



DISCUSSION PAPER: The proposed CIDB system for the competitive selection of professional service providers

(November 2007)

The proposed CIDB system for the competitive selection of professional service providers

1 Introduction

Professional services are procured within the construction industry to:

- provide services including those relating to the design and supervision of construction work, for limited periods without any obligation of permanent employment;
- benefit from specialist knowledge, transfer of skills and upgrading of a knowledge base while executing an assignment; or
- provide independent advice on the most suitable approaches, methodologies and solutions of projects

The key considerations in engaging professional service providers are:

- the quality of the outputs or deliverables of the service satisfy client requirements and expectations;
- the service is provided with the reasonable skill and care that is normally used by professionals providing such services; and
- the advice is independent from any affiliation, economic or otherwise, which may cause conflicts between the professional service provider's interests and those of the client.

National Treasury together with the World Bank launched the Country Procurement Assessment Review in 2001. The findings of this review resulted in the decision by Cabinet in November 2003 to align South Africa's procurement with best international practices, which includes the appointment of consultants by means of a systematic competitive selection procedure.

The processes of procuring services in the construction industry needs to maintain a balance between reasonable compensation that will ensure the continued attractiveness and development of these professions on the one hand, and ensuring competitiveness on the other hand. The competitive selection system should accordingly include restricted tendering procedures for preparing shortlists of consultants, and selection methods that are based primarily on quality considerations and have cost considerations as a subsidiary aspect.

The competitive selection of professional service providers to provide construction works related services needs to take place within a flexible framework. Accordingly, there needs to be a range of options that are supported by:

- 1) Standard procurement procedures and evaluation methods.
- 2) Standardised procurement documents.
- 3) A standard approach to the calculation of fees based on the cost of the construction works.
- 4) A single national register of qualified professional service providers.
- 5) A single national rotating data base to nominate qualified professional service providers to undertake low value contracts within a specified geographic area.

The CIDB has developed standardized procurement documents and proposed a framework for a register of professional service providers to support a range of methods of procurement:

2 Procurement procedures

National Treasury recommends a number of approaches to select professional service providers, which used internationally, including:

- **quality and cost based selection** whereby the tenderer who scores the highest number of points for quality and price is awarded the contract;
- **quality based selection** whereby a contract is negotiated with the tenderer scoring the highest number of points for quality;
- **selection under a fixed budget** whereby tenderers are provided with the available budget and are requested to provide their best technical and financial proposals in separate envelopes and a contract is negotiated with the tenderer submitting the highest ranked technical offer.
- **least cost selection** whereby tenderers submit technical proposals and financial proposals in two envelopes, the financial proposals of only those tenderers who obtain a quality score above a threshold are opened and the contract is awarded to the tenderer with the highest score based on price; and
- **single source selection** whereby a contract is negotiated with a single suitable tenderer.

A comparison of the approaches provided in National Treasury's "Supply Chain Management: A Guide for Accounting Officers / Accounting Authorities" of February 2004 and the approaches provided in the CIDB Standard for Uniformity in Construction Procurement (SFU) is shown in Table 1. This shows how the same procedures and methods may be implemented using different terminology.

Table 1: Equivalence between SCM3 and CIDB procurement methods

SCM 3, <i>Appointment of consultants</i>	CIDB Standard for Uniformity in Construction Procurement (SFU)		
	Procurement procedure (see Table 1 of SFU)	Standard tender evaluation method (see Table 2 of SFU)	Tender Data
Quality-based selection (QCBS)	Nominated procedure or Open procedure or Qualified procedure or Quotation procedure or Proposal procedure using the two envelope system	Method 4 (Financial offer, quality and preferences) or Method 2 (Financial offer and preferences) if eligibility criteria in the form of the attainment of a minimum score is provided in the tender data	Tender Data must state which method is to be used. Eligibility criteria need to be included where Method 2 is used.
Quality based selection (QBS)	Proposal system using the two envelope system	Method 4 (Financial offer, quality and preferences)	Tender Data must state that method 4 is to be used.
	Proposal procedure using the two stage tendering system	Method 2 (Financial offer and preferences) if eligibility criteria is framed around the rejection of unacceptable proposals	Tender Data must state that method 2 is to be used and unacceptable proposals will be rejected.
	Proposal procedure using the two stage tendering system	Method 4 (Financial offer, quality and preferences) with weighting for price equal to zero.	Tender data must stipulate that contract price will be negotiated.
Least cost selection	Proposal system using the two envelope system	Method 2 (Financial offer and preferences) where eligibility criteria in the form of the attainment of a minimum score is provided in the tender data	Tender Data must state that method 2 is to be used. Eligibility criteria need to be included.
Single source selection	Negotiated procedure	None	None
Appointment from list of approved service providers	Nominated procedure	Method 2 (Financial offer and preferences)	Tender Data must state that method 2 is to be used.
Selection based on consultant's qualifications	Select tenderer from electronic data base or form calls for expressions of interest. Negotiated procedure	None	None
Selection under a fixed budget offer.	Proposal procedure using the two envelope system	Method 4 (Financial offer, quality and preferences) or Method 2 (Financial offer and preferences) if eligibility criteria in the form of the attainment of a minimum score is provided in the tender data	Tender Data must state which method is to be used. Eligibility criteria need to be included where Method 2 is used.

