firm requirement that in the designs, planning and supervision of the execution of the work done under the contract resulting from this tender, all applicable regulations and stipulations under OH&SA, (Act 85 of 1993) including regulations and codes of practice etc are complied with and that the final product shall be in full compliance with said legislation, standards etc.

Furthermore, the Service Provider shall be fully responsible for the compliance of his operation, equipment as well as staff and persons under his supervision on site whether by invitation instruction or otherwise and regardless of the capacity, purpose and relationship of any such persons to the appointment, to all aspects of all applicable regulations and stipulations under OH&SA, (Act 85 of 1993).

C3.3.3 Additional Services (Other)

C3.3.3.1 The Service Provider shall also prepare land surveys and geotechnical investigations, specifications of which will be approved by the Employer.

C3.3.3.2 The Employer may order duties that fall outside the scope of the project as tendered. Any such additional services that may be required will be remunerated as set out in the Pricing Data.

C3.4 Use of reasonable skill and care

It will be expected of the Service Provider to apply reasonable skills and due diligence in the execution of the duties stipulated in this document, which shall include *inter alia* the following:

Although the Service Provider’s documents may be scrutinised by the Employer, this shall in no way relieve him of his professional responsibility for the proper and prompt execution of his duties. The Employer shall also be entitled to have any documentation or calculations verified by Others. In the event of malperformance, default or negligence, the Employer shall have the right to claim compensation or damages and set off such against any amount payable.

During assessment of any existing facilities, which may have a direct bearing on the Project, the Service Provider shall determine deficiencies with such facilities in terms of the Occupational Health and Safety Act, 1993 (Act 85 of 1993), the SANS 10400, etc. and recommend measures to rectify those during the project execution phase.

The departmental project manager shall be notified by the Service Provider and his personnel of any transgression of *inter alia* the Occupational Health and Safety Act, 1993 (Act 85 of 1993) and environmental legislation during the Service Provider's operation pertaining to the Contract regardless of who may be involved.

C3.5 Role Players

It will be required of the Service Provider to co-operate with the following role players: Local, provincial, and national authorities, statutory bodies, governmental departments, Others, as may be required from time to time, including the client department/end user(s).

C3.6 Project Brief

C3.6.1 Target dates and times

The Service Provider will be expected throughout to give preference to the execution of the work involved in this commission.

The work of all Service Providers will be co-ordinated by the Project Manager of the company or lead company. All work is to be performed by the persons listed as Key Persons and persons under their supervision and further be executed as described in the Programme accordingly.

During the construction phase of the project, it will be expected of the principal agent to obtain a construction programme from the main contractor to continuously monitor his progress against that programme for compliance and to take whichever steps have been described in the relevant manual and the Working Guideline for Project Managers. This should be done in collaboration with the rest of the professional team, should the progress not be according to the said programme.

C3.6.2 Reporting requirements

Notwithstanding any other requirements as listed elsewhere, the Service Provider shall submit a monthly report indicating progress of the Services.

C3.6.3 Promotion of Local Suppliers/Manufacturers.

It is the policy of the Employer to give preference to materials and equipment of South African manufacture. The Service Provider is to ensure that, wherever feasible, designs are based

on locally manufactured equipment and materials which can meet requirements at competitive prices.

C3.6.4 **Design innovation**

Given the need for energy efficiency and environmental sustainability in the built environment, each member of the professional team, is required, wherever possible and applicable, to demonstrate design innovation in all aspects of the Service towards “green” design solutions. Aspects to be considered and incorporated in all new building and/or maintenance designs are, *inter alia* but not limited to,

a.) *sustainable development*

e.g., in building form, material choice, construction detailing and methods, recycling ability.

b.) *energy efficiency*

e.g.

- i) passive design methods towards energy conservation and consumption: building orientation, exploitation of nature’s inherent energy sources),
- ii) energy efficient solutions and installations for lighting, ventilation, cooling, heating, etc (e.g., energy efficient light fittings),
- iii) alternative or renewable energy sources where practical/feasible/economical.

c.) water conservation/saving/re-use methods; and

d.) environmental friendliness (e.g., respect for natural habitat, blending of building with site/ environment/surrounding fabric, positioning of buildings, consideration of neighbouring sites’ access to sun, wind, view, etc).

C3.6.5 **Final disposal of documents**

Upon approval and finalisation of the final account of projects requiring a security clearance, it is a requirement that the Service Provider forward to the Employer all documents relating to this service. The same may also be requested on projects not requiring a security clearance.

C3.7 **Applicable legislation and standards**

This section applies to legislation emanating from national and provincial governments as well as that of any local authorities in whose area of jurisdiction the subject of the appointment falls, and which has a bearing on the activities and facilities under this appointment.

All the applicable legislation, which do not specifically allow discretion in respect of compliance by the State, shall be followed exactly as intended by such legislation regardless of any instructions, verbal or in writing, to the contrary. (Refer *inter alia* to Section 41 of the Occupational Health and Safety Act, 1993 (Act 85 of 1993)).

Should any applicable legislation allow discretion in respect of compliance by the State, it shall be followed exactly as intended by the relevant legislation as if no discretion is allowed until

such time as specific instructions in writing are issued to the appointed professional team by the departmental project manager.

The Service Provider undertakes to ensure that his actions and outcome thereof including, but not limited to, the facilities to be affected by the Service shall be in accordance with all relevant legislation and upon delivery, will function as required by said relevant legislation. The Service Provider's actions, and the outcome thereof will in no way be detrimental to the health and safety of the occupants or persons present therein or in the vicinity thereof. Similarly, it must not be detrimental to any aspects of the environment in its structure or operation if operated as specified in operation manual(s). The relevant legislation meant herein, as amended, consist of *inter alia* the following, but not limited to:

- Atmospheric Pollution Prevention Act, 1965 (Act 45 of 1965);
- Construction Industry Development Board Act, 2000 (Act 38 of 2000);
- Council for the Built Environment Act, 2000 (Act 43 of 2000);
- Electricity Act, 1987 (Act 41 of 1987);
- Engineering Profession Act, 2000 (Act 46 of 2000);
- Environmental Conservation Act, 1998 (Act 107 of 1998);
- Fire Brigade Services Act, 2000 (Act 14 of 2000);
- Local Government Municipal Systems Act, 2000 (Act 32 of 2000), municipal by-laws and any special requirements of the local service supply authority;
- National Building Regulations and Building Standards Act, 1977 (Act 103 of 1977);
- National Environmental Management Act, 1998 (Act 107 of 1998);
- National Heritage Resources Act, 1999 (Act 25 of 1999);
- National Water Act, 1998 (Act 36 of 1998);
- Occupational Health and Safety Act, 1993 (Act 85 of 1993);
- Telecommunications Act, 1996 (Act 103 of 1996);
- Water Services Act, 1997 (Act 108 of 1997) and general authorizations;
- the latest issue of SANS 10142: "Code of Practice for the Wiring of Premises";
- the Regulations of the local Gas Board, where applicable and
- all regulations promulgated under the above Acts.

This will be a continuous process throughout the appointment, which will manifest itself during the following phases:

- development of plans and documentation;
- supervision of any Service Providers under the appointment;
- ensuring compliance of the end product;
- compiling and issuing of Instruction/Operational Manuals indicating *inter alia* what the legal and safety requirements entail for the user(s)/operator(s) of the facilities;

- providing instruction to the intended users/operators.

The Service Provider accepts full and complete responsibility (both contractually and/or in delict) regarding compliance with the Occupational Health and Safety Act, 1993 (Act 85 of 1993) for his acts and omissions as well as those of his employees and indemnifies the Employer against any legal action in this regard.

The Service provider undertakes to ensure that the requirements of the Occupational Health and Safety Act, 1993 will similarly apply to the agreement with any sub service providers inclusive of indemnifying the Employer against any legal action regarding the actions and/or omissions by them.

C3.8 Access to land/buildings/sites

Access to the land/buildings/sites shall be negotiated in consultation with the departmental project manager.

C3.9 Software application for programming

The Service Provider must avail himself of software to be used in the Project documentation for compatibility with other Service Providers as well as the Employer. Specific requirements for compatibility are specified in the relevant manuals.

C3.10 Security clearance

It is an explicit condition of this agreement that partners, directors and/or the members of staff who will have insight into the planning of projects requiring security clearance, be kept to a minimum and that such persons will not object to being submitted to a security clearance if the Employer so requires.

If the latter is applicable, the necessary forms will accompany this tender or be provided to the Service Provider at any stage thereafter. These forms must be completed, if attached, and returned with the tender. It is important to furnish information which is complete in every respect.

Should the authority responsible for the clearance, for security reasons not be satisfied with the classification obtained of any of the staff members of the Service Provider, it will be a further condition of this appointment that none of such staff members be involved with any aspect of the Project.

All documents pertaining to these projects must be stored in a safe place when not in use to ensure that the level of security of the projects is maintained.

9. BID EVALUATION COMMITTEE MEMBERS

NAME		SIGNATURE	SUPPORTED / NOT SUPPORTED / COMMENTS
Mswakeli Matoti	Member		
Sydney Masingita Ndimma	Member		
Mayibongwe Kunene	Member		
Ncumisa Ntshona	Member		
Dinake Thobejane	Member		
Musa Khathi	Member		
Nolubabalo Machete	Member		
			APPROVED/NOT APPROVED
Sibongile Mankahla	Chairperson		

Annexure A**Instructions to Bidders**

1. Indicate the province(s) for which your organisation wishes to be accredited by placing a tick (✓) in the applicable column.
2. For each province selected, bidders must submit:
 - Proof of office presence within the province; and
 - A provincial organogram demonstrating the personnel and resources available to support service delivery within that province.
3. Bidders may select one or more provinces.
4. Accreditation for a province will only be considered where the required supporting documentation has been submitted as per the criteria requirements.

Provincial Accreditation Selection

No.	Province	Accreditation Required (✓)
1	Eastern Cape	
2	Free State	
3	Gauteng	
4	KwaZulu-Natal	
5	Limpopo	
6	Mpumalanga	
7	Northern Cape	
8	North West	
9	Western Cape	

Declaration by Bidder

I/We hereby declare that the information provided in this Annexure is true and correct. I/We understand that the Department may verify any information provided and may request additional supporting documentation where necessary.

Authorised Representative: _____

Designation: _____

Signature: _____

Date: _____

Documents to be Attached for Each Province Selected

Requirement	Attached (Yes/No)
Proof of Office Presence	
Provincial Organogram	
Provincial Resource List	
Contact Details of Provincial Office	
Additional Supporting Documentation (if applicable)	

Note: Failure to submit the required supporting documentation for the province(s) selected may result in the province concerned not being considered for accreditation.

PROCUREMENT ENGAGEMENT MODEL FOR
PANEL OF PROFESSIONAL SERVICE
PROVIDERS (PSPs)

Comprehensive Procurement Approach Engagement Model for the Department of Land Reform and Rural Development.

PROCUREMENT ENGAGEMENT MODEL FOR PANEL OF PROFESSIONAL SERVICE PROVIDERS (PSPs)

1. Policy and Legal Framework

The model will be governed by:

- **Section 217 of the Constitution:** Procurement must be **fair, equitable, transparent, competitive, and cost-effective**.
 - **PFMA (Act No. 1 of 1999):** Ensures responsible financial management, transparency, and accountability.
 - **Treasury Regulation 16A6.4:** Allows for the establishment and use of a **panel of service providers**, provided a **fair system** of appointment is in place.
-

2. Purpose of the Model

To ensure:

- Equitable allocation of work among PSPs on the panel.
 - Transparent and competitive task order allocation.
 - Rotational appointment that promotes broad participation and transformation.
-

3. Panel Establishment (Already Completed)

- Panel established via an open, competitive bidding process.
 - PSPs were evaluated based on functionality, capacity.
-

4. Engagement Approach for Task Orders

A. Invitation and Rotation Principle

- All panel members are invited to respond to **mini competitions** (specific task order requests).
- The **successful PSP** will be **excluded** from bidding for the **immediate next task order**.
- This **rotational exclusion** ensures that opportunities rotate among all qualified PSPs.

B. Mini-Competition Process

- Develop and issue specific **Task Order Terms of Reference (ToR)** with scope, timeline, deliverables, and price schedule.
- Invite **all PSPs** on the panel (excluding most recent awardee).
- Bids evaluated using a **pre-approved scoring methodology** (functionality, price, B-BEE).
- **Highest scoring PSP** shall be awarded the task in line with PPPFA.

C. Fairness and Record-Keeping

- SCM shall maintain a **rotation schedule register** tracking:
 - Date of task order
 - Winning PSP
 - PSPs excluded from next round
 - **Justification for award** documented per Regulation 16A6.4.1(d) and 2022 Regulation.
 - Records of **bidder participation, scoring and exclusions** kept for audit purposes.
-

5. Governance and Oversight

A. Delegated Authority and Approvals

- Task order awards shall be approved by the **Delegated Official** per the departmental SCM Delegations.
- All awards and exclusions shall be properly kept by the **SCM Unit for audit purpose**.

B. Audit Trail and Compliance

- Task order allocation register, and decision memos shall be kept safely for audit purpose.
 - Regular audits shall ensure compliance with **PFMA, TR 16A, and constitutional procurement principles**.
-

6. Monitoring and Evaluation

- Conduct **quarterly reviews** of participation, delivery, and PSP performance.
 - Evaluate whether the model ensures:
 - Equal participation across PSPs
 - Improved service delivery
 - Value for money
-

7. Risk Management

- **Risk of repeat work exclusion** mitigated by allowing excluded PSPs to return in subsequent orders.
- **Underperformance** managed through performance evaluation and possible suspension/removal from the panel as per contract terms.


BOARD NOTICES • RAADSKENNISGEWINGS

BOARD NOTICE 783 OF 2025



**GUIDELINE SCOPE OF SERVICES AND
PROFESSIONAL FEES**
**[Scope of Services and Professional Fees for
Persons Registered in terms of the Engineering
Profession Act, 46 of 2000]**

ENGINEERING COUNCIL OF SOUTH AFRICA
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Document No.:	Revision No.:	Effective Date:	 ECSA <small>ENGINEERING COUNCIL OF SOUTH AFRICA</small>
Subject: Guideline Scope of Services and Professional Fees (Scope of Services and Tariff of Fees for Persons Registered in terms of the Engineering Profession Act, 46 of 2000)			
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ENGINEERING COUNCIL OF SOUTH AFRICA

Guideline Scope of Services and Professional Fees

(Scope of Services and Professional Fees for Persons Registered in terms of the Engineering Profession Act, 46 of 2000)

The Engineering Council of South Africa has, under Section 34(2) of the Engineering Profession Act, 2000 (Act No. 46 of 2000), determined the guideline scope of services and professional fees as set out in this document.

Any amount mentioned in or fee calculated in terms of this Guideline Scope of Services and Professional Fees is exclusive of Value Added Tax.

The commencement date of this Guideline Scope of Services and Professional Fees shall be 02 April 2025

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GUIDELINE SCOPE OF SERVICES AND PROFESSIONAL FEES

1 PREAMBLE AND DEFINITIONS

1.1 PREAMBLE

This Guideline Scope of Services and Professional Fees is published by the Engineering Council of SA (ECSA) in terms of Section 34 of the Engineering Professions Act of 2000, which requires ECSA to annually review and publish guideline professional fees.

The guidelines for determining fees for consulting engineering services are in accordance with the Council for the Built Environment (CBE) Policy Framework on Professional Fees following principles which are intended to promote competition in the market place based on both quality and price.

The Guideline is for guidance purposes only and follows the arm's length principles of fair market value, being competitive not prescriptive, and therefore does not amount to direct or indirect price fixing.


The Guideline comprises three main sections:

- Clause 1 and Clause 2: General information, including the Preamble, Definitions and General Provisions
- Clause 3: Guideline Scope of Services which describes the typical services performed by a consulting engineer as part of a professional services contract, and includes specialist engineering services and studies, normal services which the consulting engineer is expected to perform, and additional services which are services not normally part of the responsibility of the consulting engineer and which require special agreement between the client and consulting engineer.
- Clause 4: Guideline Fees which provides general guidance on how to calculate the fees for consulting engineering services. The guideline fees describe four aspects of remuneration, namely:

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- Percentage fees based on the cost of works for normal services, which is a simple and popular method for calculating fees and is a convenient method if the scope of the work is reasonably well defined.
- Additional fees for services that are additional to those provided for in the normal percentage fee-based calculation
- Time-based fees which is a useful method for determining the fee where the scope of the work and services is uncertain at the time when the consulting engineer is appointed.
- Expenses and costs which are remuneration for reimbursable expenses.

The professional fees applicable for a project may be determined either by a process of direct negotiation between the client and consulting engineer or following a process of procuring competitive bids from different consulting engineers. Whatever process is used, the guideline scope of services described in Clause 3 and the guideline fees described in Clause 4 of this Guideline form a useful baseline for the determination of the scope of services and the fees.

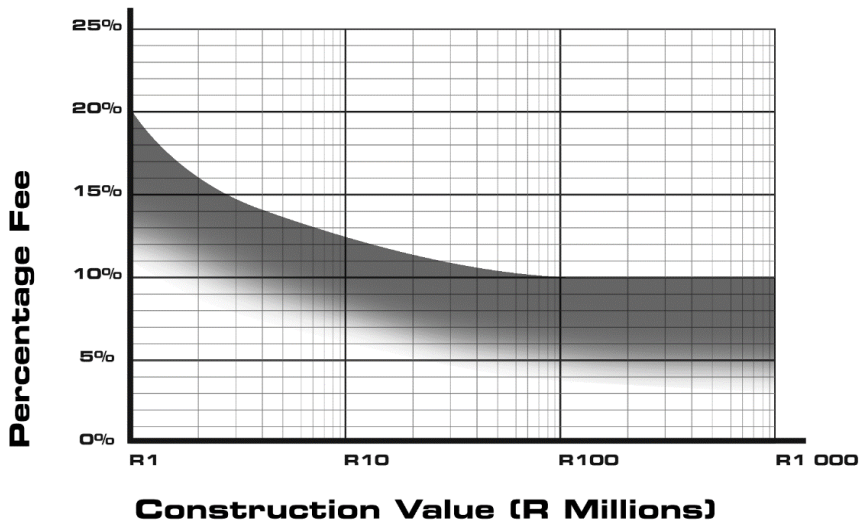
The client may expect the consulting engineering fees for a project to vary widely according to a number of factors, the most significant being the project size (monetary value), type (building or engineering project), and engineering discipline (civil, structural, electrical, mechanical, etc) and it is for this reason that a number of different fee tables, together with different complexity factors, are presented in Clause 4. The typical broad range of percentage fees applicable to different size projects and services provided is shown in the graph below.

