



# Built Environment Performance Plan

## Section E: Implementation

### 2019/2020

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# Table of Contents

<b>E</b>	<b>IMPLEMENTATION .....</b>	<b>E-1</b>
<b>E.1</b>	<b>CONTEXTUALISATION</b>	<b>E-1</b>
<b>E.2</b>	<b>PROCUREMENT APPROACH</b>	<b>E-2</b>
E.2.1	CURRENT PROCUREMENT APPROACH.....	E-2
E.2.1.1	Standardized Bid Documents .....	E-2
E.2.1.2	Tender and Award Procedures.....	E-3
<b>E.3</b>	<b>INSTITUTIONAL ARRANGEMENTS</b>	<b>E-6</b>
E.3.1	MUNICIPAL COMMITTEES AND FORUMS .....	E-6
E.3.1.1	Council Committee.....	E-7
E.3.1.2	Mayoral Committee (MAYCO).....	E-7
E.3.1.3	Executive Committee (EXCO) .....	E-7
E.3.1.4	Management Committee (MANCO).....	E-7
E.3.1.5	Bid Specification Committee (BSC) .....	E-7
E.3.1.6	Bid Evaluation Committee (BEC) .....	E-8
E.3.1.7	Bid Adjudication Committee (BAC) .....	E-8
E.3.1.8	Budget Steering Committee (BSC) .....	E-9
E.3.2	CITY OF TSHWANE STAGE GATES: WAY FORWARD .....	E-9

## List of Figures

Figure E-1: Contextualisation.....	E-1
Figure E-2: Tender and Award Process.....	E-3

## List of Tables

Table E-1: Construction Contracts .....	E-2
Table E-2: Consultant Contracts .....	E-2
Table E-3: Goods and Services.....	E-2
Table E-4: Other .....	E-2
Table E-5: Range of Procurement Processes and Procurement Methods .....	E-4

# Abbreviations

BAC	Bid Adjudication Committee
BEC	Bid Evaluation Committee
BEPP	Built Environment Performance Plan
BEVC	Built Environment Value Chain
BSC	Budget Steering Committee / Bid Specification Committee
CAPEX	Capital Expenditure
CAPS	Tshwane's Capital Planning and Prioritisation System
CBD	Central Business District
CIF	Capital Investment Framework
CITP	Comprehensive Integrated Transport Plan
CLDPs	Catalytic Land Development Programmes
COT	City of Tshwane
CPM	Capital Prioritisation Model
CR&R	Climate Responsiveness and Resilience
DIPS	Development Intervention Portfolios
DORA	Division of Revenue Act (2 of 2013)
EDPQ	Economic Development Priority Quadrant
EXCO	Executive Committee
FDI	Foreign Direct Investment
GCR	Global City Region
GGMP	Gauteng Growth Management Perspective
GPG	Gauteng Provincial Government
GSDF	Gauteng Spatial Development Framework
ICDG	Integrated City Development Grant
IDP	Integrated Development Plan
IRPTN	Integrated Rapid Public Transport Network
LSDF	Local Spatial Development Framework
MANCO	Management Committee
MAYCO	Mayoral Committee
MCA	Multi-Criteria Analysis
MFMA	Municipal Financial and Management Act (56 of 2003)
MSA	Municipal Systems Act (32 of 2000)
MSCOA	Municipal Standard Chart of Accounts
MSDF	Metropolitan Spatial Development Framework

MTEF	Medium Term Expenditure Framework
MTREF	Medium Term Revenue and Expenditure Framework
NSDP	National Spatial Development Perspective
OPEX	Operational Expenditure
PFMA	Provincial Finance Management Act (1 of 1999)
PMP	Project Management Plan
PO	Purchase Order
PPP	Public Private Partnership
PSP	Professional Service Provider
RSDF	Regional Spatial Development Framework
SAF	Strategic Area Framework
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework
SIP	Strategic Infrastructure Project
SIPDM	Standard for Infrastructure Procurement and Delivery Management
SOCA	State of the City Address
SPLUMA	Spatial Planning and Land Use Management Act (13 of 2013)
TOD	Transit Oriented Development
TRT	Tshwane Rapid Transit System
UDF	Urban Development Framework
UNS	Urban Network Structure
USDG	Urban Settlements Development Grant

