

Close out Report

of the New Universities Project Management Team on the

Development of New Universities in
Mpumalanga and the Northern Cape

01 NOVEMBER 2011 - 31 JULY 2017



Chapter 9

Procurement strategy



9. Procurement Arrangements

The development of the two new universities required that an entire campus be built within a prescribed period. This involved the provision of bulk services to the university precincts, the provision of services including roads and parking areas within these precincts, the construction of residences, administrative offices, places of assembly, teaching spaces, landscaped areas and sports fields. The scope of work for the physical infrastructure required at both the universities at any point in time was driven by the unfolding academic programme, incremental student intakes and funding constraints.

This chapter outlines the approach taken in procuring the goods, services and works required to launch these two new universities and to provide the necessary facilities for the first student intakes up to the start of the 2016 academic year. It also describes the strategy that was adopted, the strategic actions taken, the procurement options employed and the outcomes of the procurement processes leading to the award of contracts up to December 2014.

The Department of Higher Education and Training (DHET) entered into an agreement with the University of the Witwatersrand, Johannesburg (Wits), during November 2011 to project manage and resource the spatial and physical planning and development for two new institutions. Wits appointed the DHET New Universities Project Management Team to do so on its behalf i.e. a core team under the Wits Director Campus Planning and Development and including contracted resources in the form of a delivery manager, a programme / project manager, a spatial and architectural design specialist and a procurement specialist, all of whom had worked together in delivering Wits' capital programme since 2008. This core team was subsequently extended to include higher education and development expertise.

Importantly, Wits' procurement practice on the new universities project has informed the development of the recently published National Treasury procurement standards. All procurement for the new universities was based on Wits University's *Construction Procurement Policy, Processes, Procedures, Methods and Delegations*.^[9-1] This university document is almost a carbon copy of the draft National Treasury's *Standard for a Construction Procurement System* which was published in November 2012 for public comment. The Wits professional services contracts were structured around the draft *Standard for an Infrastructure Delivery Management System* which was also released by Treasury for public comment during November 2012.^[9-2]

The two draft Treasury Standards highlighted above were subsequently combined into one document, namely the *Standard for Infrastructure Procurement and Delivery Management*. The published version of this standard draws upon the experience gained by the New Universities Project Management Team in applying these draft Treasury Standards in practice.

9.1. WITS PROCUREMENT POLICY AND PROCEDURES

The Wits *Construction Procurement Policy, Processes, Procedures, Methods and Delegations* describes the permissible procurement procedures, establishes under what conditions such procedures may be used and provides a control framework to manage procurement processes. In terms of this policy, the Director Campus Planning and Development appoints ad hoc documentation review teams and evaluation panels to review

the procurement documents and to evaluate submissions received, respectively. He also takes decisions on interim processes. A standing university tender committee (governance committee), which deals with all Wits tenders, considers the tender report and recommendations of the evaluation panel and either refers the report back to the evaluation panel or makes a recommendation to the delegated authority to award the contract (or not), with or without conditions. The relevant delegated authority awards the contract if its monetary value is within his or her delegation.

To support efficient and effective procurement and collaborative contractual relationships, the Wits policy permits framework agreements to be entered into on an as and when required basis over a three-year term without any guarantee of any quantum of work. The process for putting in place a framework agreement is no different to any other contract.

Contract managers are empowered to increase the total of the prices excluding contingencies and price adjustment for inflation and the time for completion by not more than 2%. The Director Campus Planning and Development may increase such total of prices by up to 10% and the time for completion by up to 20%. The delegated authority is empowered to further increase these values should the need arise.

9.2. INITIAL PROCUREMENTS TO DEVELOP THE IMPLEMENTATION PLAN

The NUPMT established a website to facilitate the issuing of procurement documents and management of the issuing of clarifications and addenda. This website permitted calls for expressions of interest and tender documents to be downloaded by prospective tenderers should they register their contact particulars for a particular procurement. It was also possible to issue clarifications and addenda to all those registered for a particular procurement.

Wits commenced work on the project during November 2011. The first key deliverable was a Phase 1 Implementation Plan, comprising an implementation plan for the establishment of the two Universities together with a communication plan enabling promulgation of the seats of the respective Universities by the DHET. During July 2012 competitive tenders were invited in the press for a range of professional services, following the President's announcement on 5 July 2012 that the new universities for Mpumalanga and Northern Cape provinces would be located in Nelspruit and Kimberley respectively.

Tenders were invited on a term services basis (NEC3 Professional Service Contract (PSC) – Option G: Term contract) with a ceiling price of R 1.0 m (i.e. the threshold for quotations) for services relating to landscape architecture, data base information management systems, social impact assessments, cost consulting, town planning, civil engineering, electrical engineering, environmental impact assessment, geotechnical engineering, land surveying, traffic engineering and heritage assessments. These tenders were awarded in terms of a quotation procedure.

A number of contracts with specialists such as those relating to university space norms and building cost analysis, university policy and procedures, change management and communications and property transaction advisor, were negotiated using the negotiated procedure with identified specialists. Contracts were entered into using the NEC3 Professional Service Contract (PSC) under Option E (Time based contract) or Option G (Term contract.)

9.3. STRATEGIC APPROACH TO PROCUREMENT

The NUPMT based its procurement approach on the experience gained by Wits University in delivering its substantial capital works programme over the period (2007 – 2012) preceding the new universities project. ^[9-4] Key learning from this experience was that the project objectives can best be achieved when:

- a) The design of the buildings and associated site works are managed by the employer and his agents, and the main contractor has limited responsibilities for the design;
- b) Discipline-specific design specialists are appointed by the employer to provide the required design inputs;
- c) Fragmentation in design is addressed by involving the contractor wherever possible in the development and finalisation of the design;
- d) A conscious decision is taken to move away from the pre-planned traditional contracting approach (“them-and-us”) towards an integrated project team which works together over a number of years, taking learnings from one project to another, and supporting a collaborative team culture;
- e) A flexible construction service (three-year contracts are established with the capacity to respond rapidly to changing demands and constraints as the projects unfold);
- f) The client leadership and procurement strategy promotes an industry culture shift (see Table 9.1).

Table: 9. 1 Culture shift promoted through the client’s procurement strategy

From	To
Master-servant relationship of adversity	Collaboration towards shared goals
Fragmentation of design and construction	Integration of design and construction
Allow risks to take their course	Active risk management and mitigation
Meetings focused on past - what has been done, who is responsible, claims, etc.	Meetings focused on “How can we finish project on time and within budget?”
Develop the project in response to a stakeholder wish list	Deliver the optimal project within the budget available
“Pay as you go” delivery culture	Discipline of continuous budget control
Constructability and cost model determined by design team and quantity surveyor <u>only</u>	Constructability and cost model developed with contractor’s insights
Short-term “hit-and-run” relationships focused on one-sided gain	Long-term relationships focused on maximising efficiency and shared value

From the outset the NUPMT recognised that the living and working conditions created by a superior design for a university makes a positive contribution to a sense of academic identity and collegiality on campus, and that some of this benefit extends to the local community as well. As universities outlive any one generation of teachers and students, an excellent design must be true to its time and place, while leaving options open for the contributions of future generations. A university should stand as a proud embodiment of the highest values that a society can achieve both in the present and in the future.