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Typical Fee Range




The graph is provided as a pictorial representation which illustrates how the fee may vary over a broad range depending on construction value and must not be used to try to determine an actual fee percentage. The fee should generally fall within the broad band as indicated on the graph, but it may also fall outside the band depending on the competitive procurement process followed as well as the project size, type, engineering discipline and the many other factors which may influence the magnitude of the fee. There is no upper (maximum) or lower (minimum) limit to the fee. As stated above, the fees determined in accordance with this Guideline are not prescriptive and are provided for guidance only.

The process of appointing a consulting engineer should commence with the drafting and signing of a formal agreement which stipulates items such as the agreed services, professional fees as agreed to, commercial terms such as duration of agreement, responsibility of parties, limit of professional liability, payment terms, breach, termination and dispute resolution, etc.

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The commercial terms of the appointment should be based on a standard form of professional services contract of which several different options are available, or a bespoke agreement to be drawn up between the client and the consulting engineer. The agreement will also include the specific contract data applicable to the project under consideration as well the scope of the project work and the scope of services required of the consulting engineer.

This guideline is not prescriptive but has been produced as an aid to assist a client and the consulting engineer in reaching an equitable agreement on fees for services offered based on both the quality of the service provided as well as the price.

In the event that the client and the consulting engineer are unable to reach agreement on the fees, either party may conclude the negotiations and provided that there is no contractual relationship between the parties, the client is then free to initiate negotiations on fees with another consulting engineer. Once a professional services agreement has been concluded between the client and the consulting engineer, then the right of recourse which either party may have against the other will be in accordance with the provisions of the agreed contract.

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1.2 DEFINITIONS

In this Guideline Scope of Services and Professional Fees any word or expression defined in the Act has that meaning, unless the context otherwise indicates:

1.2.1 Authority means any statutory body or organ of the State established in terms of any legislation, regulations or bylaws in South Africa, including local, provincial and national government departments and public authorities who have legislated authority over the project or site. In the context of this Guideline, authority does not include any private entity such as an insurer unless specified in writing in the Agreement.

1.2.2 Building Project or Multi-Disciplinary Project means a project comprising building work or multi-disciplinary work, together with its associated engineering work, where the engineer may be subject to the authority of another professional acting as the Principal Agent or Principal Consultant while financial and administrative matters may be dealt with by another professional, and where the engineer is only paid a fee based on the costs of a portion of the works.


1.2.3 Client means any juristic person, entity, or organ of the State who enters into an agreement with a consulting engineer for the performance of services on a project. Depending on the form of agreement applicable, the term “employer” has the same meaning as “client”.

1.2.4 Consulting Engineer or Consultant, for the purposes of these rules only, means any professional person registered in terms of the Act, or a juristic person or entity who employs such professional person or persons, who enters into an agreement with a client for the performance of services on a project.

1.2.5 Construction Monitoring means the process of administering the construction contract and over-seeing and/or inspecting the works, to the extent of the Agreement, for the purpose of determining whether the works are being completed in accordance with the requirements of the contract, that the consulting engineer’s designs are being correctly interpreted and that appropriate construction techniques are being utilised. Construction monitoring, to whatever extent, does not diminish the contractor’s responsibility for executing and completing the works in accordance with his contract.

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1.2.6 Contractor means any person or a juristic person under contract to a client to perform the works or part of it on a project, including a subcontractor under contract to such contractor.

1.2.7 Cost of the Works means the total final amount (or a fair estimate thereof), exclusive of value added tax, certified or which would, normally, be certifiable for payment to Contractors (irrespective of who actually carries out the works) in respect of the works designed, specified or administered by the consulting engineer, before deduction of liquidated damages or penalties, including the following:


1. Escalation, assuming continuity of the project through to final completion. Where delays occur in the project cycle the client and consultant should come to an agreement on the escalation that will be applicable to various stages of services.
2. A pro-rata portion of all costs related to the Contractor's general obligations and overhead (preliminary and general) items, including contractor's profit, applicable to the works (irrespective of who actually carries out the works).
3. The costs of new materials, goods or equipment, or a fair evaluation of such material, goods or equipment as if new, whether supplied new or otherwise by or to the client and including the cost or a fair evaluation of the cost of installation (the sourcing, inspection and testing of such comprise additional services by the consulting engineer).

1.2.8 Electronic and Mechatronic Engineering Services means services related to programming, coding and design of complex control and instrumentation installations and purpose designed electronic circuitry and equipment (low voltage < 48V). It may also include detailing the terminations, signals and interconnections of electronic components as distinct from proprietary designed and commercially available electronic equipment and systems and conventional electrical HV, MV and LV systems and related reticulation. Electronic engineering services are not considered part of the normal services performed by a consulting engineer.

1.2.9 Engineering Project means a project comprising mainly engineering work where normally only one consulting engineering firm is appointed to perform consulting engineering services or, if other professional service providers are involved, a consulting engineer is appointed as the principal consultant or principal agent and the other professional service providers perform mainly engineering services.

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1.2.10 Fees and/or tariff of fees means payment made to a consultant or consulting engineer in exchange for advice or services.

1.2.11 Lead Consulting Engineer means the consulting engineer or consultant who assumes leadership of a joint venture or consortium either on the instruction of the client or by agreement among the members of the joint venture or consortium.

1.2.12 Normal Services means the services set out in clause 3.2.

1.2.13 Principal Consultant means the consulting engineer or consultant appointed by the client to provide engineering and/or project management services to manage and administer the services of all consultants on a multi-disciplinary project, where more than one professional service provider is appointed.

1.2.14 Principal Agent means the entity, person, consulting engineer or consultant named or appointed with full authority and obligation to act in terms of the contract between the client and the contractor. Depending on the standard form of construction contract applicable, the term "agent", or "employer's agent", or "engineer", or "project manager" have the same meaning as "principal agent".

1.2.15 Project means any total scheme envisaged by a client, including all the works and services concerned.

1.2.16 Quality Assurance Plan is the plan that is put in place that represents the total of the contractor's quality control processes as well as other inspections and acceptance testing processes and related activities that are associated with assuring the client that the works will meet acceptable standards.

1.2.17 Scope of Work means the portion of the works for which the consulting engineer is engaged.

1.2.18 Scope of Services and/or Services means the services contemplated in clause 3 on a project for which a consulting engineer is engaged.


1.2.19 Stage means a stage of normal services set out in clause 3.2.

1.2.20 the Act means the Engineering Profession Act, 46 of 2000.

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1.2.21 the Agreement means the agreement signed by the client and consulting engineer that defines their relationship and obligations as well as the scope of work and services to be provided by the consulting engineer and the remuneration of the consulting engineer and related commercial terms.

1.2.22 Total Annual Cost of Employment means the total annual cost of employment as defined in clause 4.4.4.

1.2.23 Works means the activities on a project for which contractors are under contract to the client to perform or are intended to be performed, including the supply of goods and equipment.

2 GENERAL PROVISIONS

2.1 REPEAL AND TRANSITION

2.1.1 Subject to clause 2.1.2, the Scope of Services and Tariff of Fees for Persons Registered in terms of the Engineering Profession Act, 46 of 2000, published under Government Gazette No. 44333, Board Notice 22 of 26 March 2021, is hereby repealed.

2.1.2 The provisions of previous Board Notices, including subsequent amendments, still apply in respect of services rendered during a stage which has not yet been completed by the date of commencement of this Guideline.

2.2 GENERALITY OF TERMS

In this document, except where the context otherwise requires or indicates:


- the masculine includes the feminine
- the singular includes the plural
- any reference to a natural person includes a juristic person.

2.3 SHORT TITLE

This document is called the Guideline Scope of Services and Professional Fees.

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3 GUIDELINE SCOPE OF SERVICES

This section of the Guideline provides a description of the services which are typically performed by the consulting engineer in terms of the professional services agreement between the client and the consulting engineer. The services are described under three distinctly different headings:

3.1 Specialist Engineering Services and Studies, and Feasibility Studies

3.2 Normal Services

3.3 Additional Services


3.1 SPECIALIST ENGINEERING SERVICES AND STUDIES, AND FEASIBILITY STUDIES

These typical services as listed below relate to carrying out planning, studies, investigations, assessments as well as the preparation and submission of reports embodying proposals or feasibility studies and will normally be remunerated on a time and cost basis.

1. Consultation with the client or client's authorised representative.
2. Inspection of the project site.
3. Developing and defining the scope of work where required.
4. Preliminary investigation, route location, planning and a level of design appropriate to allow decisions on feasibility.
5. Assessment of existing infrastructural elements with the view of informing the project on options of how to integrate existing works with proposed new works.
6. Consultation with authorities and other entities having rights or powers of sanction as well as consultation with the public and stakeholder groups.
7. Advice to the client as to regulatory and statutory requirements, including environmental management and the need for surveys, analyses, tests and site or other investigations, as well as approvals, where these are required for completion of the services, and arranging for these to be carried out at the client's expense.

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8. Searching for, obtaining, investigating and collating available data, drawings and plans relating to the works.
9. Where applicable, investigating financial and economic implications relating to the proposals or feasibility studies.
10. Assist the client to develop timeframes for next stages of the project where required.

Deliverables will typically include:

- a) collation of information
- b) reports on technical and financial feasibility and related implications
- c) list of consents and approval
- d) schedule of required surveys, tests, analyses, site and other investigations
- e) time frames for upcoming deliverables.


3.2 NORMAL SERVICES

3.2.1 Introduction

1. Normal services, as described hereunder, are applicable to projects where the scope of work, the cost, and the timeframe of the project have all been defined through previous investigations and reports, undertaken by the client or by other persons, in sufficient detail to determine the scope of the services with reasonable accuracy, and the consulting engineering services are required to proceed with the subsequent stages of the project in accordance with the client's instructions.
2. In the case where only a single/discipline specific consulting engineer is appointed on a project, the services and deliverables of a principal consultant and/or a principal agent are included as normal services and must be agreed between the parties to see the project through all stages. The services and deliverables of a principal consultant and/or principal agent are only considered to be additional services where agreed in writing prior to the commencement of any work and as further described in clause 3.3.5 and 3.3.7.
3. Unless otherwise agreed in writing prior to the commencement of any work, part of the normal services of the consulting engineer on all projects includes the provision of

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services related to all financial matters as further described in clauses 3.2.2 to 3.2.7 such as the calculation of quantities, cost estimates, cost control and the procurement process. The only exceptions, where financial services do not form part of the normal services of the consulting engineer are as follows:

- a) Structural and civil engineering services related to building and multi-disciplinary projects, and where such services form part of the quantity surveyor's scope of services. Where the civil and structural consulting engineer is required to give assistance with such services, these shall be treated as an additional service remunerated on a time and cost basis.
 - b) In the case of building and multi-disciplinary projects where the scope of works forms part of the principal building contract (for example a domestic subcontract) and where such financial administration services form part of the quantity surveyor's scope of services.
4. A client may appoint an independent Construction Health and Safety Agent to represent him/her on matters of health and safety related to a construction project. In terms of the OHS Act 85 of 1993 Construction Regulations, such person may not simultaneously perform the professional services described in this Guideline Scope of Services and Professional Fees and for this reason, all reference to the services performed in respect of the abovementioned Act have been deleted from this document.


3.2.2 Stage 1 – Inception

Defined as: Refine client requirements and preferences, assess user needs and options, appointment of necessary consultants, finalise the project brief including project objectives, priorities, constraints, assumptions, aspirations and strategies.

1. Assist in finalising a clear project brief.
2. Attend project initiation meetings fortnightly (or as recorded in the client/consultant agreement) .
3. Advise on procurement policy for the project.
4. Advise on the rights, constraints, consents and approvals.
5. Finalise the scope of services and scope of work required.
6. Conclude the terms of the agreement with the client.

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7. Inspect the site and advise on the necessary surveys, analyses, tests and site or other investigations where such information will be required for Stage 2 including the availability and location of infrastructure and services.
8. Determine the availability of data, drawings and plans relating to the project.
9. Advise on criteria that could influence the project life cycle cost significantly.
10. Provide necessary information within the agreed scope of the project to other consultants involved.

Deliverables will typically include:

- a) agreed scope of services and scope of work
- b) signed agreement
- c) report on project, site and functional requirements
- d) schedule of required surveys, tests, analyses, site and other investigations
- e) schedule of consents and approvals and related timeframes.


3.2.3 Stage 2 – Concept and Viability (or Preliminary Design)

Defined as: Prepare and finalise the project concept in accordance with the brief, including project scope, scale, character, form and function, plus preliminary programme and viability of the project.

1. Agree the documentation programme with the client, principal agent or principal consultant, and other consultants involved.
2. Attend design and consultants' meetings fortnightly (or as recorded in the client/consultant agreement).
3. Establish the concept design criteria.
4. Prepare initial concept design and related documentation.
5. Advise the client regarding further surveys, analyses, tests and investigations that may be required.
6. Establish regulatory authorities' requirements and incorporate into the design.
7. Refine and assess the concept design to ensure conformance with all regulatory requirements and consents.

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8. Establish access, utilities, services and connections required for the design.
9. Coordinate design interfaces with other consultants involved.
10. Prepare process designs (where required), concept designs, and related documentation, which are suitable for costing, for approval by authorities and client.
11. Liaise, co-operate and provide necessary information to the client, principal consultant, principal agent and other consultants involved.

The following financial administration services form part of the normal services except as described in clause 3.2.1.3 (a) and (b):

12. Provide cost estimates and life cycle costs, as required.

Deliverables will typically include:

- a) concept design
- b) schedule of required surveys, tests and other investigations and related reports
- c) process design, if applicable
- d) cost estimates, subject to clause 3.2.1.3 (a) and (b) .


3.2.4 Stage 3 – Design Development (or Detailed Design)

Defined as: Develop the approved concept design to finalise the design, outline specifications, cost plan, financial viability and programme for the project.

1. Review documentation programme with client, principal agent or principal consultant, and other consultants involved.
2. Attend design and consultants' meetings fortnightly (or as recorded in the client/consultant agreement).
3. Incorporate client's and authorities' detailed requirements into the design.
4. Incorporate other consultants' designs and requirements into the design.
5. Prepare design development drawings including draft technical details and specifications.
6. Carry out design and value (cost) engineering reviews and evaluate design and outline specification for quality and cost control
7. Liaise, co-operate and provide necessary information to the client, principal agent or principal consultant and other consultants involved.

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8. Submit the necessary design documentation to local and other authorities for approval.

The following financial administration services form part of the normal services except as described in clause 3.2.1.3 (a) and (b):

9. Prepare detailed estimates of construction cost.

Deliverables will typically include:

- a) design development drawings
- b) outline technical specifications
- c) local and other authority submission drawings and reports
- d) detailed estimates of construction costs, subject to clause 3.2.1.3 (a) and (b).

3.2.5 Stage 4 – Documentation and Procurement

Defined as: Prepare procurement and construction documentation, confirm and implement the procurement strategies and procedures for effective and timeous procurement of necessary resources for execution of the project.


1. Attend design and consultants' meetings fortnightly (or as recorded in the client/consultant agreement).
2. Prepare specifications and preambles for the works.
3. Accommodate services design.
4. Undertake value (cost) engineering reviews, review and adjust design, drawings, schedules and documents, if necessary, to remain within budget.
5. Liaise, co-operate and provide necessary information to the client, principal agent, principal consultant and the other consultants as required.
6. Assess samples and products for compliance with design intent.
7. Assist in pricing, documentation and tender evaluation as required when the detailed services for these activities are provided by others.

The following financial administration services form part of the normal services except as described in clause 3.2.1.3 (a) and (b):

8. Review and adjust cost estimates to align with approved budget.

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9. Formulate the procurement strategy for contractors or assist the principal agent or principal consultant where relevant.
10. Prepare documentation for contractor procurement.
11. Review designs, drawings and schedules for compliance with approved budget.
12. Call for tenders and/or negotiation of prices and/or assist the principal agent or principal consultant or quantity surveyor where relevant.
13. Evaluate tenders.
14. Prepare contract documentation for signature.

Deliverables will typically include:

- a) specifications
- b) services co-ordination
- c) working drawings
- d) budget construction cost, subject to clause 3.2.1.3 (a) and (b)
- e) tender documentation, subject to clause 3.2.1.3 (a) and (b)
- f) tender evaluation report, subject to clause 3.2.1.3 (a) and (b)
- g) tender recommendations, subject to clause 3.2.1.3 (a) and (b)
- h) priced contract documentation, subject to clause 3.2.1.3 (a) and (b)


3.2.6 Stage 5 – Contract Administration and Inspection

Defined as: Manage, administer and monitor the construction contracts and processes including preparation and coordination of procedures and documentation to facilitate practical completion of the works.

1. Facilitate and attend site handover, as applicable
2. Issue construction documentation in accordance with the documentation schedule including, in the case of structural engineering, reinforcing bending schedules and detailing, and specifications of structural steel sections and connections.
3. Carry out contract administration procedures in terms of the contract.
4. Facilitate and attend site, technical and progress meetings fortnightly (or as recorded in the client/consultant agreement).

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5. Inspect the works for conformity to contract documentation as described under clause 3.3.2 and as agreed with the client. If the Level of Construction Monitoring is not defined in the Agreement, Level 1 will apply as described in clause 3.3.2 with an average frequency of one visit to site every two weeks for the duration of the works.
6. Review the outputs of quality assurance procedures and advise the contractor and client on adequacy and need for additional controls, inspections and testing.
7. Assist in the resolution of contractual claims by the contractor.
8. Clarify details and descriptions during construction as required.
9. Witness and review all tests and mock-ups carried out on site.
10. Check and approve contractor drawings for compliance with contract documents.
11. Update and issue drawings register.
12. Issue contract instructions as and when required.
13. Review and comment on operation and maintenance manuals, guarantee certificates and warranties.
14. Inspect the works and issue practical completion certificates and defects lists as appropriate.
15. Arrange for the delivery of all test certificates, including any Certificates of Compliance, statutory and other approvals, record drawings and operating manuals.

The following financial administration services form part of the normal services except as described in clause 3.2.1.3 (a) and (b):


16. Prepare schedules of predicted cash flow.
17. Prepare pro-active cost estimates for proposed variations for client decision-making.
18. Adjudicate and resolve financial claims by contractors.
19. Establish and maintain a financial control system.
20. Prepare valuations for payment certificates to be issued by the principal agent.

Deliverables will typically include:

- a) schedules of predicted cash flow, subject to clause 3.2.1.3 (a) and (b)
- b) construction documentation
- c) drawing register

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- d) cost estimates for proposed variations, subject to clause 3.2.1.3 (a) and (b)
- e) contract instructions
- f) financial control reports, subject to clause 3.2.1.3 (a) and (b)
- g) valuations for payment certificates, subject to clause 3.2.1.3 (a) and (b)
- h) progressive and draft final accounts, subject to clause 3.2.1.3 (a) and (b)
- i) practical completion certificates and defects lists
- j) all statutory certification and certificates of compliance as required by the local and other statutory authorities and as relevant.

3.2.7 Stage 6 – Close-Out

Defined as: Fulfil and complete the project close-out, including necessary documentation to facilitate effective completion, handover and operation of the project.

