

BOARD NOTICE 8 OF 2008**CONSTRUCTION INDUSTRY DEVELOPMENT BOARD****THE CONSTRUCTION INDUSTRY DEVELOPMENT BOARD ACT, 38 of 2000****AMENDMENTS TO THE STANDARD FOR UNIFORMITY IN CONSTRUCTION
PROCUREMENT**

The Construction Industry Development Board under sections 4(f), 5(3)(c) and 5(4)(b) of the Construction Industry Development Board Act, 2000 (Act no. 38 of 2000)(the Act) read with Regulation 24 of the Construction Industry Development Regulations, issued in terms of section 33 of the Act, hereby amends the **Standard for Uniformity in Construction Procurement** published in Board Notice 62 of 2004 in Government Gazette 2647 of 9 June 2004 and amended by 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 93 of 2006 in Government Gazette No 29138 of 18 August 2006 , as set out in schedule 1.

These amendments:

- Introduce a competitive negotiation procedure and deal with a proposal procedure using the two stage system
- Prohibit the amendment or deletion of conditions of tender
- Improve the clarity of some of the clauses and sub-clauses in the conditions of tender
- Deal with:
 - conflicts of interest,
 - situations in which a tenderer submits more than one tender or is involved in more than one joint venture;
 - tenders who elect to withdraw a tender; and
 - changes in the structure of the tendering entity in a two stage processes
- Improve the alignment with the Promotion of Administrative Justice Act, 2000

RONNIE KHOZA

CHIEF EXECUTIVE OFFICER: CONSTRUCTION INDUSTRY DEVELOPMENT
BOARD

Schedule

AMENDMENTS TO THE STANDARD FOR UNIFORMITY IN CONSTRUCTION PROCUREMENT

1 Scope

No amendments

2 Normative references

No amendments

3 Definitions

No amendments

4 Requirements

4.1 General

No amendments.

4.2 Solicitation of tender offers

Replace Tables 1, 3 and 4 with the following tables:

Table 1: Standard Procurement Procedures

Procedure		Description
PP1	Negotiation procedure	A tender offer is solicited from a single tenderer.
PP2	Competitive selection procedure	Any procurement procedure in which the contract is normally awarded to the contractor who submits the lowest financial offer or obtains the highest number of tender evaluation points.
	PP2A Nominated procedure	Tenderers that satisfy prescribed criteria are admitted to an electronic data base. Tenderers are invited to submit tender offers based on search criteria and their position on the data base. Tenderers are repositioned on the data base upon appointment or upon the submission of a tender offer.
	PP2B Open procedure	Tenderers may submit tender offers in response to an advertisement by the organization to do so.
	PP2C Qualified procedure	A call for expressions of interest is advertised and thereafter only those tenderers who have expressed interest, satisfy objective criteria and who are selected to submit tender offers, are invited to do so.
	PP2D Quotation procedure	Tender offers are solicited from not less than three tenders in any manner the organization chooses, subject to the procedures being fair, equitable, transparent, competitive and cost-effective.
	PP2E Proposal procedure using the two-envelope system	Tenderers submit technical and financial proposals in two envelopes. The financial proposal is only opened should the technical proposal be found to be acceptable.
	PP2F Proposal procedure using the two-stage system	Non-financial proposal are called for. Tender offers are then invited from those tenderers that submit acceptable proposals based on revised procurement documents. Alternatively, a contract is negotiated with the tenderer scoring the highest number of evaluation points.
	PP2G Shopping procedure	Written or verbal offers are solicited in respect of readily available supplies obtained from three sources. The supplies are purchased from the source providing the lowest price once it is confirmed in writing.

Procedure		Description
PP3	Competitive negotiation procedure	A procurement procedure which reduces the number of tenderers competing for the contract through a series of negotiations until the remaining tenderers are invited to submit final offers. (See 4.2.4 to 4.2.7)
	PP3A Restricted competitive negotiations	A call for expressions of interest is advertised and thereafter only those tenderers who have expressed interest, satisfy objective criteria and who are selected to submit tender offers, are invited to do so. The employer evaluates the offers and determines who may enter into competitive negotiations.
	PP3B Open competitive negotiations	Tenderers may submit tender offers in response to an advertisement by the organization to do so. The employer evaluates the offers and determines who may enter into competitive negotiations.