These fundamentals underpinned the specifics of the NUPMT procurement strategy.

9.4. KEY SPECIFICS OF THE NUPMT PROCUREMENT STRATEGY

Based on Wits' experience and the specific objectives developed by the NUPMT and the integrating and governance structures described elsewhere in this report, the primary procurement objectives for the New Universities project were to:

- a) Deliver the universities within a control budget;
- b) Ensure that lifecycle costs and sustainability are considered;
- c) Ensure that expenditure is within the annual allocations of the MTEF;
- d) Ensure that teaching spaces can be occupied at the start of the academic year;
- e) Provide works that are capable of being readily maintained;
- f) Ensure that the design of teaching spaces is aligned with current and future best practice;
- g) Ensure a non-negotiable commitment to health and safety;

The secondary procurement objectives for the New Universities project were to:

- a) Promote broad based black economic empowerment (B-BBEE);
- b) Promote and support local participation (province wide) throughout the supply chain and local employment through the delivery of the works; and
- c) Support skills development by increasing the number of people who have part qualifications, national qualifications and professional designations awarded by statutory councils.

South Africa's Broad Based Black Economic Empowerment Act (Act 53 of 2003) establishes a legislative framework for the promotion of black economic empowerment. Codes of Good Practice on Black Economic Empowerment issued in terms of the Act measure the overall contribution of entities to broad based black economic empowerment using a score card. Entities are rated in terms of their level of contribution from 1 to 8. Preference points are awarded in accordance with their status as indicated in Table 9.2.

Table 9.2: Preference points for Broad-based Black Economic Empowerment contributors

Empowerment status determined in accordance with the preference schedule for Broad-Based Black Economic Empowerment	% max points for preference
Form not completed or non-compliant contributor	0
Level 8 contributor	10
Level 7 contributor	20
Level 6 contributor	30
Level 5 contributor	40
Level 4 contributor	50
Level 3 contributor	80
Level 2 or contributor	90
Level 1 contributor	100

From the outset, the NUPMT recognised the importance of local participation (province wide) in the construction process and established a set of key performance indicators and

participation goals for local business participation, local employment and skills development (see Table 9.3). These are set out in the table below. Standard specifications were developed to enable these goals to be implemented through contracts. The outcomes of this targeting strategy are described in Chapter 11.

Table 9.3: Key performance indicators and targets

KPI	DHET New Universities PMT Specification	Definition of KPI
contract local participation goal (CLCG)	Specification for local participation in engineering and construction contracts	The percentage of the Defined Cost excluding amounts for specialist subcontractors included in the amount due following Completion of the whole of the works, which represents: a) the wages, salaries and amounts paid by the Contractor to local people according to the time worked while they are within the Working Areas; b) payments made to local enterprises for Equipment, Plant and Materials; and c) payments to Subcontractors who are local enterprises
broad-based black economic empowerment spend goal (B-BBEE SG)	Specification for B-BBEE spend in engineering and construction contracts	The Contractor's total B-BBEE procurement spend to Provide the Works, expressed as a percentage of the Contractor's total procurement spend
contract local direct employment goal (CLDEG)	Specification for direct employment generated in engineering and construction contracts	The percentage of the total number of equivalent person days worked by people employed by the Contractor or a Subcontractor within the Working Area who are local people
contract skills development goal (CSDG)	Specification for developing skills that result in nationally accredited outcomes through infrastructure contracts	The number of hours of skills development opportunities that a contractor contracts to provide in relation to work directly related to the contract or order, up to: a) completion in the case of a professional service contract; b) the end of the service period in the case of a service contract; c) practical completion in the case of an engineering and construction works contract; and d) the delivery date for all the work required in terms of a supply contract.

9.5. PROFESSIONAL SERVICE CONTRACTS

The appointment of a large number of discipline specific consultants on a framework agreement basis required documented and co-ordinated scopes of services within a defined project life cycle and a competitive and auditable procedure for the determination, after the award of a framework agreement, of an appropriate fee for standard architectural, cost consulting and engineering services. Standard documents were developed based on government's Infrastructure Delivery Management System (IDMS), namely the *Standard Scope of Professional Services associated with the Delivery of a Package*, ^[9-3] the *Framework for the Determination of Professional Fees for Consulting Services* ^[9-5] and an *Occupational Health and Safety Specification for Construction Works Contracts*. ^[9-6]

The total professional fee for a construction project can be estimated either on the basis of the staff rates and the estimated number of hours or days to perform the tasks associated with a work plan, or a methodology which is based on a percentage of the construction cost as is commonly the case in South Africa. Fixed (lump sum) fees, based on either of these two methods, can only be established at the outset of a project if the scope of the project, the construction schedule and other variables can be determined with reasonable accuracy. Such information was not available at the outset of the project, or for that matter over the term of the framework agreement. Therefore, the NUPMT opted for fee based on a percentage of the cost of construction for architectural, landscape architectural and engineering services relating to design and construction monitoring as well as cost consulting services.

A fee based on a percentage of the cost of construction, which reduces as the cost of construction increases, allows a price to be established in the absence of the detailed information required to prepare a comprehensive estimate of the hours involved in a project to arrive at a fixed fee. Such a fee needs to take into account a number of variables such as the level of effort required in providing the service, the consultant's profit and overheads and the consultant risks and unrecoverable expenses.

The fee percentage applicable to the various projects can be calculated in terms of the following formula:

$$\text{Fee percentage applicable to a project} = \text{BPF} \times F_{LE} \times F_{PO} \times F_{CON}$$

where:

- BPF is the basic percentage fee derived from a curve, tabulation or a mathematical expression of a curve e.g. those published by South African statutory councils as guideline fees;
- F_{LE} is an adjustment factor that reflects the level of effort that is required which is made up by applying standard adjustments for different demands upon the required services and project specific factors that are finalised with the employer when the full scope of work is understood;
- F_{PO} is an adjustment factor which takes into account the difference between the consultant's overheads and profit structure and the standardised value for overheads and profit upon which the basic fee percentage curve is based e.g. the tendered professional and technical staff rate expressed in cents / R 100 or part thereof of total cost of employment / 16; and
- F_{CON} is an adjustment factor made by the consultant to reflect factors such as risk, productivity, efficiency, locality, local knowledge, particular methods or systems for delivering services, level of expenses that are not recoverable, etc.