1. Inspect and verify the rectification of defects.
2. Compile and/or procure operations and maintenance manuals, guarantees and warranties.
3. Compile and/or procure Record and/or As-built drawings and documentation.
4. Issue all final completion certificates in accordance with the applicable contract.

The following financial administration services form part of the normal services except as described in clause 3.2.1.3 (a) and (b):


5. Receive, comment and approve relevant payment valuations.
6. Conclude the final accounts where relevant.

Deliverables will typically include:

- a) valuations for payment certificates, subject to clause 3.2.1.3 (a) and (b)
- b) works and final completion lists
- c) operation and maintenance manuals, guarantees and warranties as relevant.
- d) Record and/or As-built drawings and documentation
- e) final accounts, subject to clause 3.2.1.3 (a) and (b)

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3.3 ADDITIONAL SERVICES

The following services do not form part of, and are additional to, the normal services provided by the consulting engineer in terms of clause 3.2, unless specifically agreed otherwise between the consulting engineer and the client. The agreement on the scope of services and remuneration must be in writing and should, if at all possible, be concluded before the services are performed.


3.3.1 General

1. Where the project brief, including defining the scope of work, the cost, timeframe and scope of services have not been provided by the client or through previous investigations and reports in sufficient detail to determine the scope, timing and cost of the services with reasonable accuracy, and where these services are performed by the consulting engineer as part of a separate initial feasibility, planning or similar study in terms of clause 3.1, then such services related to defining the scope of work and scope of services are regarded as additional services and the remuneration would normally be time-based plus expenses and costs.
2. Enquiries not directly concerned with the works and its subsequent utilisation.
3. Valuation for purchase, sale or leasing of plant, equipment, material, systems, land or buildings or arranging for such valuation.
4. Making arrangements for way leaves, servitudes or expropriations.
5. Negotiating and arranging for the provision or diversion of services and or infrastructure not forming part of the works.
6. Additional work in obtaining formal approval from the appropriate statutory authorities, including the making of such revisions as may be required as a result of decisions of such authorities arising out of changes in policy, undue delay, or other causes beyond the consulting engineer's control.
7. Additional work related to monitoring as required by any government departments or authorities to facilitate regulatory approvals and certification (e.g. Mines Health and Safety Act, 29 of 1996).

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8. Topographical and environmental surveys, analyses, tests and site or foundation or other investigations, model tests, laboratory tests and analyses carried out on behalf of the client.
9. Setting out or staking out the works and indicating any boundary beacons and other reference marks.
10. Preparation of drawings for manufacture and installation or detailed checking of such for erection or installation fit.
11. Detailed inspection, reviewing and checking of designs and drawings not prepared by the consulting engineer and submitted by any contractor, or potential contractor, as alternative to those embodied in tender or similar documents prepared by the consulting engineer.
12. Inspection and testing, other than on site, of materials and plant, including inspection and testing during manufacture.
13. Preparing and setting out particulars and calculations in a form required by any relevant statutory authority or any other authority having jurisdiction over the project.
14. Abnormal additional services by, or costs incurred by the consulting engineer due to the failure of a contractor or others to perform their required duties adequately and on time, for example:
 - a) When the works Contract is extended beyond the awarded contract period due to poor contractor performance or any other circumstances not caused by any action or inaction of the consulting engineer, then the additional work resulting from attendance at additional meetings, related inspections and additional administrative work are considered as additional services for which the consulting engineer must be remunerated on a time and cost basis, or as agreed between the parties. Alternatively, the portion of the fee due for Stage 5, Contract Administration and Inspection, is adjusted pro-rata to the extended works contract duration versus the originally expected works contract duration.
 - b) Suspension and/or termination of contracts and reappointment of contractors, if applicable.
 - c) Where more frequent inspections are required due to poor contractor performance or other extraneous factors beyond the control of the consulting engineer, these are normally considered to be additional services

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- d) Dealing with excessive, unreasonable and spurious claims by the Contractor
 - e) Late issue of information, late decisions and instructions and payment delays by the client and/or other consultants.
15. Executing or arranging for the monitoring and adjustment of the works after final handover and completion of construction and commissioning to optimise or maintain proper functioning of any process or system.
 16. Investigating or reporting on tariffs or charges leviable by or to the client.
 17. Advance ordering or reservation of materials and obtaining of licences and permits.
 18. Compiling detailed operating, operation and maintenance manuals for plant, equipment, systems and installations.
 19. Compiling record drawings related to designs done by others or related to alterations to existing works.
 20. Additional services, duties and/or work resulting from project scope changes, alterations and/or instructions by the client, or his/her duly authorised agents, requiring the consulting engineer to advise upon, review, adapt and/or alter his/her completed designs and/or any other documentation and/or change the scope of his/her services and/or duties. Such additional services are subject to agreement in writing between the consulting engineer and the client prior to the performance thereof.
 21. Work, and/or services related to targeted procurement of contractors and subcontractors, that could entail, but is not necessarily limited to, any or all of the following:
 - a) Incorporation of any targeted participation goals, the measuring of key participation indicators.
 - b) The selection, appointment and administration of participating contractors and subcontractors.
 - c) Auditing compliance to the above by any contractors and/or professional consultant.
 22. Exceptional arrangements, communication, facilitation and agreements with any stakeholders other than the client and contractors appointed for the works for which the consulting engineer provides services. Software compliance: where Building Information Modelling (BIM) or similar client specified technology is a project requirement the additional effort over conventional projects in order to meet client

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requirements is regarded as an additional service. In the case of BIM compliance this may involve the appointment of a BIM manager, and the preparation and approval by the client of the BIM Execution Plan to set up the project to be fully BIM compliant. Other client specified technology may also result in additional work.


23. Condition assessment of existing facilities, structures and infrastructure or forensic investigations into defects of buildings and structures.
24. Electronic and/or mechatronic engineering services are regarded as additional services for which the consulting engineer must be remunerated, normally on a time and cost basis or as agreed in writing between the parties. Electronic engineering services are described in 1.2.10 and will only be regarded as an additional service where the consulting engineer actually carries out the programming, coding and design of control and instrumentation installations and purpose designed electronic circuitry and equipment (low voltage < 48V). Where the abovementioned work is undertaken by a supplier or works contractor the consulting engineer will not be remunerated for additional services. The selection and inspection of proprietary designed and commercially available electronic equipment and systems and conventional electrical HV, MV and LV systems and related reticulation are not regarded as electronic or mechatronic engineering services.
25. Additional services arising out of specific requirements by the client to achieve sustainability goals on matters such as alternative energy systems, clean energy, specific Green Star ratings and similar situations which must be agreed in writing between the consulting engineer and the client.
26. Any other additional services, of whatever nature, specifically agreed to in writing between the consulting engineer and the client.

3.3.2 Construction monitoring

Quality assurance during construction refers to the engineering activities that are implemented to reduce the risk of non-conformance of the construction processes. This is achieved through a combination of the quality control processes that are put in place by the contractor (who carries the ultimate responsibility for quality and conformance to the contract) in order to control its outputs, and the inspection and acceptance testing that is carried out by the consulting engineer to confirm conformance prior to certification. This means that the client

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and consulting engineer must agree a satisfactory arrangement in respect of construction monitoring that suits the type of work, the project location and the duration of the critical aspects of the works. Any decision regarding the required level of construction monitoring should not be taken lightly and the parties should carefully consider the consequences of non-compliance and related responsibilities, bearing in mind that the consulting engineer has a duty of care, while the client should aim to reduce risk, ensure quality, and minimise life-cycle costs.

The level of construction monitoring and the frequency and duration of the site visits must be agreed with the client prior to commencement of the works and recorded in the Agreement. The level of construction monitoring and activities related to the quality assurance plan may change during the course of the works to reduce quality related risks. This will require an amendment of the Agreement.

Aspects that need to be considered when determining the degree to which additional construction monitoring services are required are:

- a) the type of work
- b) the discipline of the work (civil, structural, mechanical, electrical etc)
- c) the competency of the contractor and its related quality control system
- d) the speed with which critical elements of the work are covered up
- e) the consequences of non-compliance
- f) the timing and ease of subsequent detection and rectification of non-compliance.

Arising from the above, three levels of construction monitoring may be defined and described as follows:

1. Level 1: Periodic Construction Monitoring


The consulting engineer's staff must:

- a) subject to the note below, visit the works at a frequency agreed with the client or at an on-call basis at a notice time agreed with the contractor and the client, with extra visits for works completion inspections, provision of design/technical clarifications and inspections for works defects lists. The frequency and duration of site visits must be

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agreed in writing between the client and between the client and the consulting engineer prior to commencement of the services

- b) review random samples of material and work procedures, for conformity to contract documentation, and review random samples of important completed work prior to covering up where possible, or on completion, as appropriate.

Note: Visits at an average frequency of one visit every two weeks over the duration of the project are part of the normal services and no additional payments are applicable. Where Level 1 construction monitoring is applied on a project and, for reasons beyond the control of the consulting engineer, additional site visits in excess of the frequency initially agreed with the client or are on-call basis, these must be undertaken by the consulting engineer after agreement with the client and will be regarded as an additional service for which payment must be made in accordance with clause 4.3.2.

Level 1 construction monitoring is considered to be a basic level of service and is only suitable for the most simple, routine projects where regular inspections are not required. The client carries the risk associated with Level 1 construction monitoring because the consulting engineer is often unable to witness or inspect work prior to its being covered up and is not liable for hidden defects. On any project where a significant portion of the work is rapidly covered, such as projects involving underground services and building projects like secondary healthcare, tourism and leisure, industrial, commercial, retail and office buildings with complex electrical and mechanical works, Level 2 or Level 3 construction monitoring is required to offset risks.


2. Level 2: Part-time Construction Monitoring

The consulting engineer's staff, or part-time construction monitoring staff must:

- a) regularly visit the site at a frequency that may vary during the course of the project, and such visits may be daily or weekly, according to the project demands. The frequency and duration of site visits must be agreed in writing between the client and the consulting engineer prior to commencement of the services

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- b) review regular samples of materials and work procedures, for conformity to contract documentation, provide design/technical clarifications where required and review regular samples of important completed work prior to covering up, or on completion, as appropriate
- c) where the consulting engineer is the sole professional service provider or principal agent, carry out such administration of the project as is necessary on behalf of the client.

Level 2 Construction Monitoring is an additional service for which the consulting engineer must be paid as described in clause 4.3.2(2).

Most engineering work typically requires at least Level 2 monitoring to enable the engineer to inspect work prior to it being covered up. Examples may include witnessing material and equipment preparation, the position of reinforcing steel and services such as electrical conduits and sleeves prior to pouring concrete, underground installations or installations above false ceilings, in walls, under floors, etc. The consulting engineer may also require acceptance inspection and testing of various elements on a regular basis depending on the quality controls instituted by the contractor as part of the quality assurance plan.

Level 2 construction monitoring does not allow for a full-time presence on site and as a result the consulting engineer and construction monitoring staff are unable to witness/inspect all work prior to its being covered up.

3. Level 3: Full-time Construction Monitoring


The full-time construction monitoring staff must:

- a) maintain a full-time presence on site to constantly review samples of materials and work procedures, for conformity to contract documentation, provide design/ technical clarifications and review completed work prior to covering up, or on completion, as appropriate
- b) assist with the compilation of Record and/or As-built records and drawings to the extent required in the agreement with the client
- c) where the consulting engineer is the sole professional service provider or principal agent, carry out such administration of the project as is necessary on behalf of the client

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Level 3 Construction Monitoring is an additional service for which the consulting engineer must be paid as described in clause 4.3.2(1).

In the case of most civil works where all materials and elements are generally regarded as being critical, and are covered on a daily basis, work is monitored on a continuous basis for the duration of the works and Level 3 monitoring usually applies. This level is also applied to the structural works that are included in such projects.

In some instances, staff members are made available by the client to assist in construction monitoring, in which cases, these persons should report to, and take instructions from, the consulting engineer or an authorised representative of the consulting engineer to avoid mixed messages being passed to the contractor.

3.3.3 Quality assurance system

The requirement by the client for a formal quality management system or quality assurance services to be applied to the project, over and above the construction monitoring services described in clause 3.3.2, is an addition to normal services provided by the consulting engineer and must be specifically defined and separately agreed in writing prior to commencement thereof.

3.3.4 Lead consulting engineer


If the client requires the consulting engineer to assume the leadership of a joint venture, consortium or team of consulting engineers of the same discipline, which is prescribed or requested by the client, this will be regarded as an additional service which may include the following:

1. Responsibility for the overall administration of all sections of the services, including those portions of the services, which fall within the ambit of the other consulting engineers.
2. Responsibility for the overall co-ordination, programming of design and financial control of all the works included in the services.
3. Processing certificates or recommendations for payment of contractors.

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3.3.5 Engineering management services (principal consultant)

Should the client require the consulting engineer to undertake duties of an engineering management nature on behalf of the client, the additional services will include the following:

Stage 1 Services – Inception

1. Facilitate development of a clear project brief.
2. Establish the procurement policy for the project.
3. Assist the client in the procurement of necessary and appropriate other consultants including the clear definition of their roles and responsibilities.
4. Establish, in conjunction with the client, other consultants and all relevant authorities, the site characteristics, rights and constraints for the proper design of the intended project.
5. Define the consultant's scope of work and services.
6. Conclude the terms of the agreement with the client.
7. Facilitate a schedule of the required consents and approvals.
8. Prepare, co-ordinate and monitor a project initiation programme.
9. Facilitate client approval of all Stage 1 documentation.

Typical deliverables:

- a) Project brief
- b) Agreed scope of work
- c) Agreed services
- d) Project procurement policy
- e) Signed agreements
- f) Integrated schedule of consents and approvals
- g) Project initiation programme
- h) Record of all meetings.


Stage 2 services – Concept and Viability

1. Assist the client to procure the other consultants.
2. Advise the client on the requirement to appoint a health and safety consultant.

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3. Communicate the project brief to the other consultants and monitor the development of the concept and viability.
4. Agree format and procedures for cost control and reporting by the other consultants.
5. Prepare a documentation programme and indicative construction programme
6. Manage and integrate the concept and viability documentation for presentation to the client for approval.
7. Facilitate approval of the concept and viability by the client.
8. Facilitate approval of the concept and viability by statutory authorities.
9. Facilitate input required from health and safety consultant

Typical deliverables:

- a) Signed consultant/client agreements
- b) Indicative documentation programme and construction programme
- c) Approval by the client to proceed to Stage 3.

Stage 3 Services – Design Development


1. Agree and implement communication processes and procedures for the design development of the project.
2. Assist the client to procure the necessary other consultants including the clear definition of their roles and responsibilities.
3. Prepare, co-ordinate, agree and monitor a detailed design and documentation programme.
4. Conduct and record consultants' and management meetings.
5. Facilitate input required by health and safety consultant.
6. Facilitate design reviews for compliance and cost control.
7. Facilitate timeous technical co-ordination.
8. Facilitate client approval of all Stage 3 documentation.

Typical deliverables:

- a) Additional signed client/consultant agreements
- b) Documentation programme
- c) Record of all meetings

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d) Approval by the client to proceed to Stage 4.

Stage 4 services – Documentation and Procurement

1. Recommend and agree procurement strategy for contractors, subcontractors and suppliers with the client and the other consultants.
2. Prepare and agree the procurement programme.
3. Advise the client, in conjunction with the other consultants, on the appropriate insurance.
4. Co-ordinate and monitor preparation of procurement documentation by consultants in accordance with the project procurement programme.
5. Manage procurement process and recommend contractors for approval by the client.
6. Agree the format and procedures for monitoring and control by the quantity surveyor of the cost of the works.
7. Co-ordinate and assemble the contract documentation for signature.

Typical deliverables:


- a) Procurement programme
- b) Tender/contract conditions
- c) Record of all meetings
- d) Obtain approval by the client of tender recommendation(s)
- e) Contract documentation for signature.

Stage 5 services – Contract Administration and Inspection

1. Arrange site handover to the contractor.
2. Establish construction documentation issue process.
3. Agree and monitor issue and distribution of construction documentation.
4. Instruct the contractor on behalf of the client to appoint subcontractors.
5. Conduct and record regular site meetings.
6. Monitor, review and approve the preparation of the construction programme by the contractor.
7. Regularly monitor performance of the contractor against the construction programme.
8. Adjudicate entitlements that arise from changes required to the construction programme.

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9. Receive, co-ordinate and monitor approval of all contract documentation provided by contractors.
10. Agree quality assurance procedures and monitor implementation thereof by the other consultants and the contractors.
11. Monitor preparation and auditing of the contractor's health and safety plan and approval thereof by the health and safety consultant.
12. Monitor preparation of the environmental management plan by the consultant.
13. Establish procedures for monitoring scope and cost variations.
14. Monitor, review, approve and issue payment certificates.
15. Receive, review and adjudicate any contractual claims.
16. Monitor preparation of financial control reports by the other consultants.
17. Prepare and submit progress reports.
18. Co-ordinate, monitor and issue practical completion lists and the certificate of practical completion.
19. Facilitate and expedite receipt of the occupation certificate where relevant.
20. Manage the review and approval of all necessary shop details and product propriety information.

Typical deliverables:


- a) Signed contracts
- b) Approved construction programme
- c) Construction documentation
- d) Payment certificates
- e) Progress reports
- f) Record of meetings
- g) Certificates of practical completion.

Stage 6 services – Close-Out

1. Co-ordinate and monitor rectification of defects.

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2. Manage procurement of operation and maintenance manuals, guarantees and warranties.
3. Manage preparation of as-built drawings and documentation.
4. Manage procurement of outstanding statutory certificates.
5. Monitor, review and issue payment certificates.
6. Issue completion certificates.
7. Manage agreement of final accounts.
8. Prepare and present the project close-out report.

Typical deliverables:

- a) Completion certificates
- b) Record of necessary meetings
- c) Project close-out report.

3.3.6 Dispute resolution, litigation proceedings and similar services

Where the client requires the consulting engineer to, on his or her behalf, perform the services listed hereunder or similar work, the extent thereof and remuneration are subject to agreement between the client and the consulting engineer:

1. Dealing with matters of law, obtaining parliamentary or other statutory approval, licenses or permits.
2. Assisting with or participating in contemplated or actual mediation, adjudication, arbitration or litigation proceedings.
3. Officiating at or attending courts and commissions of enquiry, select committees and similar bodies convened by statute, regulation or decree.


3.3.7 Principal agent of the client

Subject to Clause 3.2.1(2), when a consulting engineer is, in addition to his normal functions as consulting engineer, appointed as the client's principal agent for the purposes of procurement and construction on a multi-disciplinary project, the consulting engineer is also responsible for the following:

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Stage 3 services – Design Development

1. Prepare, co-ordinate, agree and monitor a detailed design and documentation programme.

Typical deliverables:

- a) Detailed design and documentation programme.