Table 3: Standard methods for procuring different classes of construction contracts

Category of contract	Type of procurement	Standard Procurement Procedure and Evaluation Method*
Engineering and construction works	Design by employer (normal)**	PP2B Open Procedure with Method 1 or Method 2
	Design and build** / develop and construct**	PP2E Proposal Procedure using two-stage system with Method 1, 2, 3 or 4;
	Management contractor**/ Construction Management**	PP2C Qualified Procedure with Method 1 or 2 and eligibility criteria framed around the attainment of a minimum quality score or requirements; or
	Works which require exceptional quality or where it is desirable to invite a limited number of tenderers who are of a similar capability and size	PP2C Qualified Procedure with Method 3 or 4 PP3A Restricted Competitive Negotiation Procedure PP3B Open Competitive Negotiation Procedure
	Very low value works	PP1 Negotiation Procedure with Method 1
	Value below a threshold	PP2D Quotation Procedure with Method 1, 2, 3 or 4.
	The works are largely identical to works previously executed and it is not in the organization's interest to solicit other offers or cannot be technically or economically separated from a previous contract	PP1 Negotiation Procedure with Method 1
	Simple works designed by the employer where the value of the contract, inclusive of Value Added Tax is not more than R 500 000.	PP2A Nominated Procedure with Method 1 or Method 2
Supplies	Very low value below a threshold for the purchase of readily available supplies	PP2G Shopping Procedure with Method 1
	Value below a threshold	PP2D Quotation Procedure with Method 1 or 2
	Normal	PP2B Open Procedure with Method 1 or 2
	Supplies which require exceptional quality or where it is desirable to invite a limited number of tenderers who are of a similar capability and size	PP2C Qualified Procedure with Method 1 or 2 and eligibility criteria framed around minimum quality requirements PP3A Restricted Competitive Negotiation Procedure PP3B Open Competitive Negotiation Procedure
	Only one supplier has the required product or the supplies cannot be separated from a previous contract	PP1 Negotiation Procedure with Method 1
	Relatively low value supplies which are readily available and which are frequently required where the value of the contract, inclusive of Value Added Tax is not more than R 500 000.	PP2A Nominated Procedure with Method 1 or Method 2
Services other than professional	Value below a threshold	PP2D Quotation Procedure with Method 1 or 2
	Normal	PP2B Open Procedure with Method 1 or 2

Category of contract	Type of procurement	Standard Procurement Procedure and Evaluation Method*
services	Services which require exceptional quality or where it is desirable to invite a limited number of tenderers who are of a similar capability and size	PP2C Qualified Procedure with Method 1 or 2 and eligibility criteria framed around minimum quality requirements. PP3A Restricted Competitive Negotiation Procedure PP3B Open Competitive Negotiation Procedure
	Only one service provider has the required product or the supplies cannot be separated from another previous contract	P1 Negotiated Procedure with Method 1
	Relatively low value services which are readily available and which are frequently required where the value of the contract, inclusive of Value Added Tax is not more than R 500 000.	PP2A Nominated Procedure with Method 1 or Method 2
* Refer to Table 1 for descriptions of Procedures and Table 2 for descriptions of Methods.		
** This contracting strategy is fully described in the SAICE Practice Manual 2, <i>Delivering construction projects using the design by employer contracting strategy</i> and the CIDB Best Practice Guideline A5 (1005), <i>Managing Construction Procurement Risks</i> .		

Table 4: Standard methods for procuring professional services

Type of procurement	Standard Procurement Procedure and Evaluation Method*
In most cases, except in the case of complex or highly specialised assignments or those that invite innovations on the basis of quality alone.	PP2A Nominated Procedure which identifies a short list of not less than 5 tenderers to submit tenders, PP2B Open, PP2C Qualified or PP2D Quotation Procedure; or PP2E Proposal Procedure using the two envelope system with either: <ul style="list-style-type: none"> • Methods 3 or 4; or • Methods 1 and 2 with eligibility criteria framed around the attainment of a minimum quality score or quality related requirements
A complex or highly specialised assignment, for which it is difficult to define the precise scope of work and tenderers are expected to demonstrate innovation in their proposals or An assignment that has a high downstream impact and requires the best available experts or An assignment could be carried out in substantially different ways, hence proposals will not be comparable.	PP2B Open or PP2E Proposal Procedure using the two envelope system with either Method 3 or 4; PP2F Proposal Procedure using the two stage tendering system with Method 1 or 2 and eligibility criteria framed around the rejection of unacceptable proposals and quality related requirements; or PP2F Proposal Procedure using the two stage tendering system with Method 3 or 4. PP3A Restricted Competitive Negotiation Procedure PP3B Open Competitive Negotiation Procedure
A standard or routine assignment where well established practices and standards exist and in which the contract amount is small.	PP2E Proposal Procedure using the two envelope system with Method 1 or 2 and eligibility criteria framed around minimum quality related requirements
An assignment that represents a natural continuation of previous work carried out by the firm. A rapid selection is essential (eg in an emergency operation). A very small assignment. An assignment where only one firm is qualified or has the experience of exceptional worth for the assignment.	PP1 Negotiated Procedure with Method 1
Value below a threshold	PP2D Quotation Procedure with Method 1 or Method 2. PP2A Nominated Procedure which identifies a short list of not less than 3 tenderers to submit tenders
A relatively small assignment which does not justify the	PP2A Nominated Procedure to nominate a sole