The method of selection is determined by the scope of the assignment, the quality of the service, the complexity of the assignment and whether or not assignments are of a routine nature or require specialist inputs.

The calling for tenders and the evaluation of submissions can be time consuming and expensive to both the client and professional service providers. In order to reduce the number of submissions made, clients may establish lists of pre-qualified professional service providers and invite a limited number of listed professional service providers on a rotational basis to submit quotations or tenders. Alternatively, clients may issue calls for expressions of interest and short list a manageable number of suitably qualified respondents to submit tender offers.

3 Eligibility criteria

The criteria which tenderers must satisfy in order to have their tenders evaluated may be formulated on either a yes / no basis or on the attainment of a threshold score. The setting of criteria which are scored allows tenderers to be weak in once criteria and strong in another and still qualify to have their tenders evaluated.

The recommended procedure for scoring tenderers in order to ensure that they satisfy a threshold score is described in section 5 (Evaluating quality offered in submissions).

4 Tender evaluation methods

Tenders may in terms of the CIDB Standard Conditions of Tender be evaluated in terms of one of the four methods, namely:

- Method 1: Financial offer
- Method 2: Financial offer and preference
- Method 3: Financial offer and quality
- Method 4: Financial offer, quality and preference

Most organs of state are required to apply the Preferential Procurement Regulations in their procurement. As a result, methods 2 and 4 are the methods that are most frequently encountered in the public sector.

5 Evaluating quality offered in submissions

The quality of the service offered by different professional service providers, or for that matter, a joint venture (consortium) of professional service providers, can be qualitatively compared by objectively rating a number of quality criteria / indicators that are pertinent to the specific scope of work associated with a project.

A practical way of doing so is to:

- identify a number of quality criteria and subcriteria that are pertinent to the project;
- establish indicators that are to be used to rate the criteria and subcriteria as poor, satisfactory, good and very good.;
- assign a weighting to each of the criteria and subcriteria, based on their perceived importance to the project;
- objectively rate each professional service provider as being poor, satisfactory, good and very good in relation to such criteria;
- allocate scores of 40, 70, 90 and 100, respectively, to such ratings; and
- calculate the weighted score and total the weighted scores for all the criteria.

Professional service providers whose aggregated score is 60 % or less should be rejected as being under-qualified for the assignment.

It is essential in this approach that the indicators are clearly described and communicated to tenderers as indicated in Table 2.

Table 2: Evaluation of the technical approach and methodology offered by tenderers in tender offers

Rating	Indicator
Poor (score 40)	The technical approach and / or methodology is poor / is unlikely to satisfy project objectives or requirements. The tenderer has misunderstood certain aspects of the scope of work and does not deal with the critical aspects of the project.
Satisfactory (score 70)	The approach is generic and not tailored to address the specific project objectives and methodology. The approach does not adequately deal with the critical characteristics of the project. The quality plan, manner in which risk is to be managed etc is too generic.
Good (score 90)	The approach is specifically tailored to address the specific project objectives and methodology and is sufficiently flexible to accommodate changes that may occur during execution. The quality plan and approach to managing risk etc is specifically tailored to the critical characteristics of the project.
Very good (score 100)	Besides meeting the "good" rating, the important issues are approached in an innovative and efficient way, indicating that the tenderer has outstanding knowledge of state-of-the-art approaches. The approach paper details ways to improve the project outcomes and the quality of the outputs

6 Methods of remuneration of professional service providers

Professional service providers are usually paid for their services on the basis of one or more of the following:

- a lump sum for a completed activity or task
- time charge
- a percentage of the cost of construction
- expenses
- target cost

Professional service providers need to tender lump sums, time charges, a percentage, expenses, a target cost or any combination thereof, as relevant, in a competitive selection process. Alternatively, they need to tender parameters such as time charges and expenses around which a fee may be negotiated when the scope of work is finalized either as a lump sum or a target cost. Employers and their agents in turn need to be able to reduce these tendered parameters to a comparative offer to enable an equitable and fair comparison to be made.