Stage 4 services – Documentation and Procurement

1. Recommend and agree procurement strategy for contractors, subcontractors and suppliers with the client and the other consultants.
2. Prepare and agree the procurement programme.
3. Advise the client, in conjunction with the other consultants on appropriate insurance.
4. Manage procurement process and recommend contractors for approval by the client.
5. Agree the format and procedures for monitoring and control by the quantity surveyor and/or other consultants of the cost of the works.
6. Co-ordinate and assemble the contract documentation for signature.

Typical deliverables:


- a) Procurement programme
- b) Tender/contract conditions
- c) Contract documentation for signature.

Stage 5 services – Construction Administration

1. Arrange site handover to the contractor.
2. Establish construction documentation issue process.
3. Agree and monitor issue and distribution of construction documentation.
4. Instruct the contractor, on behalf of the client, to appoint subcontractors.
5. Conduct and record regular site meetings.

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6. Review, approve and monitor the preparation of the construction programme by the contractor.
7. Regularly monitor performance of the contractor against the construction programme.
8. Adjudicate entitlements that arise from changes required to the construction programme.
9. Receive, co-ordinate and monitor approval of all contract documentation provided by contractors.
10. Agree quality assurance procedures and monitor implementation thereof by the other consultants and the contractors
11. Monitor preparation and auditing of the contractor's health and safety plan, and approval thereof, by the health and safety consultant.
12. Monitor preparation of the environmental management plan by the environmental consultant.
13. Establish procedures for monitoring scope and cost variations.
14. Monitor, review, approve and issue certificates.
15. Receive, review and adjudicate any contractual claims.
16. Monitor preparation of financial control reports by the other consultants.
17. Prepare and submit progress reports.
18. Coordinate, monitor and issue practical completion lists and the certificate of practical completion.


Typical deliverables:

- a) Signed contracts
- b) Approved construction programme
- c) Construction documentation
- d) Payment certificates
- e) Progress reports
- f) Record of meetings
- g) Certificates of practical completion
- h) Facilitate and expedite receipt of occupation certificates.

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Stage 6 services – Close-Out

1. Co-ordinate and monitor rectification of defects.
2. Manage procurement of operations and maintenance manuals, guarantees and warranties.
3. Manage preparation of as-built drawings and documentation.
4. Manage procurement of outstanding statutory certificates.
5. Monitor, review and issue payment certificates.
6. Issue completion certificates.
7. Manage agreement of final accounts.
8. Prepare and present the project close-out report.


Typical deliverables:

- a) Completion certificates
- b) Record of necessary meetings
- c) Project close-out report.

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4 GUIDELINE FEES

4.1 GENERAL

4.1.1 Introduction

This section of the Guideline provides guidance on how to determine the fee for consulting engineering services, starting with this Clause 4.1 which provides general comments explaining the need for a careful appraisal of the project and the risks involved, and a description of various factors which may influence the determination of the fee.

Clause 4.2 explains the recommended method for calculating a fee based on a percentage of the cost of the works for normal services, and includes worked examples to show how the percentage fee calculation should be carried out.

Clause 4.3 describes the method for calculating fees for additional services which are not part of the normal services.

Clause 4.4 describes different methods for calculating time based fees.


Clause 4.5 provides guidance regarding the reimbursement of the consulting engineer for expenses and costs incurred by the consulting engineer when performing consulting engineering services.

The guideline fees described hereinafter are not prescriptive but are presented to assist a client and a consulting engineer to reach an equitable agreement on the fees for the services performed based on both quality and price.

The recommended method for the procurement of a consulting engineer is through a selection process based either on direct negotiation, or via a competitive bidding process where proven competence, qualifications, resources, experience, preferencing and developmental criteria are the primary selection factors and price is a secondary factor. During this process, the procuring organisation will receive offers with widely ranging scope and related costs or prices. The range of prices that will be received is largely a function of the definition and perception of the scope of work and related services that are required.

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The cost of consulting engineering services only constitutes approximately 1 to 2% of the total life-cycle costs of the facility being designed. The client needs to be aware that professional fees that are too low can lead to:

1. Consultants using inexperienced staff on projects, which compromises the quality of the output
2. Consultants not completing the project, resulting in time and cost delays for client
3. Consultants being forced to take short cuts in order to reduce expenditure, resulting in reduced project quality and costs
4. Significantly increased costs of the works and long-term operations and maintenance costs that will likely overshadow any savings made in the cost of the professional services.

4.1.2 Risk assessment


The guidelines described in this document for the determination of a fee are based on processes and values which have been in use for many years and which have proved to be fair to all parties. The fee should be arrived at by applying these guidelines and agreeing a fee as a simple percentage of the cost of the works, or as a lump sum, or time based. Expenses and costs are additional and apply to all three alternatives.

The client and the consulting engineer may use any other method for determining the fee, including pricing the services from first principles, either to allow for competitive pricing, or for any other reason. In such instances the client must carry out a proper risk assessment of the offer by the consulting engineer in order to determine its acceptability. The risk assessment should, as a minimum, include an analysis of the following:

1. Comparison of the fee offered with a fee based on the guidelines described in this document.
2. Services offered as well as services excluded which may become additional services
3. Numbers, qualifications and experience of staff to be employed on the project
4. Firm's resources
5. Firm's experience with similar projects
6. Compliance with client preferencing and developmental criteria

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7. Any other criteria which may impact on the consulting engineer's ability to perform the services in the manner required by the client.

4.1.3 Risk Management

While the guidelines support responsible competitive bidding where price and quality are the key determining factors, risk management should be the overriding consideration. The practice of procuring consulting engineering services on the basis of the magnitude of a financial discount on published fee tables, or fees determined by any other party, is not supported and is counter-productive to good engineering and life-cycle costs. The practice is contrary to all accepted best practice methods of competitive tendering, and, because discounts are typically determined on an arbitrary basis without any consideration of actual costs, fee discounting eventually results in declining standards of quality and service which are the cornerstones of the engineering profession. Reckless fee discounting has a significant negative impact on the industry and poses a serious threat to infrastructure development in the country.

4.1.4 Influencing factors


While the tables of fees contained in this guideline can be applied to many projects, the factors that influence the fees to be paid for consulting engineering services on a project are complex and depend on a number of contributing factors. The contributing factors that should be taken into account may include, among others, all or any of the following:

1. Project complexity: Projects may range from relatively simple projects where the designs are based on well-established common practices to more complex projects where the works call for the application of new, unusual or untried techniques, designs, systems or applications.
2. Monetary value of the works: This may range from a situation where the value of the work is very high relative to the services being performed to a project where the value of the works is abnormally low relative to the services required from the consulting engineer.
3. Time duration: This may involve projects where the works are executed over appreciably shorter or longer periods than would normally be expected.

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4. Level of responsibility, liability and risk: These may range from relatively low levels of responsibility and/or risks to projects with unusually high responsibilities and/or risks that are expected to be carried by the consulting engineer.
5. Level of expertise, qualifications, skills and experience: Some works do not require a high degree of expertise while other works may require more specialised expertise or substantial skills and experience that cost more to develop and retain.
6. Level of technology required and changes in technology that may influence the costs of the services provided.
7. Whether aspects related to labour intensive works need to be considered in the design.
8. Level of effort: Some projects do not call for substantial effort as the works can be designed without extensive investigations or field measurements while others may call for unusually high effort on the part of the consulting engineer because of, for example, research required or integration with existing works or repairs to existing infrastructure where the status quo needs to be investigated in considerable detail and these need to be accommodated within the design.
9. Potential value added: In some instances, the design, no matter how sophisticated will not add much value to the overall project while in other cases greater design optimisation can lead to considerable savings in capital, maintenance or operations costs, or add value to the final project.
10. Client requirements: Some clients have relatively few requirements and/or many standard details and the consulting engineer's designs are accepted at face value. Other clients require considerable details to be investigated during design development to satisfy their own, often complex, internal processes.
11. Project definition: In some projects, the design concept and scope are self-evident and requires little further investigation or analysis of options, while in other projects, the design development requires extensive analysis and testing of various options.

Combinations of one or more of the above factors may result in a substantial adjustment of the fee that is required to fairly compensate the consulting engineer and this adjustment factor should be negotiated in good faith by both parties.

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4.1.5 Application of the fee guidelines

1. The client shall remunerate the consulting engineer, for the services performed, on the basis of clauses 4.2 to 4.5 or as stated in the Agreement.
2. The guideline professional fees described in this guideline apply in respect of the services set out in clause 3.
3. The client shall reimburse the consulting engineer for all expenses and costs incurred in terms of clause 4.5 in performing the services, irrespective of whether fees are charged in terms of clauses 4.2, 4.3 or 4.4, as well as for all costs incurred on behalf, and with the approval, of the client.
4. Agreement on any method of adjustment of, or special fees, should be reached at the time of the consulting engineer's engagement or as soon after as circumstances warrant, such as is practically possible, but in all cases, prior to the consulting engineer performing services that may be affected.
5. The fee is determined on the information provided at the time of procurement, particularly in respect of the scope of work, scope of services, works budget and expected project duration. Any subsequent changes, including unforeseen changes to the project situation and engineering effort, and changes to the project costs, should be regarded as a trigger for an adjustment of the fee.
6. The fee may be expressed as a lump sum, in which case, the amount will be subject to adjustment where the final cost of the works varies by more than 15% from the value on which the fee is determined.
7. For certain project types the scope of work may include full services for some elements of the work and limited services for other elements. For example, in some situations the consulting engineer may be asked to provide advice, design review and construction monitoring related to elements designed and detailed by others. The fees for such limited services are subject to agreement between the client and consulting engineer and may be determined on the basis of time and cost or by reducing the normal full fee for such elements by applying a factor of between 0,10 and 1,00 depending on the work involved, the degree of responsibility, and related liabilities that could accrue. In the case of structural systems, some examples of limited services include advice related to non-load bearing brickwork, pre-cast slabs, timber or LGSF roof trusses, sheeting and

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cladding, glazing and facade systems, proprietary timber roof trusses, sundry steelworks subjected to loads such as balustrades, bulkhead supports, etc., and precast concrete decorations, lintels over openings and windows, Other situations involving limited services and reduced responsibility are explained in more detail in clauses 4.1.5.8 and 4.1.5.9 below.

8. Subject to 4.1.5.9 below, where the consulting engineer is appointed as the competent person in terms of the National Building Regulations and SANS 10400 on building projects, the consulting engineer is entitled to a full fee for all elements of the work where he/she is appointed as the competent person in terms of SANS 10400 and/or he/she assumes responsibility for and/or is required to certify and sign off the design, inspection, and/or completion, regardless of who actually designs and details elements of the work. Examples of this include piling, lateral support, load bearing brickwork, precast concrete supports, fire protection, artificial ventilation, stormwater disposal, non-water-borne sanitary disposal or drainage systems.
9. Under certain circumstances the consulting engineer is appointed as the competent person in terms of the National Building Regulations and SANS 10400 to assume responsibility for an overall system of a building, but certain elements of the structure are designed, inspected and certified by another competent person who assumes responsibility for the design and construction inspection of such elements. Examples of these elements may include structural, fire protection, artificial ventilation, stormwater disposal or non-water-borne sanitary disposal, fire installations or drainage installation systems. In all such instances the consulting engineer appointed as the competent person in terms of the National Building Regulations and SANS 10400 has to ensure overall functionality and compatibility of these elements with the primary structure as part of his duties. The consulting engineer may also have to coordinate obtaining separate design certificates for these elements to ensure that the responsibility for the elemental designs will rest with other professionals. The consulting engineer who is appointed as the competent person responsible for the overall system is entitled to the full fee for all elements which are designed, inspected and signed off by him/her and a factor of 0,33 of the full fee should be applied to the elements which are designed, inspected and signed off by other competent persons.

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10. Where the normal services relate to more than one of the disciplines of consulting engineering contemplated in clauses 4.2.2 to 4.2.8, namely civil, structural, mechanical, or electrical engineering services, a separate fee for services in each discipline should be calculated in accordance with the relevant clause.
11. Where at the instance of, and with the consent of the client, the works are undertaken on separate non-contiguous sites, continuity is interrupted or the works are unusually fragmented or constructed as separately documented phases or sections, the fee for normal services is:
 - a) the sum of the fees calculated separately for each site, contract, phase or section as if they were separate works; or
 - b) a fee agreed to between the client and the consulting engineer and which fee lies between the fee calculated on the total cost of the works and the sum of the fees contemplated in clause (a) above.
12. Although financial administration services are normally part of normal services as described in Clause 3.2, there are instances where these services are excluded and are provided by others, such as quantity surveyors, in which case a factor of 0,85 should be applied to the basic fee. In such instances, where the consulting engineer is required to assist, then such assistance can be treated as an additional service and the remuneration to the consulting engineer should be time based plus expenses and costs.
13. Where the scope of the work involves alterations to existing facilities with extensive re-use of existing facilities, installations and/or structures, detailed condition assessments and surveys may be required to facilitate good integration of new work with existing work and the percentage fee should be increased by applying a factor of up to 1,25 to the basic fee for that portion of the works. The additional fee for alteration work must be applied judiciously and fairly by both parties and must only apply to the altered portion of the works. Where an existing installation, structure or building is simply abandoned and/or demolished and replaced by a new installation, structure or building the adjustment factor should not apply and the remuneration to the consulting engineer should be time based plus expenses and costs for any additional services such as site surveys and inspections related to the existing installation, structure or building.
14. Tables 2A to 8A in Clause 4.2 below include a factor to be applied in the case of duplication of works. The factor is only to be applied to the design stages of the services

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(Stages 1 to 4) where designs for a complete unit (such as a complete building or a bridge) can be duplicated and applied to a different project or site without alteration to the drawings and/or specification. The duplication factor is not applicable where a number of identical components form part of a complete unit. If alteration is required to the drawings and/or specifications for different complete units then the duplication factor must be adjusted by written agreement between the client and consulting engineer. No duplication factor is applicable where different drawings and/or specification are required for each unit. No duplication factor is applicable to the construction stages of the services (Stages 5 and 6) where the consulting engineer is appointed for Stages 5 and/or 6 of the services.

15. The fees for specialist engineering services and studies, including feasibility studies, are calculated separately from the fees for normal services, additional services and expenses and costs, and are normally calculated on a time and cost basis or as a lump sum.


4.1. 6 Timing of fee claims

Unless otherwise agreed between the consulting engineer and the client, the fees may be claimed monthly or after each stage of services or based on an agreed cash flow schedule

1. Percentage fees are determined on the basis of the cost of the works prevailing at the time when the fee is calculated for preparation of the fee claim. Note that it is expected that where the consulting engineer is responsible for financial administration services as described in 3.2.1 the consulting engineer must regularly review, update and submit cost estimates for the works at each stage of the normal services.
2. Unless otherwise agreed in writing, fees are normally claimed monthly and must be based on deliverables completed in terms of 3.2 and delivered to the client, and pro-rata to the completed services.
3. The fees for Stage 5 are normally claimed monthly based pro rata on the amounts certified to construction contractor(s).

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4. The fees for Stage 6 may only be claimed after completion of the Stage 6 services, including issue of the final construction account.
5. Where fees are claimed after completion of the stages the fee due shall be a portion of the total fee based on completion of the stages as set out in 4.2.10.
6. Time based fees calculated in accordance with 4.4 are based on the rates applicable when the services are performed and may be claimed monthly
7. Expenses and costs as set out in 4.1.5.3 and 4.5 may be claimed monthly.

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4.2 PERCENTAGE FEES BASED ON COST OF WORK FEES FOR NORMAL SERVICES

4.2.1 Introduction and worked example fee calculations

In Tables 1 to 8 which follow, the fee guidelines consist of the sum of a **primary** and **secondary** fee depending on the cost of the works. The calculation method is explained in a note below each of Tables 1 to 8 and as follows: the appropriate table is selected, then the applicable fee bracket is determined from Columns A and B in the tables. The secondary fee is the percentage (from Column D of the table) of the amount by which the cost of the works exceeds the applicable amount in Column A of the tables. The primary and secondary fees are added together to arrive at the basic fee.

Refer also to the following worked examples:

Example A


Assume a relatively simple rural road project with an estimated cost of the works of R24 million, then the procedure to calculate the fee using the tables would be:

1. Percentage fee is based on Clause 4.2.2, Table 1
2. Cost of the works exceeds R21 000 000 (Column A) but does not exceed R52 500 000 (Column B)
3. Primary fee = R 2 488 500 (Column C)
4. Secondary fee = $(R24\ 000\ 000 - R21\ 000\ 000) \times 9,0\%$ (Column D) = R 270 000
5. Therefore basic fee = R 2 488 500 + R 270 000 = R 2 758 500 R
6. Multiplied by a complexity factor of 0.85 from Table 2A for rural roads = R 2 344 725 .
7. The resultant fee may be expressed as a percentage of $R\ 2\ 344\ 725 / R24\ 000\ 000 = 9.77\ %$.

Example B

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Assume a civil engineering project involving some new roadworks as well as alterations to an existing concrete bridge structure and an estimated cost of the works of R110 million, then the procedure to calculate the fee using the tables would be:

1. Percentage fee is based on Clause 4.2.1, Table 1
2. Cost of the works exceeds R105 000 000 (Column A) but does not exceed R630 000 000 (Column B)
3. Primary fee = R9 523 500 (Column C)
4. Secondary fee = $(R110\ 000\ 000 - R105\ 000\ 000) \times 7,0\%$ (Column D) = R350 000
5. Therefore basic fee = R9 523 500 + R350 000 = R9 873 500
6. If it is further assumed that portion of the total works involves reinforced concrete and structural steel work with a value of R52 400 000 (i.e. 40% of the total works value), then, from Clause 4.2.1, Table 2, the additional design fee on the reinforced concrete and structural steel is calculated as follows:
7. Additional primary fee (Column C) = R1 092 000
8. Additional secondary design fee for structural work = $(R52\ 400\ 000 - R21\ 000\ 000) \times 3,5\%$ (Column D) = R1 099 000
9. Therefore additional basic design fee = R1 092 000 + R1 099 000 = R2 191 000
10. Adjustment factor for alterations to existing structure, from Clause 4.2.2, Table 2A is 1,25, only applicable to the fee for the structural work, i.e. $1,25 \times R2\ 191\ 000 = R2\ 738\ 750$.
11. The total fee is thus $R9\ 873\ 500 + R2\ 738\ 750 = R12\ 612\ 250$ which may be expressed as a percentage or as a lump sum or as agreed between the client and the consulting engineer.

Example C

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Assume an electrical subcontract on a building project with an estimated cost of the electrical works of R8 million. The consulting engineer is responsible for all financial administration services and the project involves a new building, then the procedure to calculate the fee using the tables would be:

1. Percentage fee is based on clause 4.2.8, Table 8
2. Cost of the works exceeds R2 100 000 (Column A) but does not exceed R10 500 000 (Column B)
3. Primary fee = R399 000 (Column C)
4. Secondary fee = (R8 000 000 – R 2 100 000) x 15,0% (Column D) = R 885 000
5. Therefore basic fee = R399 000 + R 885 000 = R 1 284 000 R380 000 + R900 000 = R1 280 000.
6. The resultant fee may be expressed as a percentage of $R 1 284 000 / R8 000 000 = 16,05 \%$.