Type of procurement	Standard Procurement Procedure and Evaluation Method*
preparation and evaluation of competitive proposals .	tenderer.
A simple assignment which is precisely defined and the budget fixed.	PP2F Proposal Procedure using the two stage tendering system with Method 3 or 4 .

* Refer to Table 1 for descriptions of Procurement Procedures and Table 2 for descriptions of Tender Evaluation Methods.

Note: CIDB Best Practice Guideline A7 (1035), *The Procurement of Professional Services*, provides comprehensive guidance on the procurement of professional services.

Insert heading "4.2.1 General" and renumber 4.2.1 to 4.2.5 as 4.2.1.1 to 4.2.1.5, respectively

Add the following:

4.2.1.6 The scope of work, terms and conditions and prices that are negotiated in the negotiation procedure, the proposal procedure using the two-stage system or the competitive negotiation procedure shall be in the best interests of the employer. Minutes of such negotiations and the reasons for pursuing such procedures shall be kept for record and audit purposes.

Add the following:

4.2.2 Competitive negotiation procedures

4.2.2.1 The competitive negotiation procedures shall be used to negotiate with a number of responsive and qualified tenderers in order to arrive at the most advantageous offer in terms of one of the methods for the evaluation of tenders as described in Table 2.

4.2.2.2 The organization shall negotiate with responsive and qualified tenderers when using the competitive negotiation procedures through one or more rounds of competitive negotiations, based on their rankings or the number of tender evaluation points, until the remaining tenderers are invited to submit final offers. During such negotiations, organizations:

- a) shall ensure equal treatment of all tenderers and not provide any requirements, criteria, guidelines, documents, clarification or other information relative to the negotiations in a discriminatory manner which may give some tenderers an advantage over others;
- b) may provide for this negotiated procedure to take place in successive stages in order to reduce the number of tenders to be negotiated with, by applying the evaluation criteria disclosed in the procurement documents that are issued to tenderers;
- c) may not reveal to the other participants solutions proposed or other confidential information communicated by a tenderer participating in the process without that tenderer's agreement;
- d) may request that tender offers be clarified, specified and fine-tuned provided that such clarification, specification, fine-tuning or additional information does not:
 - i) involve changes to the basic features of the tender process or the tender data; or
 - ii) alter any fundamental aspects of the offers or impose substantial new requirements which restrict or distort competition or have a discriminatory effect on the tender process; and
- e) shall close the negotiation with tenderers when a solution or solutions which are capable of meeting its needs are identified, inform the tenderers accordingly and call for best and final offers.

- 4.2.2.3** Tenderers shall be informed of the competitive negotiation process and notified of the evaluation criteria and associated weightings in the tender data. The evaluation criteria associated with each successive round of negotiations shall not be varied. Tenderers shall be notified in advance of the weighting attached to each category or subcategory of evaluation criteria whenever another round of offers is called for.

NOTE: The competitive negotiation procedure provided in Annex F should only be used where interactions with the tenderers are essential to refine aspects of the proposed approach to the contract, the contract data or scope of work in order to arrive at a best value outcome.

4.3 Quality (functionality)

No amendments

4.4 Procurement documents

4.4.1 General

No amendments

4.4.2 Preferencing schedules

No amendments.

4.4.3 Tender Data

Delete 4.4.3.2 and renumber remaining sub-clauses

Replace 4.4.3.3 with:

- 4.4.3.3** The Tender Data associated with a Standard Tender Evaluation Method shall reference the method to be used and, in the case of a public tender, contain at least the following wording:

Replace box for Method 3 with the following:

Clause number (refer to Annex F)	
F.3.11	<p>The procedure for the evaluation of responsive tenders is Method 3</p> <p>The value of W_2 is*</p> <p>The score for financial offer is calculated using Formula 1 / 2** (option 1 / 2**) where W_1 is the percentage score given to financial offer and equals 100 minus W_2</p>

* Insert percentage

** Delete reference to formula and option that is not applicable

4.4.4 Contract data

No amendments.