The *Framework for the Determination of Professional Fees for Consulting Services* ^[9-5] provides a methodology based on the above formula for the determination of fees on a percentage of construction cost for architectural services, cost consulting services for building works and engineering services. Tenderers were invited to tender the cents per R100 or part thereof of the total cost of employment, which enables the hourly staff rate to be calculated, and the adjustment factor (F_{CON}). The adjustment factor for the consultant's overheads can be calculated and the final fee can be established when the precise scope of work is known after the award of a contract, based on the level of effort that is required, commercial risk and efficiency considerations. This is the method that was adopted by the

NUPMT and which achieved effective service and efficient cost outcomes as outlined in Chapter 14.

The NUPMT opted for the NEC3 Professional Service Contract (PSC) and specifically for Option G (Term contract), which provides for the issuing of task orders, either on a time charge basis or on a lump sum basis where the lump sum is based on the forecasted times required for the services, multiplied by the staff rates. Using a Z clause (additional clause) provision in the contract, the NUPMT permitted as an alternative for a lump sum to be established on the basis of a percentage of the cost of construction derived from the aforementioned framework.

Competitive tenders were invited for consulting services. In all cases, tenderers had to include their maximum hourly rate and the cents per R100 or part thereof of the total cost of employment, and where the framework for the determination of a percentage fee applied, their adjustment factor (F_{CON}). In some instances (e.g. project management services), tenderers were required also to tender a maximum monthly fee and a parameter to enable a monthly fee to be derived from the total annual cost of employment. Tenderers were required to include the cost of travel and accommodation associated with providing the service in Kimberley or Nelspruit, as relevant, in their tendered parameters. The tendered parameters were reduced to a common basis in terms of a tender assessment schedule which weighted and combined each parameter and was included in the procurement documents issued to tenderers.

9.6. DESIGN COMPETITION FOR ARCHITECTURAL SERVICES

Separate architectural design competitions were held for the Sol Plaatje University and for the University of Mpumalanga (see Chapter 8). A two-stage design competition was developed for each to extract innovative designs, ideas and practices and to identify talented designers for development of the new universities. The competition sought to discover talent and skill which, but for a competition, would remain unknown, and to promote the project through publicity and exhibitions. The announcement of the winners and the exhibiting of the entries of the finalists was linked to the launch of the new universities in the latter part of 2013. It was envisaged that the second stage at each of the universities would include no more than ten competitors and an honorarium of R40 000 was offered to all participants in the second stage who submitted submissions of a quality acceptable to the jury.

Each design competition was endorsed by the South African Institute of Architects and was linked to the qualified procurement procedure to enable framework agreements to be entered into with up to five architectural practices per university. Admission to the design competition was initiated through an expression of interest. Those respondents who expressed interest had to be registered as a professional architect in terms of the Architectural Profession Act of 2000 and had to complete the competition Application Form.

Each design competition was conducted strictly in accordance with the provisions of a set of *Standard Conditions for a Design Competition* ^[9-7] prepared for the competition, based on international practices. These conditions bound the competition administrator, participants, the jury, the promoter and technical consultants to conduct themselves in a particular manner. They established what each participant was required to do in order to make a compliant submission, and also established the actions and functions of the competition administrator, the jury and the promoter. These conditions were designed to ensure that the

identity of any particular participant during the process was not known to the jury until after competition winners were announced. The competitions' administrator was only made aware of the identity of participants at the conclusion of each stage.

Participants in the first stage were provided with a brief which included a Spatial Development Framework and were required to provide a brief outline of their understanding of the five issues listed (see Chapter 8) using sketches, diagrams, images and text, and their proposed methodology and approach, in not more than ten A4 pages. The jury was tasked to select no more than ten participants to progress to the next stage (see table below).

Participants in the second stage were required to submit ideas based on a full brief, including detailed precinct plans. The focus during this stage was on the design of buildings and the detailed elaboration of a portion of the campus. Participants were required to outline by way of drawings (plans, sections, elevations and perspectives) and a monotone block model their approach and understanding to a university building in the context of the prescribed Development Framework for the University. Participants during this stage were required to provide up to six single sided A1 posters in a prescribed format and four large scale and high resolution electronic images which would form part of the announcement of winners. The jury was tasked to rank the submissions and to decide whether or not to award an honorarium.

In the final phase of the award process, those participants who were admitted to the second stage of the competition were invited to associate with architectural practices and to submit tender offers. Tenders were evaluated on the basis of their financial offer, preference and quality. The score for quality was based solely on the ranking of the competition jury. The financial offer was adjusted for preferences using the 90:10 preference points system in accordance with the provisions of the Preferential Procurement Policy Framework Act with all the points for preference being allocated to B-BBEE. Points for quality (maximum 100) were combined with the preference points system as other objective criteria in terms of the Preferential Procurement Policy Framework Act. A weighting of financial offer adjusted for a preference to quality of 0.3:0.7 was selected to ensure that the architectural practices with the highest ranked participants would be awarded a contract provided that they tendered reasonable financial parameters and obtained some points for preference. Tenderers who failed to be ranked by the jury were eliminated from contention. Framework agreements were concluded with the highest ranking tenderers based on the NEC3 PSC Option G.

Tables 9.4 and 9.5 provide a summary of the procurement process and the outcomes of such processes. By way of comparison, the South African Council for the Architectural Profession's recommended time-based rates (effective from 1 January 2012), exclusive of VAT, are R 2 400 per hour for specialists and R 1 875 per hour for a partner or equity holder with more than 10 years of experience and between 16,5 to 22,5 cents for salaried staff, depending upon the level of responsibility they carry. The SACAP recommended fees exclude travelling costs.