Fee negotiations would typically commence using these starting values and judgement regarding project complexity to arrive at a finally agreed percentage fee. The fee amount to be paid will generally be based upon the final cost of works or any other suitably agreed arrangement.

The timing of fee claims should be as described in 4.1.6

4.2.2 Civil and structural engineering services pertaining to engineering projects


1. The basic fee for normal services in the disciplines of civil and structural engineering, pertaining to Engineering Projects, is determined from Table 1 below. The fee is the sum of the primary fee and the secondary fee applicable to the specific cost of the works in respect of which the services were performed on the project excluding feasibility and similar studies described in clause 3.1, which is normally reimbursed on a time basis in terms of clause 4.4.

Table 1: Civil and Structural Engineering Services pertaining to Engineering Projects

Cost of the Works	Basis of Fee Calculation
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For projects up to R1 000 000		Lump Sum or Time Based	
Fee bracket		C Primary Fee	D Secondary Fee (See Note Below Table 1)
Where the cost of the works:			
A Exceeds	B But does not exceed		
R1 050 000.00	R2 100 000.00	R178 500.00	17.00%
R2 100 000.00	R10 500 000.00	R336 000.00	12.50%
R10 500 000.00	R21 000 000.00	R1 386 000.00	10.50%
R21 000 000.00	R52 500 000.00	R2 488 500.00	9.00%
R52 500 000.00	R105 000 000.00	R5 323 500.00	8.00%
R105 000 000.00	R630 000 000.00	R9 523 500.00	7.00%
>R630 000 000.00		R46 273 500.00	6.00%

NOTE: Determine the applicable fee bracket (Columns A and B), then determine the primary fee in Column C. The secondary fee is the percentage (from Column D) of the amount by which the cost of the works exceeds the applicable amount in Column A. The primary and secondary fees are added together to arrive at the basic fee. Refer to the worked examples in clause 4.2.1.


2. The following additional fee is typically applicable to the value of the reinforced concrete and structural steel portions of the works, inclusive of the costs of concrete, reinforcing, formwork, structural steel work and any pro-rata preliminary and general amounts. Where structures of identical design are repeated on the same project, the combined cost is normally cumulated for the determination of the cost of the reinforced concrete and structural steel works. In cases where structures require individual design, a separate additional fee is normally calculated for each structure based on the cost of the reinforced concrete and/or structural steel work for that particular structure. The additional fee is the sum of the primary fee and the secondary fee applicable to the specific cost of the works in respect of which the services were rendered on the project as shown below.

Table 2: Additional design fee on reinforced concrete and structural steel pertaining to Engineering Projects

Cost of the Works	Basis of Fee Calculation
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For projects up to R1 000 000		Lump Sum or Time Basis	
Fee bracket		C Primary Fee	D Secondary Fee (See Note below Table 2)
Where the cost of the works:			
A Exceeds	B But does not exceed		
R1 050 000.00	R2 100 000.00	R84 000.00	8.00%
R2 100 000.00	R10 500 000.00	R157 500.00	5.50%
R10 500 000.00	R21 000 000.00	R619 500.00	4.50%
R21 000 000.00	R52 500 000.00	R1 092 000.00	3.50%
R52 500 000.00	R105 000 000.00	R2 194 500.00	3.00%
>R105 000 000.00		R3 769 500.00	2.50%

NOTE: Determine the applicable fee bracket (Columns A and B), then determine the primary fee in Column C. The secondary fee is the percentage (from Column D) of the amount by which the cost of the works exceeds the applicable amount in Column A. The primary and secondary fees are added together to arrive at the basic fee. Refer to the worked examples in clause 4.2.1.

3. To calculate the fee for railway track work in terms of this item, 50 per cent of the cost of the permanent way materials is normally excluded from the cost of the works in view of the limited design input normally required for these elements, but the full cost of ballast and equipment specially designed by the consultant is normally included in the cost of the works.

4. For normal services relating to a description of the works mentioned in the first column of the following table, the proportion of the basic fee relating to the specific item calculated in terms of clause 4.2.2.1 and 4.2.2.2 is normally multiplied by the category factors mentioned against that description in the second column of the table. In cases more than one of the descriptions below applies, the effective factor will typically be the product of the factors involved. These factors do not apply when fees are a lump sum or on a time basis.

In the case of road works, where the road traverses both rural and urban areas, an adjustment pro-rata to the length of road in rural and urban areas is normally made.

In the case of road rehabilitation, a combination of factors applies, depending on the situation of the road (rural or urban), and the category factor for alterations to existing works.

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Table 2A: Typical factor by which basic fee is multiplied

Description of the Works	Typical factor by which basic fee is multiplied
Single Carriageway Rural roads in flat terrain, excluding bridges	0.85
Rural freeways and dual carriageways in flat terrain, excluding bridges	0.95
Single Carriageway Rural roads in mountainous terrain, excluding bridges	1.15
Rural freeways and dual carriageways in mountainous terrain excluding bridges	1.25
Freeways, single carriageways and dual carriageways through existing peri-urban areas, excluding bridges	1.00
Single Carriageways through existing urban areas	1.15
Freeways and dual carriageways through existing urban areas	1.25
Gravel roads: Primary roads, Secondary roads, Informal roads	1.25 to 1.50 1.00 to 1.25 0.75 to 1.00
Road maintenance and rehabilitation projects, excluding bridges	1.15
Road upgrading (pavement and/or alignment) projects excluding bridges	1.25
Water and wastewater treatment works	1.25
Services (excluding roads) for existing informal settlements including roads and to reduced standards or supplies	1.25 to 1.50
Water and sanitation in rural areas	1.35
Alterations to existing works. (Only applicable to the fees on the portion or section of works affected, see also Clause 4.1.5.13).	1.25
Duplication of works. (Only applicable to the design portion of the fees on duplicated works, see also Clause 4.1.5.14)	0.25

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4.2.3 Civil engineering services pertaining to building projects

1. The basic fee for normal services in the discipline of civil engineering pertaining to building projects is determined from Table 3 below. The fee is the sum of the primary fee and the secondary fee applicable to the specific cost of the works in respect of which the services were performed on the project, excluding feasibility and similar studies described in clause 3.1 which is normally reimbursed on a time basis in terms of clause 4.4.

Table 3: Civil engineering services pertaining to building projects

Cost of the Works		Basis of Fee Calculation	
For projects up to R1 000 000		Lump Sum or Time Basis	
Fee bracket		C Primary Fee	D Secondary Fee (See Note below Table 3)
Where the cost of the works:			
A Exceeds	B But does not exceed		
R1 050 000.00	R2 100 000.00	R178 500.00	17.00%
R2 100 000.00	R10 500 000.00	R336 000.00	12.50%
R10 500 000.00	R21 000 000.00	R1 386 000.00	10.50%
R21 000 000.00	R52 500 000.00	R2 488 500.00	9.50%
>R52 500 000.00		R5 481 000.00	8.50%

NOTE: Determine the applicable fee bracket (Columns A and B), then determine the primary fee in Column C. The secondary fee is the percentage (from Column D) of the amount by which the cost of the works exceeds the applicable amount in Column A. The primary and secondary fees are added together to arrive at the basic fee. Refer to the worked examples in clause 4.2.1.

2. For normal services relating to a description of the works mentioned in the first column of Table 3A, the proportion of the basic fee relating to the specific item calculated in terms of clause 4.2.3.1 is normally multiplied by the category factor mentioned against that description in the second column of the table. In case more than one of the descriptions below applies, the effective factor will typically be the product of the factors involved. These factors do not apply when fees are a lump sum or on a time basis.

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Table 3A: Typical factor by which basic fee is multiplied

Description of the Works	Typical factor by which basic fee is multiplied
Alterations to existing works. (Only applicable to the fees on the portion or section of works affected, see also Clause 4.1.5.13)	1.25
Internal water and drainage for buildings upon specific agreement with the client to render such services.	1.25
Mass concrete foundations, brickwork and cladding designed and detailed by the consulting engineer. (Only applicable to the design portion of the fees on such works, see also Clauses 4.1.5.7 to 4.1.5.9)	0,33
Duplication of works. (Only applicable to the design portion of the fees on duplicated works, see also Clause 4.1.5.14)	0.25

4.2.4 Structural engineering services pertaining to building projects


1. The basic fee for normal services in the discipline of structural engineering pertaining to building projects is determined from Table 4 below. The fee is the sum of the primary fee and the secondary fee applicable to the specific cost of the works in respect of which the services were performed on the project excluding feasibility and similar studies described in clause 3.1 which shall be reimbursed on a time basis in terms of clause 4.4.

Table 4: Structural engineering services pertaining to building projects

Cost of the Works		Basis of Fee Calculation	
For projects up to R1 000 000		Lump Sum or Time Basis	
Fee bracket		C Primary Fee	D Secondary Fee (See Note below Table 4)
Where the cost of the works:			
A Exceeds	B But does not exceed		
R1 050 000.00	R2 100 000.00	R178 500.00	17.00%
R2 100 000.00	R10 500 000.00	R336 000.00	12.50%
R10 500 000.00	R21 000 000.00	R1 386 000.00	10.50%
R21 000 000.00	R52 500 000.00	R2 488 500.00	9.50%
>R52 500 000.00		R5 481 000.00	8.50%

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NOTE: Determine the applicable fee bracket (Columns A and B), then determine the primary fee in Column C. The secondary fee is the percentage (from Column D) of the amount by which the cost of the works exceeds the applicable amount in Column A. The primary and secondary fees are added together to arrive at the basic fee. Refer to the worked examples in clause 4.2.1.

2. For normal services relating to a description of the works mentioned in the first column of Table 4A, the proportion of the basic fee relating to the specific item calculated in terms of clause 4.2.4.1 is normally multiplied by the category factor mentioned against that description in the second column of the table. In case more than one of the descriptions below applies, the effective factor will typically be the product of the factors involved. These factors do not apply when fees are a lump sum or on a time basis.

Table 4A: Typical factor by which basic fee is multiplied

Description of the Works	Typical factor by which basic fee is multiplied
Alterations to existing works. (Only applicable to the fees on the portion or section of works affected, see also Clause 4.1.5.13)	1.25
Mass concrete foundations, brickwork and cladding designed and detailed by the consulting engineer. (Only applicable to the design portion of the fees on such works, see also Clauses 4.1.5.7 to 4.1.5.9)	0,33
Duplication of works. (Only applicable to the design portion of the fees on duplicated works, see also Clause 4.1.5.14)	0.25

4.2.5 Mechanical engineering services pertaining to engineering projects

1. The basic fee for normal services in the discipline of mechanical engineering, pertaining to Engineering Projects, is determined from the table below. The fee is the sum of the primary fee and the secondary fee applicable to the specific cost of the works in respect of which the services were performed on the project excluding feasibility and similar studies described in clause 3.1 which shall be reimbursed on a time basis in terms of clause 4.4.

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Table 5: Mechanical Engineering Services pertaining to Engineering Projects

Cost of the Works		Basis of Fee Calculation	
For projects up to R1 000 000		Lump Sum or Time Basis	
Fee bracket		C Primary Fee	D Secondary Fee (See Note below Table 5)
Where the cost of the works:			
A Exceeds	B But does not exceed		
R1 050 000.00	R2 100 000.00	R178 500.00	17.00%
R2 100 000.00	R10 500 000.00	R336 000.00	12.50%
R10 500 000.00	R21 000 000.00	R1 386 000.00	10.50%
R21 000 000.00	R52 500 000.00	R2 488 500.00	9.00%
R52 500 000.00	R105 000 000.00	R5 323 500.00	8.00%
R105 000 000.00	R630 000 000.00	R9 523 500.00	7.00%
> R630 000 000.00		R46 273 500.00	6.50%

NOTE: Determine the applicable fee bracket (Columns A and B), then determine the primary fee in Column C. The secondary fee is the percentage (from Column D) of the amount by which the cost of the works exceeds the applicable amount in Column A. The primary and secondary fees are added together to arrive at the basic fee. Refer to the worked examples in clause 4.2.1.

2. For normal services relating to a description of the works mentioned in the first column of Table 5A, the proportion of the basic fee relating to the specific item calculated in terms of clause 4.2.5.1 is normally multiplied by the category factor mentioned against that description in the second column of the table. In case more than one of the descriptions below applies, the effective factor will typically be the product of the factors involved. These factors do not apply when fees are a lump sum or on a time basis.


Table 5A: Typical factor by which basic fee is multiplied

Description of the Works	Typical factor by which basic fee is multiplied
Alterations to existing works. (Only applicable to the fees on the portion or section of works affected, see also Clause 4.1.5.13)	1.25
Water supply and drainage systems and fire water systems.	1.25

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Duplication of works. (Only applicable to the design portion of the fees on duplicated works, see also Clause 4.1.5.14)	0.25
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4.2.6 Electrical engineering services pertaining to engineering projects

1. The basic fee for normal services in the discipline of electrical engineering pertaining to engineering projects is determined from Table 6 below. The fee is the sum of the primary fee and the secondary fee applicable to the specific cost of the works in respect of which the services were performed on the project excluding feasibility and similar studies described in clause 3.1 which shall be reimbursed on a time basis in terms of clause 4.4.

Table 6: Electrical engineering services pertaining to engineering projects


Cost of the Works		Basis of Fee Calculation	
For projects up to R1 000 000		Lump Sum or Time Basis	
Fee bracket		C Primary Fee	D Secondary Fee (See Note below Table 6)
Where the cost of the works:			
A Exceeds	B But does not exceed		
R1 050 000.00	R2 100 000.00	R178 500.00	17.00%
R2 100 000.00	R10 500 000.00	R336 000.00	12.50%
R10 500 000.00	R21 000 000.00	R1 386 000.00	10.50%
R21 000 000.00	R52 500 000.00	R2 488 500.00	9.00%
R52 500 000.00	R105 000 000.00	R5 323 500.00	8.00%
R105 000 000.00	R630 000 000.00	R9 523 500.00	7.00%
>R630 000 000.00		R46 273 500.00	6.50%

NOTE: Determine the applicable fee bracket (Columns A and B), then determine the primary fee in Column C. The secondary fee is the percentage (from Column D) of the amount by which the cost of the works exceeds the applicable amount in Column A. The primary and secondary fees are added together to arrive at the basic fee. Refer to the worked examples in clause 4.2.1.

2. For normal services relating to a description of the works mentioned in the first column of Table 6A, the proportion of the basic fee relating to the specific item calculated in terms of clause 4.2.6.1 is normally multiplied by the category factor mentioned against that description

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in the second column of the table. In case more than one of the descriptions below applies, the effective factor will typically be the product of the factors involved. These factors do not apply when fees are a lump sum or on a time basis.

Table 6A: Electrical Engineering Services pertaining to Engineering Projects

Description of the Works	Typical factor by which basic fee is multiplied
Alterations to existing works. (Only applicable to the fees on the portion or section of works affected, see also Clause 4.1.5.13)	1.25
Duplication of works. (Only applicable to the design portion of the fees on duplicated works, see also Clause 4.1.5.14)	0.25

4.2.7 Mechanical engineering pertaining to building projects


1. The basic fee for normal services in the discipline of mechanical engineering or wet services pertaining to building projects is determined from Table 7 below. The fee is the sum of the primary fee and the secondary fee applicable to the specific cost of the works in respect of which the services were performed on the project excluding feasibility and similar studies described in clause 3.1 which shall be reimbursed on a time basis in terms of clause 4.4.

Table 7: Mechanical engineering services pertaining to building projects

Cost of the Works		Basis of Fee Calculation	
For projects up to R1 000 000		Lump Sum or Time Basis	
Fee bracket		C Primary Fee	D Secondary Fee (See Note below Table 7)
Where the cost of the works:			
A Exceeds	B But does not exceed		
R1 050 000.00	R2 100 000.00	R210 000.00	20.00%
R2 100 000.00	R10 500 000.00	R399 000.00	15.00%
R10 500 000.00	R21 000 000.00	R1 659 000.00	13.00%
R21 000 000.00	R52 500 000.00	R3 024 000.00	11.50%
R52 500 000.00	R105 000 000.00	R6 646 500.00	10.50%
>R105 000 000.00	R630 000 000.00	R12 159 000.00	10.00%

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NOTE: Determine the applicable fee bracket (Columns A and B), then determine the primary fee in Column C. The secondary fee is the percentage (from Column D) of the amount by which the cost of the works exceeds the applicable amount in Column A. The primary and secondary fees are added together to arrive at the basic fee. Refer to the worked examples in clause 4.2.1.

2. For normal services relating to a description of the works mentioned in the first column of Table 7A, the proportion of the basic fee relating to the specific item calculated in terms of clause 4.2.7.1 is normally multiplied by the category factor mentioned against that description in the second column of the table. In case more than one of the descriptions below applies, the effective factor will typically be the product of the factors involved. These factors do not apply when fees are a lump sum or on a time basis.

Table 7A: Mechanical engineering services pertaining to building projects

Description of the Works	Typical factor by which basic fee is multiplied
Multi-tenant installations	1.25
Alterations to existing works. (Only applicable to the fees on the portion or section of works affected, see also Clause 4.1.5.13)	1.25
Water supply and drainage systems and fire water systems.	1.25
Duplication of works. (Only applicable to the design portion of the fees on duplicated works, see also Clause 4.1.5.14)	0.25
For projects where the cost of the works exceeds R1 000 000 and where all financial administration services are dealt with by the quantity surveyor or other parties. See also Clause 3.2 and Clause 4.1.5.12.	0.85

4.2.8 Electrical engineering services pertaining to building projects

1. The basic fee for normal services in the discipline of electrical engineering pertaining to building projects is determined from Table 8 below. The fee is the sum of the primary fee and the secondary fee applicable to the specific cost of the works in respect of which the services were performed on the project excluding feasibility and similar studies described in clause 3.1 which shall be reimbursed on a time basis in terms of clause 4.4.

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Table 8: Electrical engineering services pertaining to building projects

Cost of the Works		Basis of Fee Calculation	
For projects up to R1 000 000		Lump Sum or Time Basis	
Fee bracket		C Primary Fee	D Secondary Fee (See Note below Table 8)
Where the cost of the works:			
A Exceeds	B But does not exceed		
R1 050 000.00	R2 100 000.00	R210 000.00	20.00%
R2 100 000.00	R10 500 000.00	R399 000.00	15.00%
R10 500 000.00	R21 000 000.00	R1 659 000.00	13.00%
R21 000 000.00	R52 500 000.00	R3 024 000.00	11.50%
R52 500 000.00	R105 000 000.00	R6 646 500.00	10.50%
>R105 000 000.00		R12 159 000.00	10.00%

NOTE: Determine the applicable fee bracket (Columns A and B), then determine the primary fee in Column C. The secondary fee is the percentage (from Column D) of the amount by which the cost of the works exceeds the applicable amount in Column A. The primary and secondary fees are added together to arrive at the basic fee. Refer to the worked examples in clause 4.2.1.