4.4.5 Submission Data

No amendments.

4.4.6 Subcontracting arrangements

No amendments.

4.5 Applying the CIDB register of contractors to public contracts*No amendments***Annex A: Best practice guidelines***Amend the Best Practice Guideline editions as follows:*

Best practice guideline		Edition
#	Title	
A1	The Procurement Cycle	Third edition (December 2007)
A2	Applying the procurement prescripts of the CIDB in the Public Sector	Fifth edition (December 2007)
A3	Evaluating tender offers	Fourth edition (December 2007)
A4	Evaluating Quality in Tender Submissions	Third edition (December 2007)
A7	The procurement of professional services	Second edition (December 2007)
A8	Procurement measures to develop registered contractors	Second edition (December 2007)

Annex B: Standard Notice and Invitation to Tender*No amendments***Annex C: Form of offer and acceptance***No amendments.***Annex D: Sample preferencing schedule where direct preferences are granted in respect of targeted enterprise status***No amendments.***Annex E: Sample preferencing schedule where preferences are granted in respect of the direct participation of targeted enterprises and / or labour***No amendment.***Annex F: Standard Conditions of Tender***Delete notes 1 and 2 immediately below the heading to the Annex.**Replace F.1.1 with the following:*

F.1.1.1 The employer and each tenderer submitting a tender offer shall comply with these conditions of tender. In their dealings with each other, they shall discharge their duties and obligations as set out in F.2 and F.3, timeously and with integrity, and behave equitably, honestly and transparently, comply with all legal obligations and not engage in anticompetitive practices.

F.1.1.2 The employer and the tenderer and all their agents and employees involved in the tender process shall avoid conflicts of interest and where a conflict of interest is perceived or known, declare any such conflict of interest, indicating the nature of such conflict. Tenderers shall declare any potential conflict of interest in their tender submissions. Employees, agents and advisors of the employer shall declare any conflict of interest to whoever is responsible for overseeing the procurement process at the start of any deliberations relating to the procurement process or as soon as they become aware of such conflict, and abstain from any decisions where such conflict exists or recuse themselves from the procurement process, as appropriate.

- Note:
- 1) A conflict of interest may arise due to a conflict of roles which might provide an incentive for improper acts in some circumstances. A conflict of interest can create an appearance of impropriety that can undermine confidence in the ability of that person to act properly in his or her position even if no improper acts result.
 - 2) Conflicts of interest in respect of those engaged in the procurement process include direct, indirect or family interests in the tender or outcome of the procurement process and any personal bias, inclination, obligation, allegiance or loyalty which would in any way affect any decisions taken.

F.1.1.3 The employer shall not seek and a tenderer shall not submit a tender without having a firm intention and the capacity to proceed with the contract.

Replace in F.1.1.3

"conditions for calling for expressions of interest " with " conditions of tender"

Add in F.1.3.3 a) and e) and renumber existing a), b) c) and d) as b), c), d) and f):

- a) **conflict of interest** means any situation in which:
- i) someone in a position of trust has competing professional or personal interests which make it difficult to fulfill his or her duties impartially.
 - ii) an individual or organisation is in a position to exploit a professional or official capacity in some way for their personal or corporate benefit.
 - iii) incompatibility or contradictory interests exist between an employee and the organisation which employs that employee.
- e) **organization** means a company, firm, enterprise, association or other legal entity, whether incorporated or not, or a public body.

Add the word " readily" before "read, copied and recorded" in first sentence of F.1.4.

Replace "writing" with "communication" at start of second sentence in F1.4.

Add the following F.1.6"

F.1.6 Procurement procedures

F.1.6.1 General

Unless otherwise stated in the tender data, a contract will, subject to F.3.13 be concluded with the tenderer who in terms of F.3.11 is highest ranked or the tenderer scoring the highest number of tender evaluation points, based on the tender submissions that are received at the closing time for tenders.

F.1.6.2 Competitive negotiation procedure

F.1.6.2.1 Where the tender data require that the competitive negotiation procedure is to be followed, tenderers shall submit tender offers in response to the proposed contract in the first round of submissions. Notwithstanding the requirements of F.3.4, the employer shall only announce the names of the tenderers who make a submission. The requirements of F.3.8 relating to the material deviations or qualifications which affect the competitive position of tenderers shall not apply.