# E Implementation

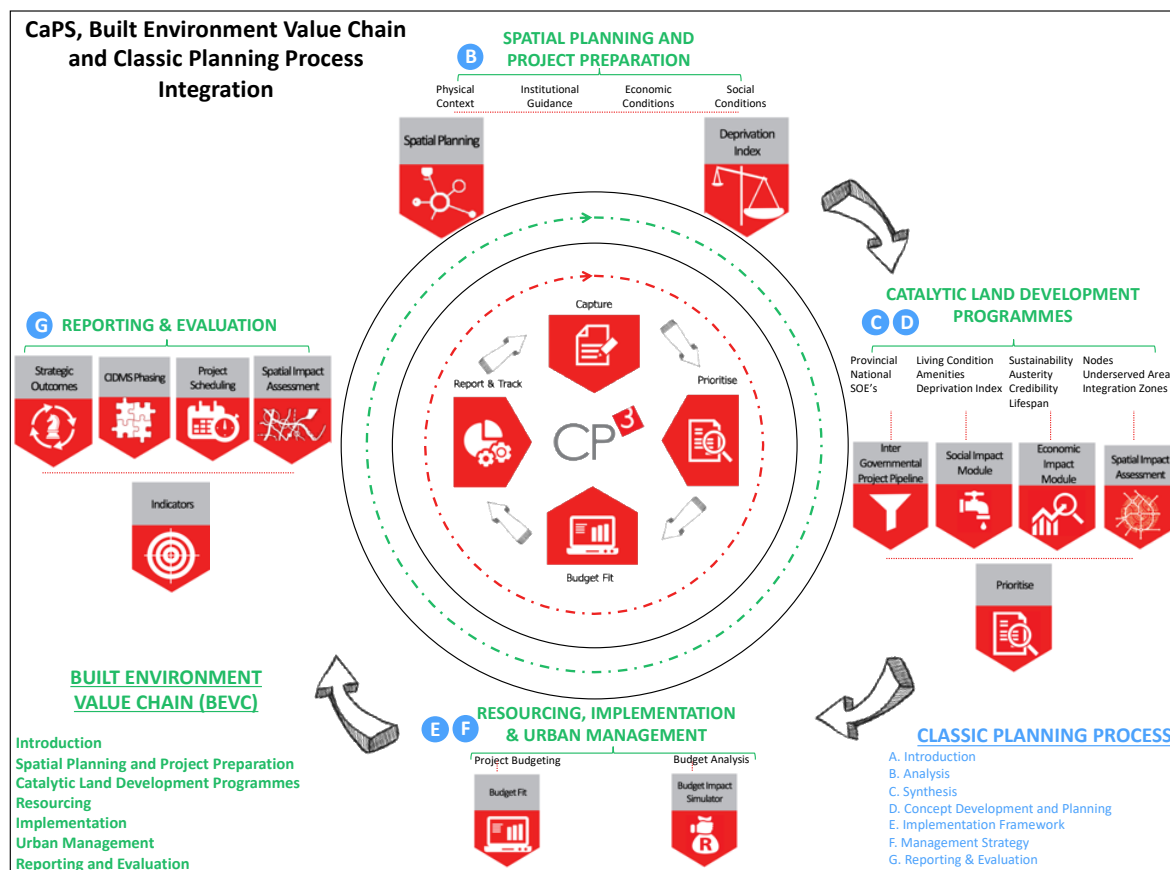
## E.1 Contextualisation

Section E of the BEPP document follows the identification and preparation of Catalytic Land Development Programmes (CLDPs) together with the City’s financial resourcing strategy and sustainability (Sections C and D). The aim of Section E is to establish the institutional framework pertaining to the implementation of CLDPs and to identify regulatory reforms which stimulate investment.

The following section has been structured to identify and discuss the procurement approach within the City and includes a detailed assessment of the current procurement process. The City operates primarily through organized forums and approval committees, which is outlined in Section E.3. In conclusion, reference will be made to the establishment of the Draft Stage Gate Standard and Workflow Process Guideline and the way forward in terms of improving the procurement process for the implementation of CLDP’s.

It should be noted that the contents included within Section E was derived from the Draft Stage Gate Standard and Workflow Process Guideline document. During the preparation of the draft BEPP the Stage Gate standard and workflow process document was still in draft format, and as such, has not been submitted to Council for approval. Once approval has been obtained from council, the contents within Section E will be updated with the detailed proposed process plans and stage gate process.