2. For normal services relating to a description of the works mentioned in the first column of Table 8A, the proportion of the basic fee relating to the specific item calculated in terms of clause 4.2.8.1 is normally multiplied by the category factor mentioned against that description in the second column of the table. In case more than one of the descriptions below applies, the effective factor will typically be the product of the factors involved. These factors do not apply when fees are a lump sum or on a time basis.

Table 8A: Typical factor by which basic fee is multiplied

Description of the Works	Typical factor by which basic fee is multiplied
Multi-tenant installations	1.25
Alterations to existing works. (Only applicable to the fees on the portion or section of works affected, see also Clause 4.1.5.13)	1.25

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Duplication of works. (Only applicable to the design portion of the fees on duplicated works, see also Clause 4.4.5.14)	0.25
For projects where the cost of the works exceeds R1 000 000 and where all financial administration services are dealt with by the quantity surveyor or other parties. See also clause 3.2 and Clause 4.1.5.12.	0.85

4.2.9 Services provided partially or in stages


Table 9 shows typical percentages that are typically used for proportioning the basic fee for normal services over the various stages of the services. The actual percentage used should be adjusted for individual projects through negotiation and depending on the work involved in each stage, the value that can be added in each stage and any commercial considerations that may be applicable:

Table 9: Typical percentage points for each stage

Stage of Services	Typical percentage points for each stage
Civil: Engineering Projects:	
Inception	5
Concept and Viability	25
Design Development	25
Documentation and Procurement	25
Contract Administration and Inspection	15
Close-Out	5
Structural: Engineering Projects:	
Inception	5
Concept and Viability	25
Design Development	30
Documentation and Procurement	10
Contract Administration and Inspection	25
Close-Out	5
Civil: Building Projects:	
Inception	5

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Stage of Services	Typical percentage points for each stage
Concept and Viability	25
Design Development	25
Documentation and Procurement	15
Contract Administration and Inspection	25
Close-Out	5
Structural: Building Projects:	
Inception	5
Concept and Viability	20
Design Development	30
Documentation and Procurement	15
Contract Administration and Inspection	25
Close-Out	5
Mechanical and Electrical: Engineering and Building Projects:	
Inception	5
Concept and Viability	15
Design Development	20
Document and Procurement	20
Contract Administration and Inspection	35
Close-Out	5

Where not all the stages of the normal services are provided by the consulting engineer, the fee is, subject to clause 4.2 calculated as a percentage of the total fee calculated in terms of this clause, which percentage is the sum of the percentage points appropriate to each stage as set out in the above table against those stages of the services provided by the consulting engineer, typically plus 10 percentage points.

4.2.10 Postponement, cancellation or abandonment

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Should instructions have been given by the client to the consulting engineer to proceed with any of the stages of services set out in clause 3 and the whole or part of the works is cancelled or abandoned or postponed for a period of more than six months, the consulting engineer must be remunerated for services performed, plus a surcharge of one tenth of the full fee which would have been payable to the consulting engineer had his or her services been completed in terms of the engagement.

4.3 FEES FOR ADDITIONAL SERVICES

The fees for additional services, contemplated in clause 3.3, are agreed to between the client and the consulting engineer as described in clause 4.1 and as set out hereunder.

4.3.1 Basis for the calculation of fees for additional services

Unless otherwise agreed in writing, the fees for additional services contemplated in clauses 3.3.1, 3.3.3 and 3.3.6 are calculated on the basis of time as set out in clause 4.4 and actual costs as set out in 4.5.

4.3.2 Construction monitoring


For the provision of construction monitoring services, as contemplated in clause 3.3.2, the consulting engineer is typically entitled to recover from the client:

1. For Level 3, full time construction monitoring involving monthly site staff costs, the total annual cost of employment of such staff (as described in clause 4.4.4), divided by 12 and multiplied by one of the following:
 - a) Case 1: Where payment is only made for actual time on site and site allowances are not paid separately: 2.1 times total cost of employment.
 - b) Case 2: Where payment is only made for actual time on site and site allowances are paid separately: 2.0 times total cost of employment.
 - c) Case 3: Where payment is made for leave and non-working days and site allowances are paid separately: 1.8 times total cost of employment.
2. For Level 2, part time monitoring staff costs, the amount payable to such staff at the hourly rates contemplated in clause 4.4.

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3. For all other expenses and costs incurred as part of construction monitoring services, as set out in clause 4.5.

4.3.3 Lead consulting engineer

For services as lead consulting engineer, as contemplated in clause 3.3.3, the lead consulting engineer is typically entitled to an additional fee of 10 percent (10%) of the total fees payable for the services performed by the joint venture, consortium, or team.

4.3.4 Engineering management services (principal consultant)

For engineering management services or services as the principal consultant, as contemplated in clause 3.3.5, the consulting engineer will typically be remunerated as follows:

- The basic fee for services in the discipline of engineering management services, including work pertaining to Building Projects, is determined from the table below. The fee is the sum of the primary fee and the secondary fee applicable to the specific cost of the works in respect of which the services were performed on the project.

Table 10: Engineering Management Services (Principal Consultant)


Cost of the Works		Basis of Fee Calculation	
For projects up to R1 000 000		Lump Sum or Time Basis	
Fee bracket		C Primary Fee	D Secondary Fee (See Note below Table 11)
Where the cost of the works:			
A Exceeds	B But does not exceed		
R1 050 000.00	R2 100 000.00	R52 500.00	5.0%
R2 100 000.00	R10 500 000.00	R99 750.00	3.5%
R10 500 000.00	R21 000 000.00	R393 750.00	3.0%
R21 000 000.00	R52 500 000.00	R708 750.00	2.5%
R52 500 000.00	R105 000 000.00	R1 496 250.00	2.0%
>R105 000 000.00		R2 546 250.00	1.5%

NOTE: Determine the applicable fee bracket (Columns A and B), then determine the primary fee in Column C. The secondary fee is the percentage (from Column D) of the amount by which the cost of the works exceeds the applicable amount in Column A. The primary and secondary fees are added together to arrive at the basic fee.

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For normal services relating to a description of the works mentioned in the first column of Table 11A, the proportion of the basic fee relating to the specific item calculated in terms of clause 4.3.3.1 is normally multiplied by the category factor mentioned against that description in the second column of the table. In case more than one of the descriptions below applies, the effective factor will typically be the product of the factors involved. These factors do not apply when fees are a lump sum or on a time basis.

Table 11A: Typical factor by which basic fee is multiplied

Description of the Works	Typical factor by which basic fee is multiplied
Multi-tenant installations.	1.25
Alterations to existing works. (Only applicable to the fees on the portion or section of works affected, see also Clause 4.1.5.13)	1.25

2. Table 11 is typically used to proportion the basic fee over the various stages of the services:

Table 11: Typical percentage points for each stage


Stage of Services	Typical percentage points for each stage
Inception	5
Preliminary Design: Concept and Viability	20
Design Development	30
Documentation and Procurement	15
Contract Administration and Inspection	25
Close-out	5

4.3.5 Principal agent

For services as principal agent of the client, as contemplated in clause 3.3.7, the consulting engineer is typically entitled to an additional fee calculated at one percentage point (1%) of

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the total cost of the works comprising the project. The consulting engineer is not entitled to any fees for principal agent if he or she is not explicitly appointed as such.

4.4 TIME-BASED FEES

4.4.1 Introduction

Time-based fees are all-inclusive and include allowances for overhead charges incurred by the consulting engineer as part of normal business operations, including the cost of management, as well as payments to administrative, clerical and secretarial staff used to support professional and technical staff in general and not on a specific project only.

Time-based fees are calculated by multiplying the hourly rate contemplated in clause 4.4, which is applicable to the consulting engineer or any other technical staff employed by the consulting engineer, with the actual time spent by such technical staff in performing the services required by the client.

Technical staff include all staff performing work directly related to the execution of the services and does not include any administrative, clerical and secretarial staff who may support professional and technical staff in general and not on a specific project only.

4.4.2 Category of person


To determine the time-based fee rates, the persons concerned are divided into:

1. Category A, in respect of a private consulting engineering firm, means a top practitioner whose expertise and relevant experience is nationally or internationally recognised and who provides advice at a level of specialisation where such advice is recognised as that of an expert.
2. Category B, in respect of a private consulting engineering firm means a partner, a sole proprietor, a director, or a member who, jointly or severally with other partners, co-directors or co-members, bears the risks of the business, or takes responsibility for the projects and related liabilities of the firm and where his/her level of expertise and relevant experience is commensurate with the position, performs work of a conceptual

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nature in engineering design and development, provides strategic guidance in planning and executing a project and/or carries responsibility for quality management pertaining to a project.

3. Category C, in respect of a private consulting engineering firm means all salaried staff who are professionally registered in terms of the Act with adequate expertise and relevant experience performing work of an engineering nature and who carry the direct technical responsibility for one or more specific activities related to a project. A person referred to in Category A or B will fall in this category if such person performs work of an engineering nature at this Category C level.
4. Category D, in respect of a private consulting engineering firm means all other salaried technical staff with adequate expertise and relevant experience performing work of an engineering nature with direction and control provided by any person contemplated in categories A, B or C.

4.4.3 Time based fee rates


The time-based fee rates are:

1. Calculated for a person in category -
 - a) A and B at 22.00 cents per hour
 - b) C at 17.5 cents per hour; and
 - c) D at 16.5 cents per hour
for each R100 or part thereof of the total annual cost of employment of the person concerned, as contemplated in sub-clause (4); or
2. Alternatively time-based fee rates may be based on such indicative time based fee rates as are determined from time to time by various bodies such as the Department of Public Service and Administration (DPSA).
3. Provided that in all cases the client and consulting engineer may agree on a more appropriate fee to take account of the specific services to be rendered or expertise to be applied.

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QM-TEM-001 Rev 2 – ECSA Policy/Procedure

Document No.:	Revision No.:	Effective Date:	 ECSA <small>ENGINEERING COUNCIL OF SOUTH AFRICA</small>
Subject: Guideline Scope of Services and Professional Fees (Scope of Services and Tariff of Fees for Persons Registered in terms of the Engineering Profession Act, 46 of 2000)			
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4.4.4 Total annual cost of employment

For the purposes of clause 4.4, the total annual cost of employment of a person means the total amount borne by an employer in respect of the employment of such a person per year, calculated at the amounts applicable to such a person at the time when the services are rendered, including:

1. Basic salary or a nominal market-related salary, excluding profit share and asset growth.
2. Fringe benefits not reflected in the basic salary, including:
 - a) Normal annual bonus
 - b) Employer's contribution to medical aid
 - c) Group life insurance premiums borne by the employer
 - d) Employer's contribution to a pension or provident fund
 - e) All other benefits or allowances payable in terms of a letter of appointment, including any transportation allowance or company vehicle benefit, telephone and/or computer allowances, etc
3. Statutory amounts payable, including:
 - a) Contributions to the Compensation Fund in terms of the Compensation for Occupational Injuries and Diseases Act, 130 of 1993
 - b) Contributions to unemployment insurance in terms of the Unemployment Insurance Fund Act, 63 of 2001
 - c) Levies in terms of the Skills Development Levy Act 9 of 1999
 - d) Recoverable levies to all spheres of government.

4.5 EXPENSES AND COSTS


4.5.1 In accordance with Clause 4.1.5 (3), the consulting engineer may recover from the client all expenses and costs incurred on behalf of and with the approval of the client, plus a mark up of 10 per cent of such expenses and costs.

4.5.2 Recoverable expenses include:

1. Travelling expenses for the conveyance of the consulting engineer or a member of the consulting engineer's staff by means of:

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- a) private motor transport, including any parking charges, toll fees and related expenses
 - b) a scheduled airline or a train, bus, taxi or hired car; or
 - c) non-scheduled or privately owned air transport.
2. Travelling time on the basis of the rate set out in clause 4.4, for all time spent in travelling by the consulting engineer or members of his or her staff
 3. Accommodation and subsistence expenses incurred by the consulting engineer or a member of his/her staff.
 4. Agreed costs of typing, production, copying and binding of contract documents, pre-qualification documents, feasibility reports, preliminary design reports, final reports and manuals, excluding general correspondence, minor reports, contractual reports, progress reports, etc.
 5. Expenses on special reproductions, copying, printing, artwork, binding and photography, etc. requested by the client.

4.5.3 Alternatively, a lump sum or percentage of the cost of the works may be determined and agreed between the consulting engineer and the client to cater for all or any of the above.

Costs that shall be recovered under clause 4.5.1.2 above include, but are not limited to:

- a) Site traffic surveys
- b) Geotechnical investigations
- c) Sampling and Laboratory testing
- d) Topographical and land surveys
- e) Supply of specific equipment
- f) Specialist sub-consultants
- g) Environmental investigations and studies, and management plans
- h) Institutional service delivery and social consultants
- i) Land acquisitions, expropriation, way leaves and servitudes
- j) Power supply applications.

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STANDARD PROFESSIONAL SERVICES CONTRACT

(July 2009)
(Third Edition of CIDB document 1014)



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PREFACE

The Standard Professional Services Contract has been prepared for use by Employers when they engage firms or individuals (Service Providers) for the performance of knowledge-based expertise provided on the basis of trust.

This document is intended to be used with the procurement documents prepared in accordance with the provisions of SANS 10403: Formatting and Compilation of Construction Procurement Documents

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GENERAL CONDITIONS OF CONTRACT

1. DEFINITIONS

In the Contract, the following words and expressions shall have the meanings indicated, except where the context otherwise requires. Defined terms and words are signified in the text of the Contract by the use of capital initial letters.

Contract

The Contract signed by the Parties and of which these General Conditions of Contract form part.

Contract Data

Specific data, which together with these General Conditions of Contract, collectively describe the risks, liabilities and obligations of the contracting Parties and the procedures for the administration of the Contract.

Contract Price

The price to be paid for the performance of the Services in accordance with the Pricing Data.

Day

A calendar day.

Defect

A part of the Services, as performed, which does not comply with the requirements of the Contract.

Deliverable

Any measurable, tangible, verifiable outcome, result or item that must be produced or completed;

Employer

The contracting party named in the Contract who employs the Service Provider.

Force Majeure

An event which is beyond the reasonable control of a Party and which makes a Party's performance of its obligations under the Contract impossible or so impractical as to be considered impossible under the circumstances.

Key Persons

Persons who are named as such in the Contract Data who will be engaged in the performance of the Services.

Others

Persons or organisations who are not the Employer, the Service Provider or any employee, Subcontractor, or supplier of the Service Provider.

Parties

The Employer and the Service Provider.

Period of Performance

The period within which the Services are to be performed and completed, commencing from the Start Date.

Personnel

Persons hired by the Service Provider as employees and assigned to the performance of the Services or any part thereof.

Personnel Schedule

A schedule naming all Personnel and Key Persons.

Pricing Data

Data that establishes the criteria and assumptions that were taken into account when developing the Contract Price and the record of the components that make up the Contract Price.

Project

The project named in the Contract Data for which the Services are to be provided.

Scope of Work

The document which defines the Employer's objectives and requirements and specifies the Services which must, or may, be provided under the Contract.

Service Provider

The contracting party named in the Contract Data who is employed by the Employer to perform the Services described in the Contract, and legal successors to the Service Provider and legally permitted assignees.

Services

The work to be performed by the Service Provider pursuant to the Contract as described in the Scope of Work.

Start date

The date on which the Services are to commence. as stated in the Contract Data

Subcontractor

A person or body corporate who enters into a subcontract with the Service Provider to perform part of the Services.

2. INTERPRETATION

2.1 Unless inconsistent with the context, an expression which denotes :

- a) any gender includes the other genders;
- b) a natural person includes a juristic person and vice versa;
- c) the singular includes the plural and vice versa.

2.2 If there is any conflict between the provisions of these General Conditions of Contract and the Contract Data, the provisions of the Contract Data shall prevail.

2.3 The clause headings shall not limit, alter or affect the meaning of the Contract.

3. GENERAL

3.1 Governing law

Law governing the Contract shall be the law of the Republic of South Africa.

3.2 Change in legislation

If after the commencement of the Contract, the cost or duration of the Services is altered as a result of changes in, or additions to, any statute, regulation or bye-law, or the requirements of any authority having jurisdiction over any matter in respect of the Project, then the Contract

Price and time for completion shall be adjusted in order to reflect the impact of those changes, provided that, within 14 Days of first having become aware of the change, the Service Provider furnished the Employer with detailed justification for the adjustment to the Contract Price or Period of Performance (or both)..

3.3 Language

- 3.3.1 The language of the Contract and of all communications between the Parties shall be English.
- 3.3.2 All reports, recommendations and reports prepared by the Service Provider under the Contract shall be in English.

3.4 Notices

- 3.4.1 Any notice, request, consent, approvals or other communication made between the Parties pursuant to the Contract shall be in writing and forwarded to the address specified in the Contract Data. Such communication shall be deemed to have been made when delivered in person to an authorized representative of the Party to whom the communication is addressed, or one week after having been sent by registered post, or unless otherwise indicated in the Contract Data, when sent by e-mail or facsimile to such Party
- 3.4.2 A Party may change its address for receipt of communications by giving the other Party 30 Days advance notice of such change.

3.5 Location

The Services shall be performed at such locations as are specified in the Contract Data, and where the location of a particular task is not so specified, at such locations as the Employer may approve.

3.6 Publicity and publication

Unless otherwise stated in the Contract Data, the Service Provider shall not release public or media statements or publish material related to the Services or Project within two (2) years of completion of the Services without the written approval of the Employer, which approval by the Employer shall not be unreasonably withheld.

3.7 Confidentiality

Both parties shall keep all sensitive information obtained by them in the context of the Contract confidential and shall not divulge it without the written approval of the other Party.

3.8 Variations

- 3.8.1 The Employer may, without changing the objectives or fundamental scope of the Contract, order variations to the Services in writing or may request the Service Provider to submit proposals, including the time and cost implications, for variations to the Services.
- 3.8.2 The reasonable cost of preparation and submission of such proposals and the incorporation into the Contract of any variations to the Services ordered by the Employer, including any change in the Contract Price, shall be agreed between the Service Provider and the Employer.
- 3.8.3 Where a variation is necessitated by default or breach of Contract by the Service Provider, any additional cost attributable to such variation shall be borne by the Service Provider.