The guideline tariffs of fees that are currently published by the various built environment councils are based on the fees either being linked to the cost of the construction works or to time based charges.

7 Procurement documents

Procurement documents capture the decisions made with respect to options relating to:

- 1) contracting and pricing strategies
- 2) procurement procedures
- 3) procedures for addressing quality in procurement
- 4) methods for evaluating offers
- 5) forms of contract

There are a limited range of standard methods for procuring the services of professional service providers. Accordingly, standardized procurement documents can be developed for a standard range of options. The most commonly encountered ones in the public sector are listed in Table 3.

The range of eligibility criteria assessed on a compliance / non-compliance basis and quality criteria that may be scored may be standardized as shown in Tables 4 and 5, respectively.

A generic scope of work can also be developed to specify standard services.

Table 3: Standard methods for procuring professional services

Options		Recommended usage	Outline of approach
#	Description		
1	Nominated tenderers compete on the basis of price and preference or quality, price and preference	Simple/ straight-forward/ routine services where the tasks/activities are of a straightforward nature in terms of which inputs are relatively well known and outputs can be readily defined and the services involve only a single discipline.	5 professional service providers that have been admitted to an electronic database and satisfy the search criteria are invited to submit tender offers based on their position on the data base (Nominated procedure) provided that the value inclusive of VAT is less than R1,5 million Tenders offers are evaluated in terms of financial offer and preference (Method 2) or in terms of financial offer, quality and preference. (Method 4) with or without the use of a two envelope system
2	Pre-qualified tenderers compete on the basis of price and preference	As for option 1 but may involve a limited range of disciplines.	Tenderers may submit tender offers in response to an advertisement by the organization to do so if they satisfy basic eligibility criteria (Open procedure) Tenders offers are evaluated in terms of financial offer and preference (Method 2)
		<ul style="list-style-type: none"> Complex service characterized by requirements for higher levels of skills, greater resources or not well-defined inputs and outputs; or Multidisciplinary appointments. 	<ul style="list-style-type: none"> Tenderers may submit tender offers in response to an advertisement by the organization to do so if they satisfy eligibility criteria famed around the attainment of a minimum quality score (Open procedure); or Tenderers submit a non-financial proposal or a financial proposal in two envelopes. The financial envelope of only those that attain a minimum score for the non-financial proposal are opened. (Two envelope procedure). Tenders offers are evaluated in terms of financial offer and preference (Method 2)
3	Pre-qualified tenderers compete on the basis of price, quality and preference	<ul style="list-style-type: none"> Specialist services requiring considerable innovation, creativity, and expertise or skill (or both) or work that has a high downstream impact. Partnering approaches where the scope of work is ill defined when the partners are selected. Multidisciplinary appointments 	<ul style="list-style-type: none"> Tenderers may submit tender offers in response to an advertisement by the organization to do so if they satisfy any eligibility criteria (Open procedure); or 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 (Qualified procedure); or Tenderers submit a non-financial proposal or a financial proposal in two envelopes. The financial envelope of only those that attain a minimum quality score for the non-financial proposal are opened. (Two envelope procedure). Tenders offers are evaluated in terms of financial offer, quality and preference. (Method 4)

Table 4: Standard eligibility criteria assessed on a compliance / non-compliance basis

Code	Standard criteria	Intent
C1	The tendering entity has certified that it is a natural or juristic persons whose primary business is to provide independent technology-based intellectual services to employers and which, if a sole practitioner, has a professionally registered person as a principal, or if a partnership, close corporation or company, has at least 50% of its principals registered in any of the following categories of professional registration:	Confirms that the business of the service provider is to provide independent professional advice.
C2	The tendering entity is capable of producing a set of financial statements prepared in accordance with Generally Accepted Accounting Practice (GAAP) and in terms of the legislation under which the professional service provider is registered such as the Companies Act, for its immediate past financial year within 6 months of their financial year end.	Confirms that a service provider who has been in business for longer than 6 months beyond its financial year end has its finances in order.
C3	The tendering entity has the following minimum levels of uninterrupted professional indemnity cover in respect of each and every claim; (1) R2,0 million in the case of a professional service provider applying for registration in any of the engineering services categories described in Annex 1; and (2) R1,0 million where the professional service provider is applying for registration in any category other than the engineering services categories	It is essential that PI cover is uninterrupted and not on a one off basis. Clients only have the relief offered by PI through a professional service provider (policy holder) during the period of cover and not after the expiry of the cover. (Clients have relief to a professional service provider with an uninterrupted policy as long as the premiums are paid, failing which they will have to pursue the professional service provider in their personal capacity). (Levels of PI may have to be increased in respect of specific contracts)