Figure E-1: Contextualisation



## E.2 Procurement Approach

### E.2.1 Current Procurement Approach

#### E.2.1.1 Standardized Bid Documents

In an effort to strive for uniformity and to assist user departments with the compilation of bid documents, the Supply Chain Management (SCM) Unit has drawn up standardized bid documents for various types of bids. The standardized documents listed below are available and should be requested by the user department prior to the compilation of a bid document.

Table E-1: Construction Contracts

Document	Use
CIDB (GCC 2004)	Civil Engineering Construction Works
CIDB (GCC 2004 – EPWP)	Extended Public Works programme (EPWP) Civil Engineering Construction Works
CIDB (FIDIC)	Electrical and Mechanical Plant
CIDB (JBCC)	Building Construction Works
CIDB (NEC OPTION A)	Any Engineering work where a priced activity list is applicable

Table E-2: Consultant Contracts

Document	Use
CIDB (PROFESSIONAL SERVICES)	Appointment of suppliers of professional services (remunerated by lump sum, percentage fee or hourly rates)
NEC (PROFESSIONAL SERVICES – OPTION A)	Appointment of suppliers of any professional services (remunerated by a priced activity list)

Table E-3: Goods and Services

Document	Use
GOODS TENDER (Government Procurement GCC – 8 May 2007)	Supply of goods
SERVICE TENDER (Government Procurement GCC – 8 May 2007)	Supply of Services
NEC term service short contract	Appointment of a supplier for a period of time to manage and provide a service

Table E-4: Other

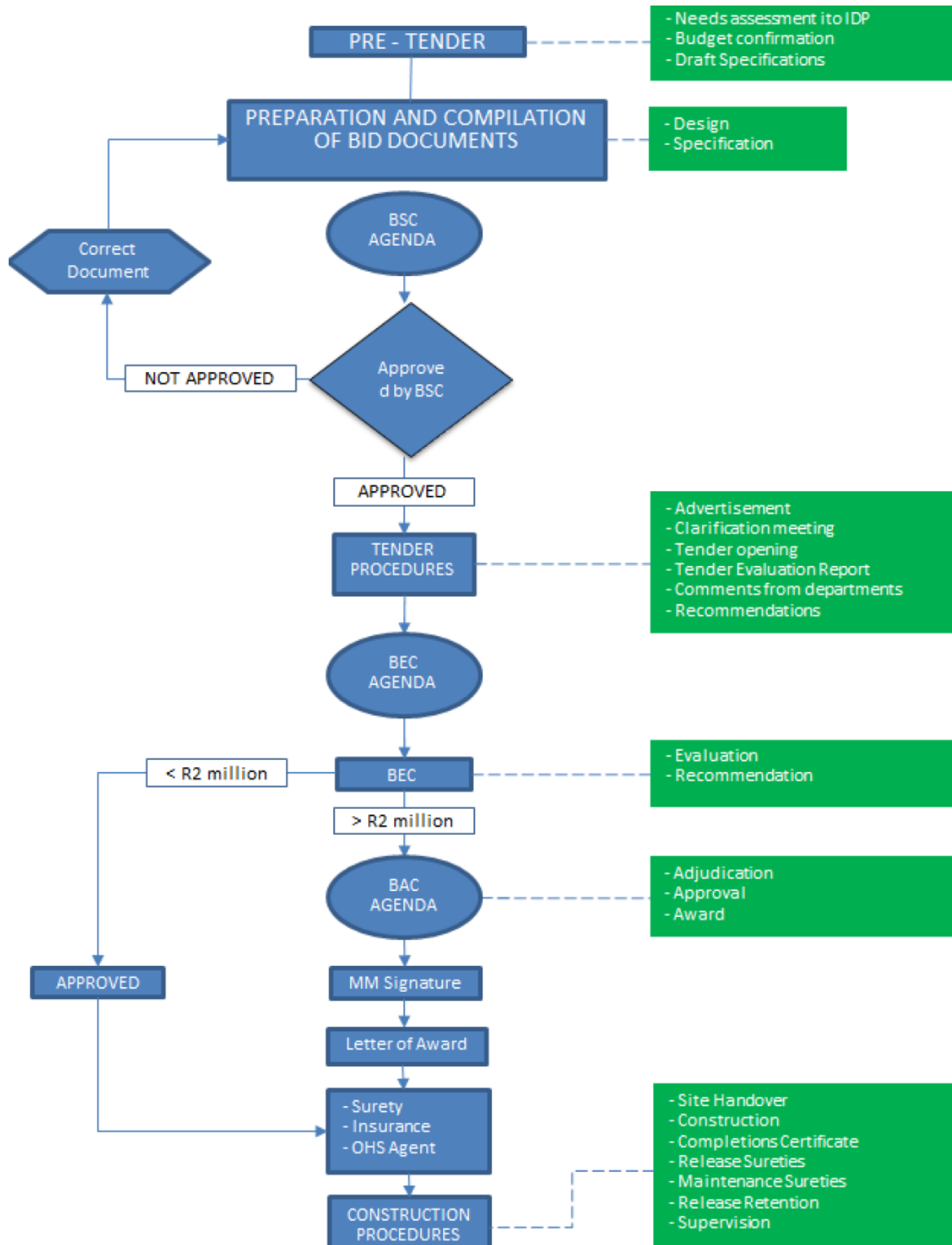
Document	Use
CALL FOR EXPRESSIONS OF INTEREST	EOI for the supply of any goods or services