F.1.6.2.2 All responsive tenderers, or not less than three responsive tenderers that are highest ranked in terms of the evaluation method and evaluation criteria stated in the tender data, shall be invited in each round to enter into competitive negotiations, based on the principle of equal treatment and keeping confidential the proposed solutions and associated information. Notwithstanding the provisions of F.2.17, the employer may request that tenders be clarified, specified and fine-tuned in order to improve a tenderer's competitive position provided that such clarification, specification, fine-tuning or additional information does not alter any fundamental

aspects of the offers or impose substantial new requirements which restrict or distort competition or have a discriminatory effect.

F.1.6.2.3 At the conclusion of each round of negotiations, tenderers shall be invited by the employer to make a fresh tender offer, based on the same evaluation criteria, with or without adjusted weightings. Tenderers shall be advised when they are to submit their best and final offer.

F.1.6.2.4 The contract shall be awarded in accordance with the provisions of F.3.11 and F.3.13 after tenderers have been requested to submit their best and final offer.

F.1.6.3 Proposal procedure using the two stage-tendering system

F.1.6.3.1 Option 1

Tenderers shall in the first stage submit technical proposals and, if required, cost parameters around which a contract may be negotiated. The employer shall evaluate each responsive submission in terms of the method of evaluation stated in the tender data, and in the second stage negotiate a contract with the tenderer scoring the highest number of evaluation points and award the contract in terms of these conditions of tender.

F.1.6.3.2 Option 2

F.1.6.3.2.1 Tenderers shall submit in the first stage only technical proposals. The employer shall invite all responsive tenderers to submit tender offers in the second stage, following the issuing of procurement documents.

F.1.6.3.2.2 The employer shall evaluate tenders received during the second stage in terms of the method of evaluation stated in the tender data, and award the contract in terms of these conditions of tender.

Add the following sub-clause to F.2.1

F.2.1.2 Notify the employer of any proposed material change in the capabilities or formation of the tendering entity (or both) or any other criteria which formed part of the qualifying requirements used by the employer as the basis in a prior process to invite the tenderer to submit a tender offer and obtain the employer's written approval to do so prior to the closing time for tenders.

Add "unless otherwise stated in the tender data" after "Accept that" in first sentence of F.2.2

Replace "satisfy requirements" with "complies with requirements" at end of F.2.2.

Add "Do" to start of first sentence in F.2.11.

Replace F.2.12.1 with the following:

F.2.12.1 Unless otherwise stated in the tender data, submit alternative tender offers only if a main tender offer, strictly in accordance with all the requirements of the tender documents, is also submitted as well as a schedule that compares the requirements of the tender documents with the alternative requirements that are proposed.

Replace F.2.13.1 with the following:

F.2.13.1 Submit one tender offer only, either as a single tendering entity or as a partner in a joint venture to provide the whole of the works, services or supply identified in the contract data and described in the scope of works, unless stated otherwise in the tender data.

Replace the word "by writing in black ink" with "by writing legibly in non-erasable ink" in F.2.13.2

Add the following sub-clause to F.2.13:

F.2.13.9 Accept that tender offers submitted by facsimile or e-mail will be rejected by the employer, unless stated otherwise in the tender data.

Replace F.2.15.1 with the following:

F.2.15.1 Ensure that the employer receives the tender offer at the address specified in the tender data not later than the closing time stated in the tender data. Accept that proof of posting shall not be accepted as proof of delivery.

Add the following sub-clauses to F.2.16

F.2.16.3 Accept that a tender submission that has been submitted to the employer may only be withdrawn or substituted by giving the employer's agent written notice before the closing time for tenders that a tender is to be withdrawn or substituted.

F.2.16.4 Where a tender submission is to be substituted, submit a substitute tender in accordance with the requirements of F.2.13 with the packages clearly marked as "SUBSTITUTE".

Replace heading to F.3.1 with "Respond to requests from the tenderer"

Add the following sub-clause to F.3.1:

F.3.1.2 Consider any request to make a material change in the capabilities or formation of the tendering entity (or both) or any other criteria which formed part of the qualifying requirements used to prequalify a tenderer to submit a tender offer in terms of a previous procurement process and deny any such request if as a consequence:

- a) an individual firm, or a joint venture as a whole, or any individual member of the joint venture fails to meet any of the collective or individual qualifying requirements;
- b) the new partners to a joint venture were not prequalified in the first instance, either as individual firms or as another joint venture; or
- c) in the opinion of the Employer, acceptance of the material change would compromise the outcome of the prequalification process.