Table 9.4: Summary of procurement process for architectural services

Milestone	Sol Plaatje University	University of Mpumalanga
Expressions of interest		
Documents available from	6 May 2013	27 May 2013
Number respondents who expressed interest	179	147
Closing date for submissions	27 May 2013	
First stage of design competition		
Documents available from	30 May 2013	24 June 2013
Number downloaded documents	153	111
Closing date for submissions	11 July 2013	1 August 2013
Number of submissions received	59	47
Jury composition	7 members. 4 architects (3 from South African and one from Botswana) plus a representative of the University Interim Council, Sol Plaatje / Mbombela Municipality and DHET)	
Number admitted to the next stage	9	7
Second stage of design competition		
Documents available from	19 July 2013	8 August 2013
Closing date for submissions	10 September 2103	11 October 2013
Number of submissions received	9	7
Number of submissions ranked	6	4
Announcement of the competition "winners"	18 September 2013	30 October 2013
Tenders		
Documents available from	19 July 2013	26 August 2013
Closing date for tenders	10 September 2013	11 October 2013
Tenders received	9	7
Responsive tenders	6	4
Evaluation panel report finalised	17 September 2013	29 October 2013
Announcement of recommended tenderers	18 September 2013	30 October 2013

Table 9.5 Procurement outcomes for architectural services

	Sol Plaatje University	University of Mpumalanga
Maximum hourly rate excluding VAT but including travel costs		
Maximum	R 1 750	R 2 300
Minimum	R 1 050	R 1 100
Average	R 1 410	R 1 531
Cents per hour / R100 of total annual cost of employment excluding VAT but including travel costs		
Maximum	19 cents	17,5 cents
Minimum	13 cents	12 cents
Average	15,6 cents	14,9 cents
Effective adjustment factor to SACAP December 2011 fee scale*		
Maximum	1,13	1,14
Minimum	0,7	0,68
Average	0,93	0,92
Socio-economic		
Average B-BBEE score (max = 10)	5.4	4.8

* The effective adjustment factor = tendered F_{CON} x tendered cents per hour per R100 of total cost of employment / 16

9.7. PROCURING THE SERVICES OF THE PROFESSIONAL TEAMS

9.7.1 Urgent start up services

With the exception of interior design and space planning expertise, the NUPMT had the necessary capabilities and capacity to scope and oversee the work associated with the 2014 start-up of the universities which required the refurbishment, extension or alteration of existing buildings. Open tenders were called for during September 2013 for interior design and space planning services with all the preference points allocated to B-BBEE. Tenders were evaluated on the basis of financial offer, preference and quality. The financial offer was adjusted for preference using the 90:10 preference points system with all the points for preference being allocated to B-BBEE. Points for quality (maximum 100) were combined with the preference points system as other objective criteria. Tenderers scoring less than 60 points were eliminated from further consideration. A weighting of financial offer adjusted for a preference to quality of 0.7:0.3 was used. Contracts based on the NEC3 PSC (Option G: Term contract) were entered into with the successful tenderers for a three-year term.

Short term appointments were made to provide one of the architects in each of the universities with engineering design capacity in order to fast track selected buildings for tender purposes. Similarly, short term appointments were made for cost consultants to provide immediate assistance to the NUPMT with the financial administration of the management contractors, who had been appointed to undertake the urgent refurbishment work for the start of the 2014 academic year. These appointments were made in terms of the Wits Policy which permits contracts for professional services having a value not exceeding R250 000 including VAT to be entered into using the negotiated procedure with a suitably qualified consultant on a time and cost basis. Contracts based on the NEC3 PSC (Option E: time based contract) were entered into.

9.7.2 Professional services for design and supervision

Following the appointment of the architects, tenders were invited to secure the services of the remainder of the professional design team using the open procurement procedure with all the preference points allocated to B-BBEE.

Eligibility criteria: Stringent eligibility criteria were set for each procurement. These were typically designed to ensure that the appointed consultants:

- Provide independent advice;
- Are not unincorporated joint ventures;
- Are companies registered in terms of the Companies Act or the Closed Corporation Act or a partnership with an agreement that enables the partnership to continue to function in the event of a death or withdrawal of one of the partners;
- Have in their full time employ a suitably qualified person who will either provide the service or who will direct the services (i.e. a key person);
- Are able to produce annual financial statements;
- Have contactable references for the provision of similar services;
- Have in place a minimum level of professional indemnity cover; and
- Have a turnover in excess of a specified threshold.

Unincorporated joint ventures were excluded because of the uncertainties relating to *who* is being evaluated in the tender process, *who* will provide the service, whether or not the

“marriage” will remain intact over the term of the contract, how the liabilities are to be finally apportioned within the joint venture, *who* will be responsible for rectifying defects and how professional indemnity insurance cover will be dealt with after the term of the contract. Sole proprietors who were not practising within registered companies were excluded due to risks relating to accessibility of outputs and work in progress in the event of death during the term of the contract.

In the case of the tenders for Cost Consultants the tender required prior experience of university and higher education cost norms as part of the eligibility criteria. The NUPMT was challenged by the Association of South African Quantity Surveyors (ASAQS) of the Northern Cape Chapter who lodged a formal complaint with the Competition Commission. The NUPMT justified this eligibility criterion on the basis that the project required proactive cost control to ensure that each project is designed and delivered within an established control budget. This approach contrasts with the commonly encountered method based on the measurement and costing of what others have designed. The NUPMT also pointed out to the Commission that the eligibility criteria did not unduly limit competition and resulted in fees which were substantially lower than those recommended by the South African Council for the Quantity Surveying Profession. The Commission concluded its investigation and decided, on the basis of the information available, not to refer the matter to the Competition Tribunal for determination.

Evaluation criteria: Tenders were evaluated on the basis of their financial offer, preference and quality as previously described. A weighting of financial offer adjusted for a preference to quality of 0.6:0.4 was applied to all tenders save for those relating to project management, strategic environmental, health and safety and environmental compliance services where a weighting of 0.5:0.5 was applied. Two standard quality criteria were evaluated in all tenders, namely the experience of the principal consultant (key person) in terms of professional profile and experience in relation to the required service and the value added by the tenderer (i.e. the answer to the question as to why the employer will derive better value for money by contracting with the tenderer rather than with any other tenderer).

An approach paper was required and evaluated in terms of the tenders for wet services, project management, cost consulting and fire, civil and mechanical engineering services. An interview with the four highest scoring tenderers took place in the tenders for project management services whereby the evaluation panel had the opportunity to moderate the quality score for the approach paper and the value added by the tenderer following an oral presentation by the key person.

Tender responses and evaluation: Tenders were invited for professional services for both Universities in a national newspaper and in local newspapers and on the New University website during 2014 (see Table 9.6). No tenders were received for land surveying services at the Sol Plaatje University or for fire engineering services at the University of Mpumalanga. No responsive tenders were received for the health and safety services required at both universities and for land surveying services at the University of Mpumalanga.

The lack of responsive tenders received for health and safety services was perceived to be related to the lack of registered persons complying with the Construction Regulations 2014 issued in terms of the Occupational Health and Safety Act of 1993. The health and safety tenders were accordingly re-advertised with the assistance of the South African Council for Project and Construction Managers. The other tenders were not re-advertised as the

aforementioned negotiation procedure for services having a value of less than R 250 000 and quotation procedure for tenders under R 1,0 m were used to satisfy requirements.