C4	The tendering entity has at least one person registered as a in its full time employ and who has either two references from public or private sector clients confirming satisfactory past performance as a professionally registered person in or has their name on an approved specialist listing.	Ensures that service provide has a basic demonstrated capability within the required service area (s) and therefore some span of control over subconsultants or contract staff brought in to perform the service in whole or part.
C5	The tendering entity has an annual turnover in the previous financial year in excess of R m	This ensure that service provider has capacity or ability to mobiles capacity. As rule of thumb, it should be about 50% higher than the value of the contract under consideration.
Note: C1 to C3 is applicable to all the options listed in Table 3. C4 and C5 is only applicable to Options 1 and 2 in Table 3.		

Table 5: Standard quality criteria that may be scored

Code	Standard criteria
S1	Qualifications and competence of the key staff (assigned personnel) in relation to the scope of work
S2	Organization and staffing
S3	Tenderer's experience with respect to specific aspects of the project / comparable projects
S4	Demonstrable managerial ability appropriate to the size and nature of work
S5	Tenderer's experience (familiarity) in the region or similar regions (local knowledge)
S6	Adequacy of proposed work plan and proposed methodology
S7	Response to (ability to relate to) the proposed scope of work/project design (Approach paper) which establishes the manner in which the respondent or tenderer intends to perform the contract and add value in the attainment of the employer's stated objectives
S9	Quality assurance systems which ensure compliance with stated employer's requirements
S10	Sound knowledge of the employer's policies or work procedures (or both)
S11	Arrangements for the transfer of knowledge
Note: 1) S1 can be subcategorised as: <ul style="list-style-type: none"> • General experience and qualifications • Adequacy for the assignment • Knowledge of local issues pertinent to the project 2) These quality criteria may be readily scored in terms of Options 3 and 4 in Table 5.	

Standardized procurement documents may be developed to capture these options, criteria and generic scope of work in a standard manner. This will enable tenders to be put together in short time frames and allow tenderers to respond with the minimum amount of effort. However, if a register of contractors is established that takes care of some of the eligibility criteria, this will greatly simplify the work load of clients and professional service providers alike.

8 Proposals for a register of professional service provider

8.1 Introduction

A wide range of stakeholders were invited to attend an industry briefing meeting on 21 November 2006. Proposals for the development of a Register of Professional Service Providers, linked to an electronic rotating list of pre-qualified PSPs to facilitate the awarding of relatively low value professional service providers (PSPs), was presented and discussed at this meeting. These proposals were well received by industry.

Attendees and invitees were thereafter issued with the discussion paper, *Framework for the CIDB Registers for Professional Services*, and invited to submit comments by 5 February 2007. Written comments were received from the Built Environment Professions Grouping of Voluntary Associations (ACPM, ASAQS, SAACE, SABBACO and SAIA), ESKOM, ASAQS, SAACE, the Joint Structural Division of SAICE and IStructE, SAICE's Water Division, SAICE's Procurement and Delivery Management Panel and PROCSA.

A CIDB task team which included representatives of National Treasury, Department of Public Works, Gauteng Department of Public Transport, Roads and Works and eThekweni Metropolitan Council, met several times to discuss government requirements relating to specific aspects of the appointment of consultants.

A document, *Proposed Framework for the Register of Professional Service Providers*, which provided preliminary regulations in the form of rules, based on the work of the CIDB task team and the comments received from industry on the discussion paper, was issued to industry stakeholders for discussion. An

industry Focus Group meeting was convened on 26 June 2007 to discuss this document. Participants and invitees were invited to submit written comments by 13 July 2007. Written comments were received from SAACE, SABTACO, SAIEE, The Institution of Certificated Mechanical and Electrical Engineers (South Africa), SACPCMP, Department of Public Works, SACAP, SACLAP, eThekweni Municipality, ESKOM and ACPM.