3.9 Changes to the Contract Price or Period of Performance

- 3.9.1 The Service Provider is entitled to apply to the Employer for a change in Contract Price or the Period of Performance in the event that:
- a) a change in legislation takes place in accordance with the provisions of Clause 3.2;
 - b) a variation to the Services is made in accordance with the provisions of Clause 3.8;
 - c) the Employer or Others do not perform an action, provide access to people, places or things or perform work in accordance with the programme (see Clause 3.15);
 - d) the contract is suspended in accordance with the provisions of Clause 8.5;
 - e) the contract is restarted following a suspension; or
 - f) an event occurs which neither Party could prevent and which prevents the Service Provider from completing the Services or a part thereof
- 3.9.2 The Service Provider shall submit proposals to change the Contract Price or the Period for Completion (or both) to the Employer within 6 weeks of becoming aware of an event described in 3.9.1 occurring, failing which, the Service Provider shall not be entitled to a change in the Contract Price or Period of Performance.
- 3.9.3 The Employer shall assess the changes to the Contract Price on the effect of the event on the Services based on time-based fees.
- 3.9.4 The Employer shall assess the changes to the Period of Performance on the basis of the time that planned completion as shown on the latest approved programme is delayed.

3.10 Sole agreement

The Contract constitutes the sole agreement between the Parties for the performance of the Services and any representation not contained therein shall not be of any force or effect. No amendments will be of any force or effect unless reduced to writing and signed by both Parties.

3.11 Indemnification

The Service Provider shall, at his own expense, indemnify, protect and defend the Employer, its agents and employees, from and against all actions, claims, losses and damage arising from any negligent act or omission by the Service Provider in the performance of the Services, including any violation of legal provisions, or rights of others, in respect of patents, trade marks and other forms of intellectual property such as copyrights.

3.12 Penalty

- 3.12.1 If due to his negligence, or for reasons within his control, the Service Provider does not perform the Services within the Period of Performance, the Employer shall without prejudice to his other remedies under the Contract or in law, be entitled to levy a penalty for every Day or part thereof, which shall elapse between the end of the period specified for performance, or an extended Period of Performance, and the actual date of completion, at the rate and up to the maximum amount stated in the Contract Data.
- 3.12.2 If the Employer has become entitled to the maximum penalty amount referred to in 3.12.1, he may after giving notice to the Service Provider :
- a) terminate the Contract
 - b) complete the Services at the Service Provider's cost.

3.13 Equipment and materials furnished by the Employer

- 3.13.1 Equipment and materials made available to the Service Provider by the Employer, or purchased by the Service Provider with funds provided by the Employer for the performance of the Services shall be the property of the Employer and shall be marked accordingly. Upon termination or expiration of the Contract, the Service Provider shall make available to the Employer an inventory of such equipment and materials and shall dispose of them in accordance with the Employer's instructions.
- 3.13.2 The Service Provider shall, at his own expense, insure the equipment and materials referred to in 3.13.1 for their full replacement value.

3.14 Illegal and impossible requirements

The Service Provider shall notify the Employer immediately, on becoming aware that the Contract requires him to undertake anything which is illegal or impossible.

3.15 Programme

- 3.15.1 The Service Provider shall, within the time period set out in the Contract Data and whenever a programme is amended or revised, submit for the Employer's approval a programme for the performance of the Services which shall, *inter alia*, include:
- a) the order and timing of operations by the Service Provider and any actions, access to people, places and things and work required of the Employer and Others;
 - b) the dates by which the Service Provider plans to complete work needed to allow the Employer and Others to undertake work required of them;
 - c) provisions for float;
 - d) the planned completion of the Services or part thereof in relation to a Period of Performance; and
 - e) other information as required in terms of the Scope of Work or Contract Data.
- 3.15.2 The Employer may, during the course of the Contract, request the Service Provider to amend the programme. Where this is not practicable, the Service Provider shall advise the Employer accordingly and advise him of alternative measures, if any, which might be taken.
- 3.15.3 A programme shall be deemed to be approved if the Employer fails to approve such programme or give reasons for not approving a programme within three weeks of receipt of a request by the Service Provider to approve a programme.
- 3.15.3 The Service Provider shall update the programme:
- a) unless otherwise stated in the Contract Data, every three months to reflect actual progress to date;
 - b) whenever a change in Period of Performance or Contract Price is applied for; and
 - c) whenever a change in the Period of Performance is changed by the Employer

and submit such revised programme to the Employer for approval.

3.16 Price adjustment to time-based fees for inflation

- 3.16.1 Time-based fees which are stated in the Pricing Data as a unique rate and are not calculated by multiplying the total annual cost of employment contained, shall unless otherwise stated in the Contract Data, be adjusted in terms of 3.16.2 on each anniversary of the Starting Date.
- 3.16.2 The adjustment to the time-based fees shall be equal to:

$$(CPI_n - CPI_s) / CPI_s$$

where CPI_s = the indices specified in the Contract Data during the month in which the start date falls

CPI_n = the latest indices specified in Contract Data during the month in which the anniversary of the Start Date falls

4. EMPLOYER'S OBLIGATIONS

4.1 Information

4.1.1 The Employer shall timeously provide to the Service Provider, free of cost, all available information and data in the Employer's possession which may be required for the performance of the Services.

4.1.2 The Employer shall provide the Service Provider with reasonable assistance required in obtaining other relevant information that the latter may require in order to perform the Services.

4.2 Decisions

The Employer shall, within a reasonable time, give his decision on any matter properly referred to him in writing by the Service Provider so as not to delay the performance of Services.

4.3 Assistance

4.3.1 The Employer shall co-operate with the Service Provider and shall not interfere with or obstruct the proper performance of the Services. The Employer shall as soon as practicable:

- a) authorise the Service Provider to act as his agent insofar as may be necessary for the performance of the Services;
- b) provide all relevant data, information, reports, correspondence and the like, which become available;
- c) procure the Service Provider's ready access to premises, or sites, necessary for the performance of the Services;
- d) assist in the obtaining of all approvals, licenses and permits from state, regional and municipal authorities having jurisdiction over the Project, unless otherwise stated in the Contract Data;

4.3.2 Unless otherwise communicated, the authorised and designated person named in the Contract Data has complete authority in giving instructions and receiving communications on the Employer's behalf and interpreting and defining the Employer's policies and requirements in regard to the Services.

4.4 Services of Others

The Employer shall, at his own cost, engage such Others as may be required for the execution of work not included in the Services, but which is necessary for the completion of the Project.

4.5 Notification of material change or defect

The Employer shall immediately advise the Service Provider on becoming aware of:

- a) any matter other than a change in legislation which will materially change, or has changed the Services; or
- b) a material defect or deficiency in the Services.

4.6 Issue of instructions

Where the Service Provider is required to administer the work or services of Others, or any contract or agreement, on behalf of the Employer, then the Employer shall issue instructions related to such work, services, contract or agreement only through the Service Provider.

4.7 Payment of Service Provider

The Employer shall pay the Service Provider the Contract Price in accordance with the provisions of the Contract.

5. SERVICE PROVIDER'S OBLIGATIONS

5.1 General

5.1.1 The Service Provider shall perform the Services in accordance with the Scope of Work with all reasonable care, diligence and skill in accordance with generally accepted professional techniques and standards.

5.1.2 If the Service Provider is a joint venture or consortium of two or more persons, the Service Provider shall designate one person to act as leader with authority to bind the joint venture or consortium. Neither the composition nor the constitution of the joint venture or consortium shall be altered without the prior consent in writing of the Employer, which shall not be unreasonably withheld.

5.2 Exercise of authority

The Service Provider shall have no authority to relieve Others appointed by the Employer to undertake work or services on the Project of any of their duties, obligations, or responsibilities under their respective agreements or contracts, unless expressly authorised by the Employer in response to an application by the Service Provider in writing to do so.

5.3 Designated representative

Unless otherwise communicated, the authorised and designated person named in the Contract Data has complete authority to receive instructions from and give information to the Employer on behalf of the Service Provider.

5.4 Insurances to be taken out by the Service Provider

5.4.1 The Service Provider shall as a minimum and at his own cost take out and maintain in force all such insurances as are stipulated in the Contract Data.

5.4.2 The Service Provider shall, at the Employer's request, provide evidence to the Employer showing that the insurance required in terms of Clause 5.4.1 has been taken out and maintained in force.

5.5 Service Provider's actions requiring Employer's prior approval

The Service Provider shall obtain the Employer's prior approval in writing before taking, inter alia, any of the following actions:

- a) appointing Subcontractors for the performance of any part of the Services,
- b) appointing Key Persons not listed by name in the Contract Data.
- c) any other action that may be specified in the Contract Data.

5.6 Co-operation with Others

If the Service Provider is required to perform the Services in co-operation with Others he may make recommendations to the Employer in respect of the appointment of such Others. The Service Provider shall, however, only be responsible for his own performance and the performance of Subcontractors unless otherwise provided for.

5.7 Notice of change by Service Provider

On becoming aware of any matter which will materially change or has changed the Services, the Service Provider shall within 14 Days thereof give notice to the Employer.

6. CONFLICTS OF INTEREST

6.1 Service Provider not to benefit from commissions, discounts, etc.

The remuneration of the Service Provider under the Contract shall constitute the Service Provider's sole remuneration in connection with the Contract, or the Services, and the Service Provider shall not accept for his own benefit any trade commission, discount, or similar payment in connection with activities pursuant to the Contract, or in the discharge of his obligations under the Contract, and shall use his best efforts to ensure that the Personnel, any Subcontractors, and agents of either of them shall, similarly, not receive any additional remuneration.

6.2 Royalties and the like

The Service Provider shall not have the benefit, whether directly or indirectly, of any royalty or of any gratuity or commission in respect of any patented or protected article or process used in or for the purposes of the Contract, or Project, unless so agreed by the Employer in writing.

6.3 Independence

The Service Provider shall refrain from entering into any relationship which could be perceived as compromising his independence of judgement, or that of Subcontractors or Personnel.

7. SERVICE PROVIDER'S PERSONNEL

7.1 General

7.1.1 The Service Provider shall employ and provide all qualified and experienced Personnel required to perform the Services.

7.1.2 Where required in terms of the Contract, the Service Provider shall provide Key Persons as listed in the Contract Data to perform specific duties. If at any time, a particular Key Person cannot be made available, the Service Provider may engage a replacement who is equally or better qualified to perform the stated duty, subject to the Employer's approval, which approval shall not be unreasonably withheld.

7.1.3 Where the fees for the Services are time-based, the fee payable for a person provided as a replacement to a named Key Person shall not exceed that which would have been payable to the person replaced.

7.1.4 The Service Provider shall bear all additional costs arising out of or incidental to replacement of Personnel, except where such replacement is otherwise provided for in the Contract.

7.1.5 The Service Provider shall take all measures necessary and shall provide all materials and equipment necessary to enable Personnel to perform their duties in an efficient manner.

7.2 Provision of Personnel in terms of a Personnel Schedule

- 7.2.1 The Service Provider shall, where required in terms of the Contract Data, provide appropriate Personnel for such time periods as required in terms of the Contract and enter all data pertaining to Personnel including titles, job descriptions, qualifications and estimated periods of engagement on the performance of the Services in the Personnel Schedule.
- 7.2.2 Where the Service Provider proposes to utilise a person not named in the Personnel Schedule, he shall submit the name, relevant qualifications and experience of the proposed replacement person to the Employer for approval. Should the Employer not object in writing within 10 Days of receipt of such notification, the replacement shall be deemed to have been approved by the Employer.
- 7.2.3 The Services shall be performed by the Personnel listed in the Personnel Schedule for the periods of time indicated therein. The Service Provider may, subject to the approval of the Employer, make such adjustments to the data provided in terms of Clause 7.2.1 above as may be appropriate to ensure the efficient performance of the Services, provided that the adjustments will not cause payments to exceed any limit placed on the Contract Price.
- 7.2.4 The Service Provider shall, if required in terms of Clause 7.2.1:
- a) forward to the Employer for approval, within 15 Days of the award of the Contract, the Personnel Schedule and a timetable for the placement of Personnel.
 - b) inform the Employer of the date of commencement and departure of each member of Personnel during the course of the Project.
 - c) submit to the Employer for his approval a timely request for any proposed change to Personnel, or timetables.

8. COMMENCEMENT, COMPLETION, MODIFICATION, SUSPENSION AND TERMINATION

8.1 Commencement of Services

The Service Provider shall commence the performance of the Services within the period stated in the Contract Data.

8.2 Completion

- 8.2.1 Unless terminated in terms of the Contract, or otherwise specified in the Contract Data, the Contract shall be concluded when the Service Provider has completed all Deliverables in accordance with the Scope of Work.
- 8.2.2 The Service Provider may request an extension to the Period of Performance if he is or will be delayed in completing the Contract by any of the following causes:
- a) additional Services ordered by the Employer;
 - b) failure of the Employer to fulfil his obligations under the Contract;
 - c) any delay in the performance of the Services which is not due to the Service Provider's default;
 - d) *Force Majeure*; or
 - e) suspension.
- 8.2.3 The Service Provider shall within 14 Days of becoming aware that a delay may occur or has occurred, notify the Employer of his intention to make a request for the extension of the Period of Performance to which he considers himself entitled and shall within 30 days after the delay ceases deliver to the Employer full and detailed particulars of the request.
- 8.2.4 The Employer shall, within 30 Days of receipt of a detailed request, grant such extension to the Period of Performance as may be justified, either prospectively or retrospectively, or

inform the Service Provider that he is not entitled to an extension. Should the Service Provider find the decision of the Employer to be unacceptable he shall, nevertheless, abide by such decision in the performance of the Services and the matter shall be dealt with as a dispute in terms of Clause 12.

8.3 Force Majeure

8.3.1 The failure of a Party to fulfil any of its obligations under the Contract shall not be considered to be a breach of, or default under, this Contract insofar as such inability arises from an event of *Force Majeure*, provided that the Party affected by such an event has taken all reasonable precautions, due care and reasonable alternative measures in order to meet the terms and conditions of this Contract, and has informed the other Party as soon as possible about the occurrence of such an event.

8.3.2 In the event that the performance of the Services has to be suspended on the grounds of *Force Majeure*, the Period of Performance shall be extended by the extent of the delay plus a reasonable period for the resumption of work.

8.3.3 During the period of his inability to perform the Services as a result of an event of *Force Majeure*, the Service Provider shall be entitled to any payment due in terms of the Contract and shall be reimbursed for additional costs reasonably and necessarily incurred by him in suspending, delaying and re-activating the performance of the Services.

8.4 Termination

8.4.1 The Employer may terminate the Contract:

- (a) where the Services are no longer required;
- (b) where the funding for the Services is no longer available;
- (c) if the Service Provider does not remedy a failure in the performance of his obligations under the Contract within thirty (30) Days after having been notified thereof, or within any further period as the Employer may have subsequently approved in writing;
- (d) if the Service Provider becomes insolvent or liquidated; or
- (e) if, as the result of *Force Majeure*, the Service Provider is unable to perform a material portion of the Services for a period of not less than sixty (60) Days;

8.4.2 The Employer shall give the Service Provider not less than thirty (30) Days written notice of any termination made in terms of 8.4.1 (a) or (b).

8.4.3 The Service Provider may terminate the Contract, by giving not less than thirty (30) Days written notice to the Employer after the occurrence of any of the following events:

- (a) if the Employer fails to pay any monies due to the Service Provider in terms of the Contract and not subject to dispute pursuant to Clause 12 within forty-five (45) Days after receiving written notice from the Service Provider that such payment is overdue; or
- (b) if, as the result of *Force Majeure*, the Service Provider is unable to perform a material portion of the Services for a period of not less than sixty (60) Days; or
- (c) when the Services have been suspended under Clause 8.5 and the period of suspension exceeds the period stated in the Contract Data, or it is clear to the Service Provider that it will be impossible or impractical to resume the suspended Services before the period of suspension has exceeded the period stated in the Contract Data; or
- (d) if the Employer is in material breach of a term of the Contract and fails to rectify such breach within 30 Days of the receipt of written notice requiring him to do so.

8.4.4 Upon termination of this Contract pursuant to Clauses 8.4.1 or 8.4.3, the Employer shall remunerate the Service Provider in terms of the Contract for Services satisfactorily performed

prior to the effective date of termination and reimburse the Service Provider any reasonable cost incident to the prompt and orderly termination of the Contract, except in the case of termination pursuant to events (c) and (d) of Clause 8.4.1.

- 8.4.5 Should the Service Provider, being an individual or the last surviving principal of a partnership or body corporate, die or be prevented by illness or any other circumstances beyond his control from performing the obligations implied by the Contract, the Contract shall be terminated without prejudice to the accrued rights of either Party against the other.

8.5 Suspension

- 8.5.1 The Employer may temporarily suspend all or part of the Services by notice to the Service Provider who shall immediately make arrangements to stop the performance of the Services and minimise further expenditure.
- 8.5.2 When Services are suspended, the Service Provider shall be entitled to pro-rata payment for the Services carried out and reimbursement of all reasonable cost incident to the prompt and orderly suspension of the Contract.

8.6 Rights and liabilities of the Parties

Completion, suspension or termination of the Contract shall not prejudice or affect the accrued rights or liabilities of the Parties.

9. OWNERSHIP OF DOCUMENTS AND COPYRIGHT

- 9.1 Copyright of all documents prepared by the Service Provider in accordance with the relevant provisions of the copyright Act (Act 98 of 1978) relating to Project shall be vested in the party named in the Contract Data. Where copyright is vested in the Service Provider, the Employer shall be entitled to use the documents or copy them only for the purposes for which they are intended in regard to the Project and need not obtain the Service Provider's permission to copy for such use. Where copyright is vested in the Employer, the Service Provider shall not be liable in any way for the use of any of the information other than as originally intended for the Project and the Employer hereby indemnifies the Service Provider against any claim which may be made against him by any party arising from the use of such documentation for other purposes.
- 9.2 The ownership of data and factual information collected by the Service Provider and paid for by the Employer shall, after payment by the Employer, lie with the Employer.
- 9.3 The Employer shall have no right to use any documents prepared by the Service Provider whilst the payment of any fees and expenses due to the Service Provider in terms of the Contract is overdue.

10. SUCCESSION AND ASSIGNMENT

- 10.1 Except as defined in Clause 8.4.4 above, each Party binds itself and its partners, successors, executors, administrators, assigns and legal representatives to the other Party and to the other partners, successors, executors, administrators, assigns and legal representatives of the other Party in respect of all obligations and liabilities of the Contract.
- 10.2 An assignment shall be valid only if it is a written agreement by which the Service Provider transfers his rights and obligations under the Contract, or part thereof, to others.
- 10.3 The Service Provider shall not, without the prior written consent of the Employer, assign the Contract or any part thereof, or any benefit or interest thereunder, except in the following cases :

- (a) by a charge in favour of the Service Provider's bankers of any monies due or to become due under the Contract; or
- (b) by assignment to the Service Provider's insurers of the Service Provider's right to obtain relief against any other person liable in cases where the insurers have discharged the Service Provider's loss or liability.

- 10.4 The approval of an assignment by the Employer shall not relieve the Service Provider of his obligations for the part of the Contract already performed or the part not assigned.
- 10.5 If the Service Provider has assigned his Contract or part thereof without authorization, the Employer may forthwith terminate the Contract and the third party will have no claim against the Employer resulting from such termination.