Compulsory clarification meetings were held for the project management, cost consulting and civil, electrical, mechanical and structural engineering services and wet services. A technical evaluation panel comprising at least three suitably qualified built environment professionals performed the technical evaluations. A tender evaluation panel with representatives from the interim university councils and other stakeholders finalised the tender evaluation report. The tender reports were submitted to the scheduled monthly meeting of Wits' tender committee for their consideration and recommendations.

Statistics: Statistics relating to the tenders advertised between March and August 2014 are provided in Table 9.6. A number of tenderers were not scored either due to their failure to score above the quality threshold score of 60 or to tender the specified financial parameters. The average number of calendar days between the closing of tenders and the tender committee meeting recommending the award of the contracts excluding the tenders for project management services was 34 days.

The average tendered parameters for the successful tenderers in the different disciplines is indicated in Table 9.7. The fees recommended by the South African Council for the Quantity Surveying Profession (SACQSP – effective 1 January 2013), the Engineering Council of South Africa (ECSA – effective 1 January 2014), the South African Council for Landscape Architects (SACLAP – effective 1 January 2013) and the South African Council for the Project and Construction Management Professions (SACPCMP – effective 1 January 2012), are shown in brackets in Table 9.7 – all excluding travel costs. All the tendered financial parameters are significantly lower than the fees recommended by the statutory councils before reductions for travelling expenses to enable proper comparison.

None of the appointed consultants who provided project management, landscape architectural, environmental, health and safety or specialist engineering services were based in Kimberley or Nelspruit. 50% of the cost consultants (quantity surveyors) and 70% of the electrical, mechanical, civil and structural engineering consultants appointed for the Sol Plaatje University were either based in Kimberley or had a branch office in Kimberley. 50% of the cost consultant and 63 % of the electrical, mechanical, civil and structural engineering consultants appointed for the University of Mpumalanga were either based in Nelspruit or had a branch office in Nelspruit.

Table 9.6: Tenders received for professional services (March to August 2014)

Service	Tenders			Averages of scored tenderers					Highest quality	Dates (Closing of Tender/ Tender committee)	No of awards
	Received	Responsive	Scored	Max hourly (Rand)	Salaried staff (Cents)	Effective adjustment factor*	B-BBEE (score)	Quality score			
Sol Plaatje University											
Electrical engineering	17	12	9	1183	13.2	0.89	7.8	78.0	88.3	11-03 /20-03	2
Civil engineering	19	14	14	1134	13.4	0,88	6.9	75.0	84.3	11-03/ 20-03	1
Fire engineering	2	2	2	1050	13.8	na	9.0	72.2	78.3	11-03 /20-03	1
Mechanical engineering	13	8	7	1265	14.4	0,91	8.7	71.2	80.2	11-03 /20-03	2
Structural engineering	18	16	16	1165	13.9	0.88	7.8	77.3	90	11-03 /20-03	2
Wet services	5	3	1	1050	12.5	0,7	9.0	77	77	27-03 /17-04	1
Project management	13	6	4	1663	12.3	na	7.8	75.6	92.5	27-03 /27-06	2
Cost consulting	14	9	7	1079	14.9	0.82	7.6	73.8	89.5	27-03 /17-04	2
Geotechnical	4	3	2	2284	16.5	na	6,5	72.9	83.3	08-04 /15-05	1
Traffic engineering.	8	3	3	1183	13,6	na	8.3	79.7	86.0	08-04 /15-05	1
Acoustic engineering	2	1	1	1940	18.0	na	8	91.7	91.7	08-04 /15-05	1
Landscape architectural	11	5	3	946	10,8	0,68	5,5	79.8	88.5	08-04 /15-05	1
Strategic environmental	5	2	2	1225	15,8	na	7.0	92.5	100	28-05 /27-06	1
Health and safety	9	2	2	925	14.5	na	7.0	71.7	72,5	20-08 /08-10	1
Environmental compliance	11	3	3	823	12.3	na	7.7	84.6	88.1	20-08 /08-10	1
University of Mpumalanga											
Electrical engineering	16	13	10	1223	13.5	0.93	7.3	77.8	89.2	18-03 /17-03	2
Civil engineering	16	13	12	1098	13.6	0.74	7.4	75.1	91.8	18-04 /17-04	2
Mechanical engineering	12	9	8	1287	14.4	0.94	7.8	72.9	84.8	18-03 /17-04	2
Structural engineering	20	18	18	1200	14.1	1.1	7.6	72.6	88.3	18-03 /17-04	2
Wet services	4	2	1	900	16.5	3.0	0	68.5	68.5	02-04 /17-04	1
Project management	15	9	7	1562	13.6	na	7.2	71.9	92.5	02-04 /27-06	1
Cost consulting	15	10	6	1032	13.8	0.89	8.5	78.4	88.5	02-04 /17-04	2
Geotechnical	8	5	4	1014	14.0	na	4.5	81.7	86.7	08-04 /12-06	1
Traffic engineering	6	4	3	867	13.3	na	7.0	79.5	81.7	08-04 /12-06	1
Acoustic engineering	2	1	1	1940	18.0	na	8	91.7	91.7	08-04 /12-06	1
Landscape architectural	10	3	3	1033	11.3	0,77	9	83.1	88.8	08-04 /12-06	1
Strategic environmental	4	2	2	1225	15,8	na	7.0	93.7	99.4	28-05/ 27-06	1
Health and safety	14	1	1	1100	15.0	na	9	72.0	72.0	20-08 /08-10	1
Environmental compliance	14	5	5	873	13.5	na	8.0	80.3	88	20-08 / 8-10	1

* The effective adjustment factor = Tendered F_{CON} x tendered cents per hour per R100 of total cost of employment / 16

Table 9.7: Average parameters of successfully tendered professional services

Average tendered parameters inclusive of travel expenses	Cost consulting	Engineering (electrical, mechanical, civil and structural)	Landscape architecture	Project managers
Maximum hourly rate excluding VAT but including travel costs	R 933 (SACQSP = R 1669 if public sector 2014 director salary applied)	R 921 (ECSA = R1958 if 2014 public sector director salary applied)	R 895 (SACLAP = R 1140 – 2013 rate)	R 1291 (SACPCMP = R 1469 – R 1780 if 2014 public sector director salary applied)
Cents per hour / R100 of total annual cost of employment excluding VAT but including travel costs	12.3 (SACQSP = 16.5 – 17.5)	12.3 (ECSA = 16,5 to 17.5)	11 (SACLAP = 12.5 to 17,5)	11.8 (SACPCMP = 14.7 – 16.5)
Effective adjustment to guideline fee scales published by a statutory body	0.72 x basic SAQSP 2013 fee	0.73 x basic average ECSA 2014 fee	0.69 x basic SACLAP 2013 fee	Na
Average preference score	8.8	8.8	8.0	6.5

Framework agreements were concluded with the highest ranked tenderers based on the NEC3 PSC Option G over a three-year term. In the case of cost consulting and project management services, it was considered essential (from a commercial risk perspective) that the appointed service providers should only provide services to one of the two universities. Contract skills development goals were linked to all task orders issued during the term of the contract having a value and duration in excess of R2.0 million and 12 months, respectively.