8.2 Design of the Proposed Register of Professional Service Providers

The assessment of the capabilities of a PSP is very different to that of a contractor as different resources are required. It should be noted in this regard that:

- Working capital is not considered to be a key determinant of a PSP's capability and capacity to provide a service, since PSPs generally do not have the high overheads that contractors have (i.e. large labour force, plant and equipment and expensive built in materials that are to be purchased by contractors).
- PSP may enter into consortiums with other PSPs, sub-consult work or employ contract staff to increase their capacity in response to their contractual commitments. As a result, the number of professional staff members is not necessarily a measure of the capacity of a PSP.

The proposed framework is based on the following underlying considerations and principles:

- 1) The scope of services is linked to services relating to construction works projects that are commonly procured by the public sector.
- 2) Only those enterprises whose primary business is to provide independent technology-based intellectual services to employers are eligible to apply for registration.
- 3) The number of principals in an enterprise who are professionally registered determine the nature and character of an enterprise. At least 50% of the principals are required to be registered in terms of the Engineering Profession Act, the Architectural Profession Act, the Quantity Surveying Profession Act, the Project and Construction Management Professions Act, the Landscape Architectural Professions Act, South African Council for the Natural Scientific Profession Act, Professional and Technical Surveyor's Act, or Planning Professions Act.
- 4) The register should categorise registered PSP in terms of:
 - a) annual turnover;
 - b) the service areas (see Table 6) in which the PSP has at least one appropriately qualified person with demonstrated capabilities in such area;
 - c) geographic location of offices in which an appropriately qualified person in a service area is employed;
 - d) status in terms of a best practice recognition scheme (when implemented); and
 - e) B-BBEE recognition level in terms of a relevant code of good practice issued in terms of the Broad Based Black Economic Empowerment Act, 2003, (Act No 53 of 2003)
- 5) An enterprise's annual turnover is an indicator of a PSP's current capacity to execute a contract in the absence of any more specific information.
- 6) The service areas (see table 6) that are reflected on the register should cover the disciplines and broad sub-disciplines associated with construction works, and should be linked to appropriate statutory categories of professional registration that are commonly associated with the assumption of professional responsibility associated with consulting services. The service areas and categories of professional registration should as far as possible be aligned with current proposals made by the various statutory councils in relation to the identification of work.
- 7) A PSP may be registered in a service area only if it has in its employ at least one appropriately qualified person in its full time employ. This ensures that a PSP has a basic capability to provide the required service and is in a position to brief and manage any sub-consultants that it may be contracted to provide additional capacity or specialist inputs. It also allows PSPs to enter a service area by simply employing appropriately qualified staff.
- 8) A qualified person who:
 - a) is registered as a professional in accordance with the requirements of the relevant built environment council for a service area (see table 6); and
 - b) has had demonstrable work experience in the service area during the last ten years. (Work experience can be demonstrated in most categories through the submission of two client references or by being listed on a specialist listing that is approved by the CIDB)

Table 6: Service areas provided for on the proposed registers

Service area		Minimum professional qualification of qualified person
Code	Description	
ARCHITECTURAL SERVICES		
A01	Low and medium sensitivity sites of low and medium complexity (refer to SACAP submission on the Identification of Architectural Work for relevant definitions)	Professional architect Professional Senior Architectural Technologist
A02	High sensitivity sites of low complexity (refer to SACAP submission on the Identification of Architectural Work for relevant definitions)	
A03	Opera houses, concert halls, theatres and auditoriums,	Professional architect
A04	High rise buildings (more than 6 storeys in height)	
A05	Hospitals and community health clinics	
A06	Prisons	
A07	Services other than those described in A01 to A06	
CONSTRUCTION SERVICES		
H01	Construction health and safety	Registration with one of the built environment councils
H02	Mentoring of emerging contractors	
DISPUTE RESOLUTION		
D01	Adjudication of disputes in construction works contracts where FIDIC is used	Professional engineer
D02	Adjudication of disputes in construction works contracts where GCC 2004 is used	Professional architect
D03	Adjudication of disputes in construction works contracts where JBCC 2000 is used	Professional quantity surveyor
D04	Adjudication of disputes in construction works contracts where NEC3 is used	Professional Construction Manager
D05	Adjudication of disputes in professional services where the CIDB form of contract is used	Professional Construction Project Manager
D06	Adjudication of disputes in professional service contracts where NEC3 form of contract is used	
ENGINEERING SERVICES		
Civil engineering services		
C01	Bulk earthworks, terracing, sports fields, township roads, paving and associated drainage (geometric, drainage and materials design)	Professional engineer) Professional engineering technologist
C02	Provincial roads (other than freeways) or intersections with township roads and associated drainage (geometric, drainage and materials design)	
C03	Freeways (dual carriage road which does not provide the abutting owners the automatic right of access) and associated drainage (geometric, drainage and materials design)	
C04	Pavement rehabilitation and maintenance	
C05	Railways and associated drainage (geometric, drainage and materials design, rehabilitation and maintenance)	
C06	Water and sewerage reticulation, pipelines and pumping stations	
C07	Water and waste treatment systems	
C08	Dams, weirs and related work	
C09	Canals, irrigation and river protection systems	
C10	Water resource management	
C11	Storm water drainage	
C12	Harbours, marine works and breakwaters	
C13	Tunnels and tunnel linings	
C14	Solid waste disposal	
C15	Traffic engineering e.g.. the use of engineering techniques to analyse the safe and efficient movement of people and goods.	
Electrical engineering		
E01	Electrical installations in buildings	Professional engineer Professional engineering technologist
E02	Street lighting and electrical reticulations supplying power to buildings	
E03	Radio telemetry and SCADA systems	
E04	Electrical power systems for the generation, transmission and distribution of electrical energy not covered in E01 to E03	
E05	Lightening protection	
Geotechnical engineering		
G01	Geotechnical site, foundation and stability investigations	Professional engineer Professional engineering technologist Professional natural scientist
G02	Dolomitic stability investigations and related work	Professional engineer Professional natural scientist
Mechanical engineering		
M01	Boiler installations, steam distribution, central heating and centralised hot water generation	Professional engineer Professional engineering technologist
M02	Heating, ventilation, air-conditioning and refrigeration	
M03	Lifts, escalators and lifting equipment	
M04	Mechanical systems other than ME1 to ME4.	
M05	Industrial equipment and mechanical systems other than those referred to in M01 to M04	