The tables above indicate standardized BID documents which forms an integral part of the tender and award procedures. The next section outlines this process, and is currently in place as per the City's supply chain management policy.

### E.2.1.2 Tender and Award Procedures

This section describes and outlined tender and award procedures as already defined in the municipality’s supply chain management policy. The tender and award process is illustrated in Figure E-2 and is described in Sections E.2.1.2.2 – Section E.2.1.2.5 below.

Figure E-2: Tender and Award Process



### E.2.1.2.1 Range of Procurement Processes

The initiation of a procurement activity is driven from the user department and follows the demand management process where:

- A needs assessment of the required goods and services is done;
- Economies of scale are investigated;
- Specifications are determined;
- Industry is analysed; and
- Requirements are linked to the approved budget programmed from with CoT's IDP.

The applicable procurement method for procuring goods and services depends on the transaction value as set out in the following table, and the SCM turnaround times are stipulated in calendar days from requisition to purchase order (PO).

Table E-5: Range of Procurement Processes and Procurement Methods

Value of Purchase	Procurement Method	Timeline (from requisition to PO)
0 - R2 000	Petty Cash	1 day
R2 001 up to R10 000	Quotations	2 days
R10 001 up to R30 000	1 formal written and 2 other quotations in accordance with the Council approved procurement framework	3 days
R30 001 up to R200 000	3 (three) formal written price quotations and; complying with the MFMA; sealed and placed in box; advertise for 7 (seven) days on notice board and websites of Municipality; allocate in accordance with the points system	15 days (7 days Advertising on Notice Boards & 8 days Evaluation and Award)
Tenders from R200 000 up to R10 million and long term contracts	A competitive bidding process: advertised for at least 14 (fourteen) days on notice boards and website of City of Tshwane Municipality advertised for at least 14 (fourteen) days in newspapers commonly circulating locally but not limited thereto allocate in accordance with the points system	70 days (30 days Advertising on Notice Boards & 40 days Evaluation and award)
Tenders above R 10 million	A competitive bidding process: advertised for at least 30 (thirty) days in newspapers commonly circulating locally but not limited thereto (For Tenderers above R10 million) allocate in accordance with the Preferential points system	70 days (30 days Advertising on Notice Boards & 40 days Evaluation and award)



#### *E.2.1.2.2 Pre-Tender Phase*

The user department has, in line with the CoT Integrated Development Plan (IDP), determined that certain goods and services are required by the department and that the budget is available and confirmed. The user department will then prepare a specification or scope of work for the goods or services required. The specification (scope of work) can take various forms for instance:

- Specification for goods required such as wire, bolts and nuts, ballpoint pens, paper, etc.;
- Specification for services to be provided such as mowing of grass, street cleaning, professional services, etc.;
- Specification for civil, electrical or building construction projects; and
- Specification for Calls of Expressions of Interest.

Upon completion of the draft bid document, which includes the specification, the user department shall lodge the following to SCM for approval:

- 1 hard copy of the draft bid document; and
- 1 electronic copy of the draft bid document.