9.8. PROCURING CONSTRUCTION SERVICES

9.8.1 Civil engineering works:

For the September 2013 launch of the Sol Plaatje University, construction services were required to prepare a paved area of the Central Campus square. Open tenders were called for during July 2013 for a civil engineering framework contract having a three-year term for the construction and upgrading of infrastructure, including roads, paved areas, pedestrian crossings, parking areas, landscaping and electrical installations within the new university campus. In addition to the CIDB contractor grading criteria (grade 6CE and higher), eligibility criteria were set, which included previous experience during the past three years, ability to generate financial statements and minimum turnover during the previous financial year. Quality (experience and value add) was evaluated with a weighting of financial offer adjusted for a preference for B-BBEE to quality of 0.8:0.2. A contract was entered into with a Kimberley based contractor having a CIDB contractor grading designation of 6, based on the NEC3 Engineering and Construction Short Contract, which contained a price list of the typical activities which were likely to be encountered in package orders issued during the term of the contract.

9.8.2 Refurbishment

Construction services were required to refurbish, extend or alter existing buildings on both campuses ahead of the 2014 academic start and subsequently for the 2015 and the 2016

academic start. Open tenders were called for during July 2013 for a framework contract having a three-year term, based on the NEC3 ECC (Option F: Management contract). In terms of this type of contract, the contractors are paid their expenses (market related prices or competitively tendered amounts) plus their tendered fee to cover items such as profit, company overheads, finance changes, insurances, performance bonds, management costs etc.

In addition to the CIDB contractor grading criteria (grade 6 GB or higher), eligibility criteria were set, which included previous experience during the last three years, ability to generate financial statements and a minimum turnover during the previous financial year). Quality (experience of tenderer and key person and value add) were evaluated with a weighting of financial offer adjusted for a preference to quality of 0.75:0.25. Statistics relating to the management contract tenders are provided in Table 9.8 below. Contracts were entered into with a Kimberley based CIDB grade 7 contractor for the Sol Plaatje University and a Nelspruit based CIDB grade 8 contractor for the University of Mpumalanga.

Table 9.8: Tenders received for a management contract (September 2013)

Service	Tenders			Averages of scored tenderers				Highest quality	Dates (Closing of Tender/ Tender committee)	No of awards
	Received	Responsive	Scored	Direct Fee %	Subcontract Fee %	B-BBEE (score)	Quality score			
Sol Plaatje University	6	1	1	12	8	10	92.3	92.3	03-09-13 / 24 -10-13	1
University of Mpumalanga	11	3	2	16.25	13.8	6.3	84.5	85.7	26-09-13 24-10-13	1

9.8.3 Construction of new buildings:

During 2014, tenders were invited for the construction of buildings within the university precincts of both universities in terms of a restricted competitive negotiations procedure for a framework contract having a three-year term, based on the NEC3 ECC (Option C: Target Contract).^[9-3] In terms of this type of contract, a target price, based on activity schedules, is agreed between the employer and the contractor to stimulate productivity. Throughout the contract, the initial target price is adjusted for compensation events (e.g. scope changes and events which are at the employer's risk), to arrive at a final 'cost' to keep the target equitable. The contractor is paid his costs (people, materials, plant, equipment, site overheads, subcontractors etc.) at market related or competitively tendered rates plus a tendered fee percentage to cover items such as profit, company overheads, finance changes, insurances and performance bonds on a monthly basis as the work proceeds.

The difference between the 'final target price' and the amount paid to the contractor when the work is completed (cost plus the fee) is shared between the employer and contractor in agreed proportions.

The restricted competitive negotiations procedure was conducted in three stages (see Table 9.9 below). During the first stage a call for expressions of interest was issued to prequalify tenderers to enter into competitive negotiations and to limit the number of participants in the competitive negotiations process to a manageable number. Respondents were

screened in terms of eligibility criteria relating to their CIDB contractor grading designations (grade 7GB or higher), company status, tax status, ability to provide financial statements, experience in providing multi-storey concrete frame buildings and turnover during the previous financial year. Thereafter they were scored in terms of their experience in undertaking work of a similar nature, their B-BBEE status, their proposals for promoting local content, job creation and skills development, their health and safety plans, quality management policies and systems to track costs.

Table 9.9: New Buildings: Tenders received for target cost contract (June to August 2014)

Service	Tenders		Averages of scored tenderers				Highest quality	Dates (2014) (Closing of Tender/ Evaluation panel or Tender committee)	No of awards
	Received	Responsive	Scored	Financial offer	B-BBEE (score)	Quality score			
Sol Plaatje University									
Expression of interest	15	10	7	Na	8.6	78.6	90.8	11-06 / 17-06	-
First round	7 invited 4 received	4	4	89.0	6.7	76.3	91.3	09-07 / 18-07	-
Final round	4 invited	4	4	88.1	8.8	78.7	85.4	13-08 / 27-08	3
University of Mpumalanga									
Expression of interest	12	10	7	Na	7.3	81.2	92.2	11-06 / 17-06	-
First round	7 invited 6 received	6	4	81.6	4.5	85.5	92.5	09-07/ 18-07	-
Final round	4 invited	4	4	83.1	6.6	86.8	94.3	13-08 / 27-08	2

In the first round of the competitive negotiation procedure tenderers were required to submit pricing parameters (fee percentages, site overhead percentages, percentage adjustment to published plant hire rates, key staff annual salaries etc.) and a target price based on a bill of quantities for the first package order (see Table 9.10). At the outset of the process, a non-compulsory clarification meeting was held, at which tenderers were provided with a comprehensive interactive briefing on the proposed contractual arrangements.

In order to compare financial offers, the tendered pricing parameters were combined with the target price in a tender assessment schedule provided in the tender documents. The assessment of quality was based on an approach paper addressing delivery, local content, job creation and skills development, together with the experience of the project director, contract manager and cost controller. The submissions were evaluated with a weighting of financial offer adjusted for a preference to quality of 0.7:0.3.

Tenderers who were admitted to the final round of the competitive negotiation process were provided with the documentation associated with the first package order complete with construction drawings, and were invited to attend a round of competitive negotiations with representatives of the client and the project team including designers, to afford them an opportunity to fine tune their submission. Thereafter, they were requested to make their final submissions, including improvements in their pricing parameters (see Table 9.10 below),

preferences and quality scores as well as a target price based on an activity schedule for the first package order and a programme for the works. In this final stage, quality was evaluated with a weighting of financial offer adjusted for a preference to quality of 0.8:0.2.