Miscellaneous engineering services		
X01	Acoustical engineering services	Professional engineer Professional engineering technologist
X02	Cathodic protection	
X03	Building wet services	
X04	Fire protection and detection	
Structural engineering		
S01	Buildings and structures	Professional engineer Professional engineering technologist
S02	Water reservoirs and water retaining structures other than dams	
S03	Bridge and culvert design, maintenance and rehabilitation.	
ENVIRONMENTAL IMPACT STUDIES		
V01	Environmental impact studies	Professional engineer Professional engineering technologist Professional planner Professional natural scientist
LANDSCAPE ARCHITECTURAL SERVICES		
L01	Landscape architectural services	Professional landscape architect Professional landscape technologist
MANAGEMENT SERVICES		
P01	Construction management i.e. the management of the construction process of works executed under multiple contracts between an employer and a contractor, from project initiation and briefing to project close out, but without the acceptance of liability for the contractual risks associated with the role of a contractor	Professional construction manager Professional construction project manager Professional engineer Professional engineering technologist Professional quantity surveyor
P02	Construction project management services i.e. the management on behalf of a client of the entire process necessary for the procurement of the design and the construction of a project from project initiation through to project close out, relating to buildings (construction works that has the provision of shelter for its occupants or contents as one of its main purposes)	Professional construction project manager Professional architect Professional Senior Architectural Technologist Professional engineer Professional engineering technologist Professional quantity surveyor
P03	Construction project management services relating to engineering projects	
QUANTITY SURVEYING SERVICES		
Q01	Quantity surveying services	Professional quantity surveyor
SURVEYING		
W01	Survey – cadastral services	Professional land surveyor
W02	Survey – topographical services	Professional land surveyor Professional surveyor
TRANSPORTATION PLANNING		
Y01	Strategic transportation planning - spatial planning, networks, statutory planning frameworks	Professional engineer Professional planner
TOWN PLANNING		
T01	Site specific town planning services for property development projects	Professional planner.
T02	Development framework plan for identified areas.	Professional planner.

NOTE: The CIDB has made proposals to the CBE to link the identification of work to requirements for qualified persons. Should this be done, identification of qualified persons will be much simpler as reliance can be placed on categories of registered persons and the disciplining of professional service providers who claim competence in a service area and are not able to deliver the required service using the skill and care normally used by professionals providing similar services.

- 9) Branch offices, which have a full time appropriately qualified person in a service, may be reflected separately on the register as a PSP.
- 10) PSPs who are admitted to the register must be in good standing with SARS, produce financial statements in according with generally accepted accounting practices, have a minimum level of uninterrupted professional indemnity cover and have a full time qualified person in their employ.
- 11) Only those PSPs who are registered in the required service area(s) and who have an enterprise class appropriate to the estimated value of a contract are eligible to submit tenders.
- 12) Joint ventures that collectively satisfy the service area and enterprise status criteria are eligible to submit tender offers.