11. SUBCONTRACTING

- 11.1 A Service Provider may not subcontract any work which he has the skill and competency to perform, unless otherwise permitted in the Contract Data.
- 11.2 A subcontract, where permitted in terms of the Contract Data, shall be valid only if it is a written agreement by which the Service Provider entrusts performance of a part of the Services to Others.
- 11.3 The Service Provider shall not subcontract to nor engage a Subcontractor to perform any part of the Services without the prior written authorization of the Employer. The services to be sub-contracted and the identity of the Subcontractor shall be notified to the Employer. The Employer shall, within 14 Days of receipt of the notification and a full motivation why such services are to be subcontracted, notify the Service Provider of his decision, stating reasons, should he withhold such authorization. If the Service Provider enters into a subcontract with a Subcontractor without prior approval, the Employer may forthwith terminate the Contract.
- 11.4 The Employer shall have no contractual relationships with Subcontractors. However, if a Subcontractor is found by the Employer to be incompetent, the Employer may request the Service Provider either to provide a Subcontractor with qualifications and experience acceptable to the Employer as a replacement, or to resume the performance of the relevant part of the Services himself.
- 11.5 The Service Provider shall advise the Employer without delay of the variation or termination of any subcontract for performance of all or part of the Services.
- 11.6 The Service Provider shall be responsible for the acts, defaults and negligence of Subcontractors and their agents or employees in the performance of the Services, as if they were the acts, defaults or negligence of the Service Provider, his agents or employees. Approval by the Employer of the subcontracting of any part of the Contract or of the engagement by the Service Provider of Subcontractors to perform any part of the Services shall not relieve the Service Provider of any of his obligations under the Contract.

12. RESOLUTION OF DISPUTES

12.1 Settlement

- 12.1.1 The Parties shall negotiate in good faith with a view to settling any dispute or claim arising out of or relating to the Contract and may not initiate any further proceedings until either Party has, by written notice to the other, declared that such negotiations have failed.
- 12.1.2 Any dispute or claim arising out of or relating to the Contract which cannot be settled between the Parties shall in the first instance be referred by the Parties to either mediation or adjudication as provided for in the Contract Data.

12.2 Mediation

- 12.2.1 If the Contract Data does not provide for dispute resolution by adjudication, not earlier than 14 Days after having advised the other Party, in terms of Clause 12.1, that negotiations in regard to a dispute have failed, an aggrieved Party may require that the dispute be referred, without legal representation, to mediation by a single mediator. The mediator shall be selected by agreement between the Parties, or, failing such agreement, by the person named for this purpose in the Contract Data. The costs of the mediation shall be borne equally by the Parties.
- 12.2.2 The mediator shall convene a hearing of the Parties and may hold separate discussions with any Party and shall assist the Parties in reaching a mutually acceptable settlement of their differences through means of reconciliation, interpretation, clarification, suggestion and advice. The Parties shall record such agreement in writing and thereafter they shall be bound by such agreement.
- 12.2.3 The mediator is authorised to end the mediation process whenever in his opinion further efforts at mediation would not contribute to a resolution of the dispute between the Parties.
- 12.2.4 If either Party is dissatisfied with the opinion expressed by the mediator or should the mediation fail, then such Party may require that the dispute be referred to arbitration or litigation in a competent civil court, as provided for in the Contract Data.

12.3 Adjudication

- 12.3.1 If the Contract Data does not provide for dispute resolution by mediation, an aggrieved Party may refer the dispute to adjudication. Adjudication shall be in accordance with the latest edition of the separately published CIDB Adjudication Procedures.
- 12.3.2 The adjudicator shall be appointed in terms of the Adjudicator's Agreement bound in the Construction Industry Development Board's Adjudication Procedure.
- 12.3.3 The Adjudicator shall be any person agreed to by the parties or, failing such agreement, shall be nominated by the person named in the Contract Data. The Adjudicator shall be appointed in accordance with the Adjudicator's Agreement contained in the CIDB Adjudication Procedure.
- 12.3.4 If a Party is dissatisfied with the decision of the Adjudicator, the Party may give the other Party notice of dissatisfaction within 28 Days of the receipt of that decision and refer the dispute to arbitration or litigation in a competent civil court as provided for in the Contract Data. If no notice of dissatisfaction is given within the specified time, the decision shall be final and binding on the Parties.

12.4 Arbitration

- 12.4.1 Arbitration, where provided for in the Contract Data, shall be by a single arbitrator in accordance with the provisions of the Arbitration Act of 1965 as amended and shall be conducted in accordance with such procedure as may be agreed between the Parties or, failing such agreement, in accordance with the Rules for the Conduct of Arbitrations published by the Association or Arbitrators current at the date the arbitrator is appointed.
- 12.4.2 The arbitrator shall be mutually agreed upon or, failing agreement, to be nominated by the person named in the Contract Data.

13. LIABILITY

13.1 Liability of the Service Provider

13.1.1 The Service Provider shall be liable to the Employer arising out of or in connection with the Contract if a breach of Clause 5.1 is established against him.

13.1.2 The Service Provider shall correct a Defect on becoming aware of it. If the Service Provider does not correct a Defect within a reasonable time stated in a notification and the Defect arose from a failure of the Service Provider to comply with his obligation to provide the Services, the Service Provider shall pay to the Employer the amount which the latter assesses as being the cost of having such Defect corrected by Others.

13.1.3 All persons in a joint venture or consortium shall be jointly and severally liable to the Employer in terms of this Contract and shall carry individually the minimum levels of insurance stated in the Contract Data, if any.

13.2 Liability of the Employer

The Employer shall be liable to the Service Provider arising out of or in connection with the Contract if a breach of an obligation of his in terms of the Contract is established. The Service Provider shall have no separate delictual right of action against the Employer.

13.3 Compensation

If it is established that either Party is liable to the other, compensation shall be payable only on the following terms:

- (a) Compensation shall be limited to the amount of reasonably foreseeable loss and damage suffered as a result of the breach.
- (b) In any event, the amount of compensation will be limited to the amount specified in Clause 13.5.

13.4 Duration of Liability

Notwithstanding the terms of the Prescription Act No. 68 of 1969 (as amended) or any other applicable statute of limitation neither the Employer nor the Service Provider shall be held liable for any loss or damage resulting from any occurrence unless a claim is formally made within the period stated in the Contract Data or, where no such period is stated, within a period of three years from the date of termination or completion of the Contract.

13.5 Limit of Compensation

13.5.1 Unless otherwise indicated in the Contract Data, the maximum amount of compensation payable by either Party to the other in respect of liability under the Contract is limited to:

- a) the sum insured in terms of 5.4 in respect of insurable events; and
- b) the sum stated in the Contract Data or, where no such amount is stated, to an amount equal to twice the amount of fees payable to the Service Provider under the Contract, excluding reimbursement and expenses for items other than salaries of Personnel, in respect of non-insurable events.

13.5.2 Each Party agrees to waive all claims against the other insofar as the aggregate of compensation which might otherwise be payable exceeds the aforesaid maximum amount payable.

13.5.3 If either Party makes a claim for compensation against the other Party and this is not established, the claimant shall reimburse the other for his reasonable costs incurred as a

result of the claim or if proceedings are initiated in terms of Clause 12 for such costs as may be awarded.

13.6 Indemnity by the Employer

Unless otherwise indicated in the Contract Data, the Employer shall indemnify the Service Provider against all claims by third parties which arise out of or in connection with the performance of the Services save to the extent that such claims do not in the aggregate exceed the limit of compensation in Clause 13.5, if applicable, or are covered by the insurances arranged under the terms of Clause 5.4.

13.7 Exceptions

- 13.7.1 Clauses 13.5 and 13.6 shall not apply to claims arising from deliberate misconduct.
- 13.7.2 The Service Provider shall have no liability whatsoever for actions, claims, losses or damages occasioned by:
- a) the Employer omitting to act on any recommendation, or overriding any act, decision or recommendation, of the Service Provider, or requiring the Service Provider to implement a decision or recommendation with which the Service Provider disagrees or on which he expresses a serious reservation; or
 - b) the improper execution of the Service Provider's instructions by agents, employees or independent contractors of the Employer.

14. REMUNERATION AND REIMBURSEMENT OF SERVICE PROVIDER

The Employer shall remunerate and reimburse the Service Provider for the performance of the Services as set out in the Pricing Data. If not otherwise stated in the Pricing Data, the following shall apply:

- 14.1 The Service Provider shall be entitled to render interim monthly accounts for fees and reimbursements throughout the duration of the Contract. Interim amounts of lump sum fees due shall be based on progress.
- 14.2 Amounts due to the Service Provider shall be paid by the Employer within thirty (30) Days of receipt by him of the relevant invoices. If the Service Provider does not receive payment by the due date, he shall be entitled to charge interest on the unpaid amount, which is payable by the Employer, at the prime interest rate charged by his bank and certified by such bank, plus 2% per annum, and calculated from the due date of payment.
- 14.3 If any item or part of an item in an invoice submitted by the Service Provider is disputed by the Employer, the latter shall, before the due date of payment, give notice thereof with reasons to the Service Provider, but shall not delay payment of the balance of the invoice. Clause 14.2 shall apply to disputed amounts which are finally determined to be payable to the Service Provider.
- 14.4 In respect of Services charged for on a time-basis and all other reimbursable expenses the Service Provider shall maintain records in support of such charges and expenses for a period of twenty four months after the completion or termination of the Contract. Within this period the Employer may, on not less than 14 Days notice, require that a reputable and independent firm of accountants, nominated by him at his expense, audit any claims made by the Service Provider for time charges and expenses by attending during normal working hours at the office where the records are maintained.

15 AMOUNTS DUE TO THE EMPLOYER

Amounts due to the Employer shall be paid by the Service Provider within thirty (30) Days of receipt by him of the relevant invoices. If the Employer does not receive payment by the due date, he shall be entitled to charge interest on the unpaid amount, which is payable by the Service Provider, at the rate stated in the Contract Data, calculated from the due date for payment.

3.15.2	The Service Provider shall update the programme at intervals not exceeding weeks.	<i>Insert number of weeks e.g. 5, if require more frequently than once a quarter.</i>
3.16	The time-based fees shall not be adjusted for inflation.	<i>Omit if the default provisions are appropriate</i>
13.16.1	The indices are those contained in Table A of P0141 Consumer Price Index for the CPI for all services published by Statistics South Africa	<i>Omit if no adjustment is to be made for inflation. Amend if necessary</i>
4.3.1(d)	The Service Provider is not required to assist in the obtaining of approvals, licenses and permits from the state, regional and municipal authorities having jurisdiction over the Project	<i>Omit if the Service Provider is required to do so. Reword as necessary.</i>
5.4.1	The Service Provider is required to provide professional indemnity cover as set out in the Professional Indemnity Schedule.	State requirements for professional indemnity insurance, if any.
	The Service Provider is required to provided the following insurances:	State requirements for other insurances if required.
	1. Insurance against	
	Cover is:	
	Period of cover:	
	2. Insurance against	
	Cover is:	
	Period of cover:	
5.5	The Service Provider is required to obtain the Employer's prior approval in writing before taking any of the following actions:	
	1	
	2	
7.2	The Service Provider is required to provide personnel in accordance with the provisions of clause 7.2 and to complete the Personnel Schedule.	<i>Omit if this is not a requirement</i>
8.1	The Service Provider is to commence the performance of the Services within ... Days of date that the Contract becomes effective.	<i>Insert number of day or amend as appropriate.</i>
8.2.1	The Contract is concluded when	<i>Omit if standard provisions of Clause 8.2.1 are appropriate.</i>
8.4.3 (c)	The period of suspension under clause 8.5 is not to exceed months/ weeks	<i>State maximum period for suspension.</i>
9.1	Copyright of documents prepared for the Project shall be vested with the	<i>Enter Employer or Service Provider</i>
11.1	A Service Provider may subcontract any work which he has the skill and competency to perform.	<i>Omit if not permitted</i>
12.1	Interim settlement of disputes is to be by mediation / adjudication	<i>Delete the option that is not selected</i>
12.2 / 12.3	Final settlement is by litigation / arbitration	<i>Delete the option that is not selected</i>

12.2.1	In the event that the parties fail to agree on a mediator, the mediator is nominated by	<i>Delete if adjudication is selected</i>
12.3.3	The adjudicator is the person appointed by the (name of an official within a body / association) Tel Fax..... No.....	<i>Insert particulars of person who appoints or delete if mediation is selected</i>
12.4.1	In the event that the parties fail to agree on an arbitrator, the arbitrator is nominated by	<i>Delete if litigation is selected</i>
13.1.3	All persons in a joint venture or consortium shall carry a minimum professional indemnity insurance of	<i>Delete if not a requirement or amend wording as required.</i>
13.4	Neither the Employer nor the Service Provider is liable for any loss or damage resulting from any occurrence unless a claim is formally made within months from the date of termination or completion of the Contract.	<i>Not required if the standard provisions of Clause 13.4 are acceptable.</i>
13.5.1	The maximum amount of compensation payable by either Party to the other in respect of liability under the Contract is limited to R	<i>Not required if the standard provisions of Clause 13.5.1 are acceptable.</i>
	Or The provisions of 13.5 do not apply to the Contract	<i>Insert if provisions are not to apply</i>
13.6	The provisions of 13.6 do not apply to the Contract	<i>Insert if provisions are not to apply</i>
15	The interest rate will be prime interest rate of the Employers bank at the time that the amount is due. or The interest rates will be	<i>Describe interest payable. Amend wording as applicable.</i>
	The additional conditions of contract are:	<i>Insert additional conditions of contract or delete row:</i>

Part 2: Data provided by the Service Provider

Clause		<i>Guidance notes</i>												
1	The Service Provider is Address: Telephone: Facsimile:													
5.3	The authorised and designated representative of the Service Provider is: Name: The address for receipt of communications is: Telephone: Facsimile: Address:													
1	The Period of Performance is	<i>Omit if employer specifies Period of Performance.</i>												
5.5 7.1.2	The Key Persons and their jobs / functions in relation to the services are: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: left;">Name</th> <th style="width: 50%; text-align: left;">Specific duties</th> </tr> </thead> <tbody> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> </tbody> </table>	Name	Specific duties											<i>Provide if a requirement</i>
Name	Specific duties													

Form of offer and acceptance

Offer

The Employer, identified in the acceptance signature block, has solicited offers to enter into a contract for the procurement of:

.....
The tenderer, identified in the offer signature block, has examined the documents listed in the tender data and addenda thereto as listed in the returnable schedules, and by submitting this offer has accepted the conditions of tender.

By the representative of the tenderer, deemed to be duly authorized, signing this part of this form of offer and acceptance, the tenderer offers to perform all of the obligations and liabilities of the Service Provider under the contract including compliance with all its terms and conditions according to their true intent and meaning for an amount to be determined in accordance with the conditions of contract identified in the Contract Data.

The offered total of the Prices inclusive of Value Added Tax is

.....Rand (in words); R(in figures)
(or other suitable wording)

This offer may be accepted by the Employer by signing the acceptance part of this form of offer and acceptance and returning one copy of this document to the tenderer before the end of the period of validity stated in the tender data, whereupon the tenderer becomes the party named as the Service Provider in the conditions of contract identified in the Contract Data.

Signature(s)

Name(s) _____

Capacity _____

for the _____

tenderer

(Name and address of organization)

Name and
signature of
witness _____

Date _____

Acceptance

By signing this part of this form of offer and acceptance, the Employer identified below accepts the tenderer's offer. In consideration thereof, the Employer shall pay the Service Provider the amount due in accordance with the conditions of contract identified in the Contract Data. Acceptance of the tenderer's offer shall form an agreement between the Employer and the tenderer upon the terms and conditions contained in this agreement and in the contract that is the subject of this agreement.

The terms of the contract, are contained in:

Part C1 Agreements and contract data, (which includes this agreement)

Part C2 Pricing data

Part C3 Scope of work.

and drawings and documents or parts thereof, which may be incorporated by reference into Parts C1 to C3 above.

Deviations from and amendments to the documents listed in the tender data and any addenda thereto as listed in the tender schedules as well as any changes to the terms of the offer agreed by the tenderer and the Employer during this process of offer and acceptance, are contained in the schedule of deviations attached to and forming part of this agreement.

The tenderer shall within two weeks after receiving a completed copy of this agreement, including the schedule of deviations (if any), contact the Employer’s agent (whose details are given in the contract data) to arrange the delivery of any bonds, guarantees, proof of insurance and any other documentation to be provided in terms of the conditions of contract identified in the Contract Data. Failure to fulfill any of these obligations in accordance with those terms shall constitute a repudiation of this agreement.

Notwithstanding anything contained herein, this agreement comes into effect on the date when the tenderer receives one fully completed original copy of this document, including the schedule of deviations (if any). Unless the tenderer (now Service Provider) within five working days of the date of such receipt notifies the Employer in writing of any reason why he cannot accept the contents of this agreement, this agreement shall constitute a binding contract between the parties. ¹

Signature(s)

Name(s) _____

Capacity _____

for the Employer _____

(Name and address of organization)

Name and signature of witness _____ Date _____

¹ As an alternative, the following wording may be used:
Notwithstanding anything contained herein, this agreement comes into effect two working days after the submission by the employer of one fully completed original copy of this document including the schedule of deviations (if any), to a courier-to-counter delivery / counter-to-counter delivery / door-to-counter delivery /door-to-door delivery /courier service (delete that which is not applicable), provided that the employer notifies the tenderer of the tracking number within 24 hours of such submission. Unless the tenderer (now Service Provider) within seven working days of the date of such submission notifies the Employer in writing of any reason why he cannot accept the contents of this agreement, this agreement shall constitute a binding contract between the parties.

Schedule of Deviations

Notes:

1. The extent of deviations from the tender documents issued by the employer before the tender closing date is limited to those permitted in terms of the conditions of tender.
2. A tenderer's covering letter shall not be included in the final contract document. Should any matter in such letter, which constitutes a deviation as aforesaid, become the subject of agreements reached during the process of offer and acceptance, the outcome of such agreement shall be recorded here.
3. Any other matter arising from the process of offer and acceptance either as a confirmation, clarification or change to the tender documents and which it is agreed by the Parties becomes an obligation of the contract shall also be recorded here.
4. Any change or addition to the tender documents arising from the above agreements and recorded here, shall also be incorporated into the final draft of the Contract.

1 Subject _____

Details _____

2 Subject _____

Details _____

3 Subject _____

Details _____

4 Subject _____

Details _____

By the duly authorised representatives signing this agreement, the Employer and the tenderer agree to and accept the foregoing schedule of deviations as the only deviations from and amendments to the documents listed in the tender data and addenda thereto as listed in the tender schedules, as well as any confirmation, clarification or changes to the terms of the offer agreed by the tenderer and the Employer during this process of offer and acceptance.

It is expressly agreed that no other matter whether in writing, oral communication or implied during the period between the issue of the tender documents and the receipt by the tenderer of a completed signed copy of this Agreement shall have any meaning or effect in the contract between the parties arising from this agreement.