Outcomes for Sol Plaatje University: Three contracts were entered into with non-Kimberley based contractors having CIDB contractor grading designations of 7, 8 and 9, respectively.

Outcomes for University of Mpumalanga: Two contracts were entered into with contractors for the construction of buildings at the University of Mpumalanga having CIDB contractor grading designations of 8 and 9 respectively, one of which is based in Nelspruit.

All of these contracts made provision for the KPIs and targets described in Table 9.3 above and established low performance damages should these KPIs not be achieved.

9.8.4 Provision for early contractor involvement

Each of the three distinctly different types of framework contracts referred to above, facilitate the early involvement of contractors, as the contractor is appointed before the design has been completed.^[9-8] The opportunity to address fragmentation in design therefore exists as well as to obtain contractor insights into value engineering before any package order is finalised. The target cost contract option facilitated a “fast track” delivery process for each package order. This was made possible because the contractor:

- was provided with a general description for the whole of the works which he would ultimately price, schedule and deliver;
- was provided with complete production information for that portion of the works which he had immediately to price and deliver.

This enabled the contractors to make assumptions on what allowance should be made for the balance of the works for which production information was not yet available. These assumptions were revisited when new production information became available and adjustments to the target price and completion dates could be made through the compensation event mechanisms provided in the contract. Thus, while production continued on the first portion of the work, the design team was required to complete the outstanding production information with the inputs of the contractor in an effort to value engineer the final design in order to remain within the control budget.

Table 9.10: Average tendered parameters for target contract at different stages in the procurement process

Tendered parameter	Average values for University of Mpumalanga			Average values for Sol Plaatje University		
	At start of stage 2	At end of stage 2	Successful tenderers	At start of stage 2	At end of stage 2	Successful tenderers
Tendered total of the Prices	R48 307 483 (3% below cost consultant)	R 49 125 514	R 47 286 658	R 86 294 668 (4% above cost consultant)	86 011 996	R 85 517 054
Percentage for Working Area overheads	10.1%	6.03%	6.6%	9.5%	5.9%	5.7%
Percentage for people overheads	10.6%	6.88%	5.3%	17.5%	7.4%	5.7%
Percentage for adjustment for Equipment in the published lists	-4.1%	-1.63%	1.8%	0%	2.5%	3.3%
Subcontracted fee percentage	8.1%	7.13 %	6.0%	8.5%	7.5%	7.0%
Direct fee percentage	7.9%	7.13 %	6.0%	7.25%	7.5%	7.0%
Project director	R 1 699 870	R 1447 370	R 1 392 500	1 933 620	1 580 370	1 607 160
Contract manager	R 1 046 443	R 1 046 443	R 919 000	1 045 194	1 269 443	1 292 591
Cost controller	R 790 900	R 790 900	R 900 925	819 651	753 588	1 045 534

9.9. IT NETWORK, FURNITURE, FITTINGS AND EQUIPMENT

9.9.1 Procuring the IT network and the core IT infrastructure

Both universities required IT networks and core IT infrastructure. Tenders for the supply of goods comprising the IT network and core IT infrastructure and services relating to their deployment planning, installation, configuration and maintenance were invited through the national and local press during December 2013 with a compulsory clarification meeting in January 2014. Use was made of the competitive negotiations procedure (see Table 9.11). Stringent eligibility criteria tenderers were set. Such criteria related to the minimum requirements for competencies for locally based key staff, contactable references for similar services, compliance with at least 80% of the items in the technical requirements compliance list, requirements for a national footprint and an ability to supply goods and equipment from strategic industry leaders.

In the first round, tenderers were required to submit lump sums broken down in a specified manner, to identify and price items purchased in foreign currency and using the relevant exchange rate at an applicable date. They were also required to tender a percentage for overheads and profit which would be applied in the assessment of compensation events and the provision of post commissioning support over a three-year term. A tender assessment schedule in the tender documents provided the tendered pricing parameters to be combined with the target price in order to properly compare financial offers. Quality, including key staff,

previous experience, value add, approach paper and proposed programme, was evaluated with a weighting of financial offer adjusted for a preference for B-BBEE to quality of 0.7:0.3.

Tenderers who were admitted to the final round of the competitive negotiations process were afforded an opportunity to clarify the acceptability of their non-compliant offerings and to fine tune their proposals with the client and his technical experts. Tenderers were thereafter requested to tender their best and final offer. Their tenders were evaluated in the same manner as the first round, except that the weightings for quality were different with a zero weighting for previous experience and value add.

The averaged tendered parameters for the two stages of the competitive negotiations process is as set out in Table 9.11 below. An NEC3 Supply Contract was entered into with the successful tenderers, which happened to be the same company for each of the universities.

Table 9.11: Average tendered parameters for IT network and the core IT infrastructure

Service	Tenders		Averages of scored tenderers				Highest quality	Tendered total of Prices (Rand)	Percentage overheads and profit	Dates (2013/14) (Closing of Tender/ Evaluation panel or Tender committee)
	Received	Responsive	Scored	Financial offer	B-BBEE (score)	Quality score				
Sol Plaatje University										
First round	5	3	3	62.5	6	78.3	90	R48.21 m	14	03/12 / 11/12
Final round	3	3	2	87.6	9	81.1	82.9	R 25.32m	14	30-01 / 15-05
University of Mpumalanga										
First round	6	2	2	59.3	9	77.5	90.0	R49.52 m	14	03/12 / 11/12
Final round	2 invited	2	2	86.8	9	81.3	82.9	R24.12 m	14	30-01 15-05

9.9.2 Procuring furniture for the 2015 academic year - for renovated buildings

During September 2014 tenders were invited through the local press for the supply and installation of chairs and furniture for teaching, offices and residences ahead of the 2015 academic year at both of the Universities. Local content requirements as required by the Preferential Procurement Regulations were included in the tenders. Tenders were evaluated on the basis of their financial offer adjusted for a preference linked to B-BBEE. The tender evaluation process included the evaluation of samples of products offered and, where appropriate, a visit to the tenderer's manufacturing premises. Four contracts, based on the NEC3 Supply Short Contract, were entered into with the successful tenderers for each of the universities.

9.9.3 Procuring furniture, fittings and equipment for the 2016 academic year

The procurement of furniture, fittings and equipment (FFE) has included furniture, audio visual equipment and equipment for access control and security cameras.

Initial estimates for FFE at SPU were based on an estimated 8% of the initial target costs for new buildings C001, C002 and C003 providing a total FFE control budget of R51.35m.