Clients will in terms of the regulations based on the framework be able to either invite tenders using any of the options described in table 3, namely:

- Option 1 Nominated tenderers compete on the basis of price and preference or quality, price and preference (see 8.4)
- Option 2 Pre-qualified tenderers compete on the basis of price and preference
- Option 3 Pre-qualified tenderers compete on the basis of price, quality and preference

Organs of state are not obliged to use the electronic rotating list of pre-qualified professional service providers (option1), but may not develop their own system in parallel to the CIDB.

8.3 Soliciting tender offers from Professional Service Providers in terms of the Proposed Framework

The register of professional service providers will categorise service providers in terms of service area (see Table 6) and enterprise size as shown in Table 7. The manner in which the register is to be applied is as indicated in Table 8.

Table 7: Enterprise class designations provided for on the proposed register

Enterprise class designation	Total annual turnover	Maximum Value of Professional Service Contract inclusive of all fees and expenses that a professional service provider is considered capable of performing
1	< R3 000 000	R1 500 000
2	≥R3 000 but < R13 000 000	R 6 500 000
3	≥ R13 000 000 but < R 26 000 000	R13 000 000
4	≥ R 26 000 000	unlimited

In terms of these procedures outlined in Table 8, professional service providers will be eligible to have their tenders evaluated:

- i) option 1: if they are registered in the specified service area
- ii) option 2A: if they are registered in the specified service area(s) (see Table 6) and the required enterprise class designation (see Table 7);
- iii) option 2B: if they are registered in the specified required enterprise class designation and they attain the required minimum threshold score for specified quality criteria;
- iv) option 2C: if they are all registered with the CIDB and they attain the required minimum threshold score for specified quality criteria; and
- v) option 3: if they are CIDB registered.

It should be noted that joint ventures that collectively satisfy the service area or enterprise status criteria (or both) in options 2 are eligible to submit tender offers. Only the lead partner in a joint venture in option 3 needs to be registered. Method 3 is accordingly suitable for use where foreign companies are expected to joint venture with local companies.

8.4 CIDB electronic rotating list of pre-qualified professional service providers

The electronic rotating list of pre-qualified professional service providers (Option 1) applies only in respect of projects where the fees and expenses don't exceed R1,5 m and a service is required only for a single service area within a specific geographical location.

The principles of the proposed rotating electronic list of pre-qualified PSPs are that:

- a) all entries are listed sequentially in the data base, initially in terms of a random number generator;
- b) every new admission is entered at the bottom of the data base in the sequence that they are received;
- c) a transaction (invitation to tender) is made with the 5 highest ranking PSPs that satisfies the search criteria, namely nearest town wher the service is required (based on increments of 50km radius) and single service area;
- d) after a transaction, all PSPs involved in the transaction, unless the value of the transaction is less than R100 000 i.e. those who declined an appointment, those invited to submit tenders and those that were awarded a contract, are moved to the bottom of the data base.

Table 8: Eligibility criteria and procedures associated with the options for procurement