Once approved by the BSC, the following will be finalized by SCM with the user department:

- Date from which bid documents are available;
- Place, date and time of clarification meeting;
- Date and time until which bids will be accepted.

#### *E.2.1.2.3 Tender Phase*

An official tender notice will and invitation to tender will be provided by SCM to the user department for inclusion in the final bid document after which copies of the final bid document will be made available by the user department.

The clarification meeting must be attended by a user department representative that is well versed with the bid, the particular Scope of Work and an attendance register of all persons attending the meeting and minutes of the meeting will be kept.

Bids will close on the date and time indicated in the tender notice at the Procurement Advice Centre and the tender prices will be ready out by an official of SCM.

#### *E.2.1.2.4 Tender Evaluation Phase*

SCM will complete the administrative procedures, including the financial and preference adjudication, and compile a draft tender evaluation report. The draft tender evaluation report and bid documents are then forwarded to the user department for technical compliance evaluation.

On completion the documents and completed draft tender evaluation report must be returned to the SCM who will finalize and place it on the agenda to serve before the BEC.

The BEC will evaluate the tender evaluation report. If adjustments are required to the report or more clarity required concerning certain issues, the report will be send back for adjustment.

On approval of the tender evaluation report by the BEC, either:

- For tender less than R2million: The recommended tender is accepted; or
- For tenders in excess of R2million: A recommendation is forwarded to the BAC

The BAC will evaluate the tender evaluation report and recommendation from the BEC. If adjustments are required to the report of more clarity concerning certain issues, the report and recommendation will be send back to the BEC for adjustment.

On approval of the tender evaluation report and BEC recommendation by the BAC, either:

- For tender less than R10 million: The recommended tender is accepted; or
- For tender in excess of R10 million: The Municipal Manager's approval is required

#### *E.2.1.2.5 Tender Award Phase*

When a tender is awarded, SCM will draft a Letter of Award to the successful bidder. Depending on the type of goods or services procured the following administrative matters must be attended to.

- **Construction Contracts:**
  - The contract is reviewed by the Legal department and must be signed by the City Manager as the accounting officer;
  - Sureties and Guarantees must be lodged;
  - CoT Insurance and Risk Management must be informed of the award so that the necessary insurance can be put in place;
  - Occupational Health and Safety appointment must be made;
  - For Goods and Services Contracts:
    - The contract must be signed (Confirm who signs);
    - Sureties and Guarantees must be lodged; and
    - Proof of Insurance by the Supplier must be presented.
- **Professional Service Contracts:**
  - The contract must be signed; and
  - Professional Indemnity Insurance by the Supplier must be submitted.

## **E.3 Institutional Arrangements**

### **E.3.1 Municipal Committees and Forums**

The City operates primarily through organized forums and approval committees which form part of the institutional framework pertaining to the implementation of Catalytic Land Development Programmes (CLDPs). The following section has been structured to describe the composition and function of these committees or forums.

#### E.3.1.1 *Council Committee*

The Council consists of 214 councilors, of whom 107 are ward councilors and 107 proportional representative (PR) councilors. The Members of the Mayoral Committee (MMCs) also form part of the Council.

The Council Committee is the highest approving committee in terms of its level of authority and the Committee will preside over project related matters and provide resolutions with the decisions taken within the Regulatory Framework of the City.

#### E.3.1.2 *Mayoral Committee (MAYCO)*

In terms of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998), an executive mayor must appoint a mayoral committee from the elected councilors to assist him or her in executing the political mandate. Each with a different portfolio focusing on particular departments in the Municipality.

The Executive Mayor represents the face of the city and is responsible for managing all its affairs. The City of Tshwane accommodates over 2.2million people. Acting as a local cabinet, the Mayoral Committee is made up of 11 members, including the Executive Mayor, who is also its chairperson.

The Executive Mayor and the Mayoral Committee have a political responsibility for sound governance and effective service delivery. They are further responsible for promotion of economic growth and development, management of the city's physical development and promotion of the well-being of the community at large.

Their focus is also on safety and security, preservation of the city's natural and cultural resources and the strengthening of the city's national status as a capital.

#### E.3.1.3 *Executive Committee (EXCO)*

The Executive Committee comprise of all Executive Directors that operates within the City of Tshwane, including but not limited to, Department Group Heads who are the responsible party to submit and present project submissions for approval within the level of authority defined for this committee.