Replace F.3.4.2 with the following:

F.3.4.2 Announce at the meeting held immediately after the opening of tender submissions, at a venue indicated in the tender data, the name of each tenderer whose tender offer is opened and, where applicable, the total of his prices, preferences claimed and time for completion for the main tender offer only.

Add the term "significantly" before "change" at the beginning of F.3.8.2 b)

Replace F.3.9 with:

F.3.9 Arithmetical errors, omissions and discrepancies

F.3.9.1 Check responsive tenders for discrepancies between amounts in words and amounts in figures. Where there is a discrepancy between the amounts in figures and the amount in words, the amount in words shall govern.

F.3.9.2 Check the highest ranked tender or tenderer with the highest number of tender evaluation points after the evaluation of tender offers in accordance with F.3.11 for:

- a) the gross misplacement of the decimal point in any unit rate;
- b) omissions made in completing the pricing schedule or bills of quantities; or
- c) arithmetic errors in:
 - i) line item totals resulting from the product of a unit rate and a quantity in bills of quantities or schedules of prices; or
 - ii) the summation of the prices.

F.3.9.2 Notify the tenderer of all errors or omissions that are identified in the tender offer and invite the tenderer to either confirm the tender offer as tendered or accept the corrected total of prices.

F.3.9.3 Where the tenderer elects to confirm the tender offer as tendered, correct the errors as follows:

- a) If bills of quantities or pricing schedules apply and there is an error in the line item total resulting from the product of the unit rate and the quantity, the line item total shall govern and the rate shall be corrected. Where there is an obviously gross misplacement of the decimal point in the unit rate, the line item total as quoted shall govern, and the unit rate shall be corrected.
- b) Where there is an error in the total of the prices either as a result of other corrections required by this checking process or in the tenderer's addition of prices, the total of the prices shall govern and the tenderer will be asked to revise selected item prices (and their rates if bills of quantities apply) to achieve the tendered total of the prices.

Replace F.3.11 with the following:

F.3.11 Evaluation of tender offers

F.3.11.1 General

Appoint an evaluation panel of not less than three persons. Reduce each responsive tender offer to a comparative offer and evaluate them using the tender evaluation methods and associated evaluation criteria and weightings that are specified in the tender data.

F.3.11.2 Method 1: Financial offer

In the case of a financial offer:

- a) Rank tender offers from the most favourable to the least favourable comparative offer.
- b) Recommend the highest ranked tenderer for the award of the contract, unless there are compelling and justifiable reasons not to do so.
- c) Re-rank all tenderers should there be compelling and justifiable reasons not to recommend the highest ranked tenderer and recommend the highest ranked tenderer, unless there are compelling and justifiable reasons not to do so and the process set out in this subclause is repeated.

F.3.11.3 Methods 2: Financial offer and preference

In the case of a financial offer and preferences:

- a) Score each tender in respect of the financial offer made and preferences claimed, if any, in accordance with the provisions of F.3.11.7 and F.3.11.8.
- b) Calculate the total number of tender evaluation points (T_{EV}) in accordance with the following formula:

$$T_{EV} = N_{FO} + N_P$$

where: N_{FO} is the number of tender evaluation points awarded for the financial offer made in accordance with F.3.11.7;
 N_P is the number of tender evaluation points awarded for preferences claimed in accordance with F.3.11.8.

- c) Rank tender offers from the highest number of tender evaluation points to the lowest.
- d) Recommend the tenderer with the highest number of tender evaluation points for the award of the contract, unless there are compelling and justifiable reasons not to do so.
- e) Rescore and re-rank all tenderers should there be compelling and justifiable reasons not to recommend the tenderer with the highest number of tender evaluation points, and recommend the tenderer with the highest number of tender evaluation points, unless there are compelling and justifiable reasons not to do so and the process set out in this subclause is repeated

F.3.11.4 Method 3: Financial offer and quality

In the case of a financial offer and quality:

- a) Score each tender in respect of the financial offer made and the quality offered in accordance with the provisions of F.3.11.7 and F.3.11.9, rejecting all tender offers that fail to score the minimum number of points for quality stated in the tender data, if any.
- b) Calculate the total number of tender evaluation points (T_{EV}) in accordance with the following formula:

$$T_{EV} = N_{FO} + N_Q$$

where: N_{FO} is the number of tender evaluation points awarded for the financial offer made in accordance with F.3.11.7;
 N_Q is the number of tender evaluation points awarded for quality offered in accordance with F.3.11.9.