Option		Eligibility criteria	Procedure
#	Description		
1	Nominated tenderers compete on the basis of price and preference or quality, price and preference	-	<ol style="list-style-type: none"> 1) Identify required service area 2) Complete search request for CIDB to nominate and invite 5 tenderers to submit tender offers using the CIDB electronic data base. 3) Confirm that the tenderer is CIDB registered and is in possession of the required service area immediately prior to the award of the contract. 4) Register contract award on CIDB website within 21 working days of acceptance of offer.
2A	Pre-qualified tenderers compete on the basis of price and preference	<p>Eligibility criteria framed around service area(s) and enterprise class</p> <p>The contract may only be awarded to a professional service provider who is registered with the CIDB in the required service areas and enterprise class.</p>	<ol style="list-style-type: none"> 1) State the requirements for service areas and enterprise class designation in the Tender Data in the form of eligibility criteria using the wording prescribed in the Standard for Uniformity in Construction Procurement. 2) Notify tenderers of the service area designations and approximate enterprise class designation requirements in the Tender Notice and Invitation to Tender using the wording prescribed in the Standard for Uniformity in Construction Procurement. 3) Advertise tenders using the CIDB i-Tender service on the CIDB website . 4) Look up each tenderer's service areas and enterprise class designation on the CIDB register (www.cidb.org.za) and evaluate only those tenderers who are registered in the required service areas and have not tendered an amount which exceeds the maximum value that a PSP is considered capable of performing, except where the margin by which the tendered sum exceeds this value is reasonable. 5) Decide in the case of a tenderer who tenders above his tender value range if: <ol style="list-style-type: none"> a) the amount by which the tendered sum exceeds the tender value range is reasonable b) the award of a contract to such a professional service provider does not impose any undue risk. 6) Confirm that the tenderer has specific capabilities, if relevant, and the necessary capacity to perform the works. 7) Confirm that the tenderer is CIDB registered and is in possession of the required service area and enterprise class designation immediately prior to the award of the contract. 8) Register contract award on CIDB website within 21 working days of acceptance of offer.
2B		<p>Eligibility criteria framed around enterprise class and the attainment of a minimum score</p> <p>The contract may only be awarded to a tenderer who is registered with the CIDB in the required enterprise class.</p>	<ol style="list-style-type: none"> 1) State the requirements for enterprise class designation and quality criteria in the Tender Data in the form of eligibility criteria using the wording prescribed in the Standard for Uniformity in Construction Procurement. 2) Notify tenderers of the approximate enterprise class designation requirements in the Tender Notice and Invitation to Tender using the wording prescribed in the Standard for Uniformity in Construction Procurement. 3) Advertise tenders using the CIDB i-Tender service on the CIDB website 4) Only evaluate those tenderers who attain a minimum quality score. 5) Look up each tenderer's enterprise class designation on the CIDB register (www.cidb.org.za) and evaluate only those tenderers who have not tendered an amount which exceeds the maximum value that a PSP is considered capable of performing, except where the margin by which the tendered sum exceeds this value is reasonable. 6) Decide in the case of a tenderer who tenders above his tender value range if: <ol style="list-style-type: none"> a) the amount by which the tendered sum exceeds the tender value range is reasonable b) the award of a contract to such a professional service provider does not impose any undue risk. 7) Confirm that the tenderer is CIDB registered and is in possession of the required enterprise class designation immediately prior to the award of the contract. 8) Register contract award on CIDB website within 21 working days of acceptance of offer.
2C		<p>Eligibility criteria framed around the attainment of a minimum score</p> <p>The contract may only be awarded to a tenderer who is registered with the CIDB.</p>	<ol style="list-style-type: none"> 1) State the requirements for CIDB registration and quality criteria in the Tender Data in the form of eligibility criteria using the wording prescribed in the Standard for Uniformity in Construction Procurement. 2) Advertise tenders using the CIDB i-Tender service on the CIDB website 3) Only evaluate those tenderers who attain a minimum quality score. 4) Confirm that the tenderer has the necessary capacity to perform the works. 5) Confirm that the tenderer is CIDB registered and is in possession of the required enterprise class designation immediately prior to the award of the contract. 6) Register contract award on CIDB website within 21 working days of acceptance of offer.

3	Pre-qualified tenderers compete on the basis of price, quality and preference	Eligibility criteria framed around CIDB registration. The contract may not be awarded to a professional service provider who is not registered with the CIDB.	<ol style="list-style-type: none"> 1) State the requirements for CIDB registration in the Tender using the wording prescribed in the Standard for Uniformity in Construction Procurement. 2) Advertise calls for expressions of interest or tenders using the CIDB i-Tender service on the CIDB website 3) Confirm that the tenderer has the necessary capacity to perform the works. 4) Confirm that the tenderer is Registered with the CIDB prior to the award of the contract. 5) Register contract award on CIDB website within 21 working days of acceptance of offer.
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The minimum quality criteria to be assessed in options 2B, 2C and 3 will be prescribed.

8.5 Electronic applications and updating of particulars

Professional service providers will be required to apply for admission to the register via the internet and to post or delivery by hand the supporting documentation to the CIDB. Separate applications must be made in respect of each office that satisfies the admission criteria. Each office will be assigned a username and password to enable this to be done securely.

A successful assessment of the application will allow admittance to the register in a service area(s). Alternatively, the applicant will be notified that the application is unsuccessful.

PSPs may amend their data after they have been admitted to the register via the internet. They must, however submit certain particulars in hard copy for ratification by the CIDB together with the change in particulars. The CIDB will either ratify or reject the changes based on the information received. If the changes are rejected, the CIDB will, as relevant, overwrite the changes, remove the data from the field, retain the previous information or suspend the PSP from the register. The addition of new service areas, the increasing of B-BBEE rating or enterprise size will only take effect when the CIDB has ratified the documentation.

The system will be capable of tracking the changes made by the PSP and the assessor.