#### E.3.1.4 *Management Committee (MANCO)*

The Management Committee comprise of all Departmental Leaders that operates within a Department of the City of Tshwane. This members of this committee will include, but are not limited to, the Divisional Heads and Directors. The Department Project Manager are the responsible party to submit and present project submissions for approval within the level of authority defined for this committee.

#### E.3.1.5 *Bid Specification Committee (BSC)*

The Bid Specification Committee (BSC) must, on recommendation from a SED, finally approve the specifications for the procurement of goods or services by the municipality.

This occurs after a need to procure (demand management) have been identified and the user Department have duly submitted all information to the Bid Specification Committee. An approval by the BSC is required before the procurement process can proceed to the next step.

A bid specification committee must be composed of two or more officials of the municipality, preferably the manager responsible for the function of including external specialist advisors. No person, advisor involved with the bid specification committee, or director of such, may bid for any resulting contracts.

The user department should take note that the following attendance requirement for the BSC meetings:

- Project Initiator; and
- Relevant Director.

#### E.3.1.6 *Bid Evaluation Committee (BEC)*

The Bid Evaluation Committee is constituted for each project or procurement activity. The BEC evaluates the tenders or responses received from the market and recommends the suitable successful bidders. The BEC evaluates bids in accordance with:

- The specifications for a specific procurement; and
- The points systems as must be set out in the supply chain management policy of the municipality in terms of Regulation 27 (2) (f) and as prescribed in terms of the Preferential Procurement Policy Framework Act.

The BEC evaluate each bidder's ability to execute the contract and submits to the adjudication committee a report and recommendations regarding the award of the bid or any other related matter.

The user department should take note that the following attendance requirement for the BSC meetings:

- Project Initiator; and
- Relevant Director.

#### E.3.1.7 *Bid Adjudication Committee (BAC)*

The Bid Adjudication Committee consider the report and recommendations of the BEC, adjudicate and make a final award on how to proceed with the relevant procurement. The award can be in favour of the BEC recommendation. Should the BAC resolves that the committee is not in favour of the BEC recommendation, the tender will be referred back to the BEC, with comments, for re-evaluation.

In terms of award, the BAC must to do the following in terms of its delegation:

- Make a final award on tenders from above R200 000 to R10 million and make recommendation to the accounting officer to make the final award on tenders above R10 million; or
- Make another recommendation to the accounting officer how to proceed with the relevant procurement.

The user department should take note that the following attendance requirement for the BSC meetings:

- Project Initiator; and

- Relevant Executive Director.

#### E.3.1.8 *Budget Steering Committee (BSC)*

The role of the Budget Steering Committee is to provide technical assistance to the Mayor in terms of the Municipal Budget and Reporting Regulations. The prescribed membership of the committee emphasis the technical nature and role of the committee. It would usually include all senior manager within the municipality that needs to be involved in the IDP and budget processes to ensure that they are aligned and relate directly to the service responsibilities of the municipality.

The members of the committee are ultimately accountable for the implementation of the IDP and budget (3 year), and this occurs through the annual SDBIP and its performance targets.

The committee is chaired by the chief financial officer, or alternatively the municipal manager. The committee reviews the proposed budget annual prior to its approval. The committee also reviews the proposed budget adjustment, prior to its approval.

#### E.3.2 City of Tshwane Stage Gates: Way Forward

The city has established a Stage Gate standard and workflow process<sup>1</sup> which aims to assist in the identification, strategic alignment, prioritisation, budget approval and execution of all capital projects within the city. An outline of the Stage Gate standard and workflow process has been included as part of Section C, due to the initial gates which focusses on programme and project preparation processes. The information contained in Section C only provides a standard overview and does not describe detailed workflow processes.

During the preparation of the draft BEPP document the Stage Gate standard and workflow process document was still in draft format, and as such, has not been submitted to Council for approval. Once the document has been approved at Council, the contents pertaining to Gate 5 - 8 will be incorporated for purposes of the final BEPP submission. Gate 5 – 8 focusses on the procurement process, and outlines a proposed workflow process.

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<sup>1</sup> Draft E-PMU Stage Gate Standard And Workflow Process Guideline, Version 4 (01 October 2018).