- c) Rank tender offers from the highest number of tender evaluation points to the lowest.
- d) Recommend tenderer with the highest number of tender evaluation points for the award of the contract, unless there are compelling and justifiable reasons not to do so.
- e) Rescore and re-rank all tenderers should there be compelling and justifiable reasons not to recommend the tenderer with the highest number of tender evaluation points and recommend the tenderer with the highest number of tender evaluation points, unless there are compelling and justifiable reasons not to do so and the process set out in this subclause is repeated.

F.3.11.5 Method 4: Financial offer, quality and preferences

In the case of a financial offer, quality and preferences:

- a) Score each tender in respect of the financial offer made, preference claimed, if any, and the quality offered in accordance with the provisions of F.3.11.7 to F.3.11.9, rejecting all tender offers that fail to score the minimum number of points for quality stated in the tender data, if any.
- b) Calculate the total number of tender evaluation points (T_{EV}) in accordance with the following formula:

$$T_{EV} = N_{FO} + N_P + N_Q$$

where: N_{FO} is the number of tender evaluation points awarded for the financial offer made in accordance with F.3.11.7;
 N_P is the number of tender evaluation points awarded for preferences claimed in accordance with F.3.11.8.
 N_Q is the number of tender evaluation points awarded for quality offered in accordance with F.3.11.9.

- c) Rank tender offers from the highest number of tender evaluation points to the lowest.
- d) Recommend the tenderer with the highest number of tender evaluation points for the award of the contract, unless there are compelling and justifiable reasons not to do so.
- e) Rescore and re-rank all tenderers should there be compelling and justifiable reasons not to recommend the tenderer with the highest number of tender evaluation points and recommend the tenderer with the highest number of tender evaluation points, unless there are compelling and justifiable reasons not to do so and the process set out in this subclause is repeated.

F.3.11.6 Decimal places

Score financial offers, preferences and quality, as relevant, to two decimal places.

F.3.11.7 Scoring Financial Offers

Score the financial offers of remaining responsive tender offers using the following formula:

$$N_{FO} = W_1 \times A$$

where: N_{FO} is the number of tender evaluation points awarded for the financial offer.
 W_1 is the maximum possible number of tender evaluation points awarded for the financial offer as stated in the Tender Data.
 A is a number calculated using the formula and option described in Table F.1 as stated in the Tender Data.

Table F.1: Formulae for calculating the value of A

Formula	Comparison aimed at achieving	Option 1 ^a	Option 2 ^a
1	Highest price or discount	$A = (1 + \frac{P - P_m}{P_m})$	$A = P / P_m$
2	Lowest price or percentage commission / fee	$A = (1 - \frac{P - P_m}{P_m})$	$A = P_m / P$
^a P_m is the comparative offer of the most favourable comparative offer. P is the comparative offer of the tender offer under consideration.			

F.3.11.8 Scoring preferences

Confirm that tenderers are eligible for the preferences claimed in accordance with the provisions of the tender data and reject all claims for preferences where tenderers are not eligible for such preferences.

Calculate the total number of tender evaluation points for preferences claimed in accordance with the provisions of the tender data.

F.3.11.9 Scoring quality (functionality)

Score each of the criteria and subcriteria for quality in accordance with the provisions of the Tender Data.

Calculate the total number of tender evaluation points for quality using the following formula:

$$N_Q = W_2 \times S_O / M_S$$

where: S_O is the score for quality allocated to the submission under consideration;
 M_S is the maximum possible score for quality in respect of a submission; and
 W_2 is the maximum possible number of tender evaluation points awarded for the quality as stated in the tender data

Replace F.3.13.1 with the following:

F.3.13.1 Accept the tender offer, if in the opinion of the employer, it does not present any unacceptable commercial risk and only if the tenderer:

- is not under restrictions, or has principals who are under restrictions, preventing participating in the employer's procurement,
- can, as necessary and in relation to the proposed contract, demonstrate that he or she possesses the professional and technical qualifications, professional and technical competence, financial resources, equipment and other physical facilities, managerial capability, reliability, experience and reputation, expertise and the personnel, to perform the contract,
- has the legal capacity to enter into the contract,
- is not insolvent, in receivership, bankrupt or being wound up, has his affairs administered by a court or a judicial officer, has suspended his business activities, or is subject to legal proceedings in respect of any of the foregoing,

- e) complies with the legal requirements, if any, stated in the tender data, and
- f) is able, in the opinion of the employer, to perform the contract free of conflicts of interest

Replace F.3.16 with the following:

Prepare and issue the final draft of contract to the successful tenderer for acceptance as soon as possible after the date of the employer's signing of the form of offer and acceptance (including the schedule of deviations, if any).