Table 9.12: Actual Costs Sol Plaatje University Costs for Furniture, Fittings & Equipment	
Access control & security installation	R6 110 926
Audio visual installation	R10 115 741
Allowance for Fees (10% of FFE estimate)	R5 135 369
Furniture	R18 085 351
Total final cost	R39 447 387

Initial estimates for FFE at UMP were based on an estimated 8% of the initial target costs for new buildings L001, L004 and L006 providing a total FFE control budget of R27.38m.

Table 9.13: Actual Costs University of Mpumalanga Costs for Furniture, Fittings & Equipment	
Access control & security installation	R3 490 499
Audio visual installation	R9 213 658
Allowance for Fees (10% of FFE estimate)	R2 738 092
Furniture	R10 726 002
Total final cost	R26 168 251

At SPU significant savings were achieved against the original allowance - with a total cost of R39.44 compared to the original estimate of R51.35m. At UMP, the saving was much lower with a total cost of R26.16 compared to the original estimate of R27.38m. The significantly different level of saving compared to SPU has a lot to do with the significantly higher value of the four-storey SPU buildings.

The two-year framework contracts established, allowed both universities to draw down on the contracts for the following year's requirements.

9.9.4 The 2016 Furniture Component

Three broad types of furniture were identified:

- Residence furnishings
- Classroom and office furniture
- Soft seating and chairs

Each university undertook a needs analysis and selected typical furniture types from various catalogues available from furniture suppliers. This was rationalised as far as possible to maintain the aesthetics and interior décor of the universities, as well as the functionality and durability of the furniture selected.

For each category of furnishings, there was a selection identified, enabling specifications for open tender processes. The procurement strategy used was to set up framework contracts

for the supply of furniture over a period of two years. (When testing the period for the framework contracts, it was determined that since there is a high level of imported content for many items, the suppliers would not be prepared to be contracted for a period of longer than two years.) Local Content (South African) requirements established by the DTI were incorporated to ensure compliance with local development objectives.

A phased approach was undertaken in the open tender processes used:

- Certain common types of furniture within each category were bundled together in order to rationalise the potential suppliers, and avoid having to contract with different suppliers for a single item each. Tenderers had the choice to make offers for specific bundles of furniture that were then evaluated;
- Phase 1 enabled a desktop assessment of images offered by tenderers to determine the suitability of the furniture, along with the minimum eligibility criteria required within a price range. The highest scoring tenderers then proceeded to the next phase;
- Phase 2 required shortlisted tenderers to provide samples of certain common furniture items for inspection during a factory visit. Arrangements were made for university representatives to visit the factories where the furniture was to be produced in order to evaluate the quality of workmanship. This site visit and assessment of samples resulted in acceptance or rejection of the products. For the chairs category, samples were to be delivered to a central location, where these could be readily compared against each other for quality, durability and aesthetics. The samples were then returned to the suppliers after evaluation.

The procurement process resulted in the following awards being made:

Table 9.14: Furniture Awards of Tender

	Classroom & Office	Residence	Chairs and soft seating
Sol Plaatje University	Exact Stationers CC t/a Office World	Office Furniture Direct National	Office Furniture Direct National KIKA Furniture C T/A Furniture Fair
University of Mpumalanga	Office Furniture Direct National	Office Furniture Direct National	Office Furniture Direct National Ditulo Office (Pty) Ltd

Once they had progressed to Phase 2, all tenderers were ranked first or second in the evaluations of price and preference. In addition, they were all either Level 1 or Level 2 BBEE Status. With one exception at each university, they all came from the Gauteng region (one had its factory in George, and another operated from Kimberley).

Appliances were identified and sourced through Purco, as were the mattresses for the residence beds.

At SPU approximately 19 000 furniture items were procured from 200 unique items. At UMP approximately 7 000 furniture items were procured from 250 unique items.

At both universities, each of these items had to be delivered and placed in the correct location, which proved testing, particularly at SPU where construction on two buildings completed late. Furniture suppliers had to comply with construction health and safety requirements and additional security personnel were put in place to ensure that furniture was not stolen. In certain places, packaging was kept in place to ensure that furniture was not damaged while construction was completed.

9.10. CONCLUSIONS

The Wits procurement process, which is fully aligned with public sector requirements, enabled a range of procurement strategies and tactics to be implemented. This resulted in the creation of a competent construction service capacity to fast track the design and delivery of the physical infrastructure for the two universities at open market rates for a three-year period. The process was aligned with the NUPMT's primary and secondary procurement objectives. The procurement process resulted in most contracts being awarded to tenderers who were B-BBEE Level 2 or higher contributors. In fact records indicate that 70% of all tenders at SPU and 67% of all tenders at UMP were awarded to B-BBEE Levels 1 and 2.

None of the appointed consultants who provided architectural, project management, landscape architectural, environmental, health and safety or specialist engineering services were based in Kimberley or Nelspruit. 50% of the cost consultants and between 63% and 70% of the appointed electrical, mechanical, civil and structural engineering consultants were either locally based or had a local branch office. All of the management contractors were local contractors while the Sol Plaatje University civil engineering contractor and one of the two University of Mpumalanga contractors were local contractors.

The contracts that were entered into were sufficiently flexible to allow a hand over from Wits to the new universities to occur during the term of the contract and this process is dealt with in the Chapter dealing with Handover and Close out.

The efficiency and efficacy of the procurement process can be attributed to the following:

- 1) There being in place a comprehensive construction procurement policy, processes, procedures, methods and delegations and a website which enabled documents to be issued to tenderers and clarifications and addenda to be distributed;
- 2) The range of standard procurement options provided for in the SANS ISO 10845 standards for construction procurement and the NEC3 family of documents;
- 3) The quality and clarity of the tender documents, particular with respect to the clarity of scope, what tenderers were required to submit and how their tenders were to be evaluated, and the completeness and comprehensiveness of the tender evaluation reports which demonstrated how the stated evaluation criteria were applied; and
- 4) The tender committee's understanding of its governance function.

REFERENCE DOCUMENTS

- 9-1 University of the Witwatersrand. Construction procurement policy, processes, procedures, methods and delegations (December 2013)
- 9-2 Standard for infrastructure Delivery Management System
- 9-3 NUPMT Standard scope of professional services associated with the delivery of a package (March 2014)
- 9-4 Watermeyer, Jacquet and Prinsloo. CASE STUDY. The procurement arrangements for delivering two new universities: July 2012 to December 2014
- 9-5 NUPMT Framework for the determination of professional fees for consulting services
- 9-6 NUPMT Occupational health and safety specification for construction works contracts (March 2014)
- 9-7 NUPMT Standard Conditions for a Design Competition
- 9-8 Layea, S and Watermeyer, R. Early contractor involvement in framework contracts. Proceedings of the Institution of Civil Engineers - Management, Procurement and Law. Volume 169 Issue 1, February 2016