Add new clause F.3.19

F.3.19 Provide written reasons for actions taken

Provide upon request written reasons to tenderers for any action that is taken in applying these conditions of tender, but withhold information which is not in the public interest to be divulged, which is considered to prejudice the legitimate commercial interests of tenderers or might prejudice fair competition between tenderers.

Annex G: Alpha-numerics associated with the Contractor Grading Designations

No amendments.

Annex H: Standard Conditions for the calling for Expressions of Interest

Replace H.1.1 with the following:

H.1.1.1 The employer and each respondent submitting an expression of interest shall comply with these conditions for calling for expressions of interest. In their dealings with each other, they shall discharge their duties and obligations as set out in H.2 and H.3, timeously and with integrity, and behave equitably, honestly and transparently, comply with all legal obligations and not engage in anti-competitive practices.

H.1.1.2 The employer and the respondent and all their agents and employees involved in the submission process shall avoid conflicts of interest and where a conflict of interest is perceived or known, declare any such conflict of interest, indicating the nature of such conflict. Respondents shall declare any potential conflict of interest in their submissions. Employees, agents and advisors of the employer shall declare any conflict of interest to whoever is responsible for overseeing the procurement process at the start of any deliberations relating to the procurement process or as soon as they become aware of such conflict, and abstain from any decisions where such conflict exists or recuse themselves from the procurement process, as appropriate.

H.1.1.3 The respondent shall not submit a submission without having a firm intention and the capacity to proceed with the next stage of the procurement process.

- Note:
- 1) A conflict of interest may arise due to a conflict of roles which might provide an incentive for improper acts in some circumstances. A conflict of interest can create an appearance of impropriety that can undermine confidence in the ability of that person to act properly in his or her position even if no improper acts result.
 - 2) Conflicts of interest in respect of those engaged in the procurement process include direct, indirect or family interests in the tender or outcome of the procurement process and any personal bias, inclination, obligation, allegiance or loyalty which would in any way affect any decisions taken.

Add in H.1.3.2 a) and renumber existing a) and b) as b) and c):

- a) **conflict of interest** means any situation in which:

- i) someone in a position of trust has competing professional or personal interests which make it difficult to fulfill his or her duties impartially.
- ii) an individual or organisation is in a position to exploit a professional or official capacity in some way for their personal or corporate benefit.
- iii) incompatibility or contradictory interests exist between an employee and the organisation which employs that employee.

Add the word "readily" before "read, copied and recorded" in first sentence of H.1.4.

Replace "writing" with "communication" at start of second sentence in H.1.4.

Replace the word "by writing in black ink" with "by writing legibly in non-erasable ink" in H.2.7.1

Replace H.3.3 with the following:

Unless otherwise stated in the submission data, return submissions received after the closing time stated in the submission data, unopened, (unless it is necessary to open a submission to obtain a forwarding address), to the respondent concerned.

Replace H.3.4 with the following:

H.3.4.1 Record the name of each respondent whose submission is opened and acknowledge receipt of each submission.

H.3.4.2 Make available the names of the respondents that made submissions prior to the closing time for submissions to all interested persons upon request

Replace H.3.7b) with the following:

b) has all the substantive provisions properly and fully completed and signed, and

Add new clause H.3.10

H.3.10 Provide written reasons for actions taken

Provide upon request written reasons to respondents for any action that is taken in applying these conditions, but withhold information which is not in the public interest to be divulged, which is considered to prejudice the legitimate commercial interests of respondents or might prejudice fair competition between respondents.

Annex I: Selection of subcontractors by employers and contractors

Replace first sentence of subcontracting procedures with the following:

The contractor shall advertise and call for competitive tenders in respect of each portion of the works that are required to be subcontracted in terms of the contract in accordance with the relevant provisions of the latest edition of the CIDB Standard for Uniformity in Construction Procurement.

Annex J: Standard Notice and Invitation to submit an Expression of Interest

No amendment

Annex K: Record of Addenda to tender documents

No amendments

Annex L: Compulsory enterprise questionnaire

No amendments