

6. MAKING A TENDER SUBMISSION

The construction enterprise must complete and submit all the documents that the employer/client requests. The following conditions of tender should be carefully read before submitting a tender offer:

- Confirm that the eligibility criteria are complied with,
- Attend the clarification meeting, if any,
- Follow the instructions for:
 - pricing the tender offer
 - submitting a tender offer
 - submitting alternative offers
- Ensure that the tender offer is received by the employer/client before the closing date for tender submissions.

Where documents have been formatted and compiled in accordance with the ci b's Standard for Uniformity in Construction Procurement, the list of returnable documents will stipulate all the documents that have to be completed or submitted.

Construction enterprises should study this list of returnable documents carefully and ensure that everything that needs to be completed is completed fully and signed, and that all required submissions are submitted accordingly.

Often the client will base his evaluation on a construction enterprise's experience in performing work of a similar nature along with contactable references for client to confirm the enterprise performance.

Tenderer is advised to keep a copy of submitted documents for future reference.

MORE INFORMATION

For more information about ncdp and Tender Processes for Public Sector Procurement, contact: cidb Enterprise Development Unit (Growth and Contractor Development Programme) 012 482 7241.

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Contractor Tips and Advice:
**TENDER PROCESSES FOR PUBLIC
 SECTOR PROCUREMENT**

1. INTRODUCTION

The public sector; comprising national and provincial government, municipalities, public entities, state owned enterprises and municipal entities and the Private Sector follow different procedures to procure goods, services and works.

2. PRIVATE SECTOR TENDERS AND QUOTATIONS

Generally the private sector is not required by law to follow any rules relating to procurement (buying) of goods, services or works. They may in most instances appoint the lowest bidder from the tenders received, and may award a higher bidder only if they are not confident that the company with the lowest quote can deliver. They are also free to negotiate contracts or to invite a limited number of construction enterprises to submit quotations based on chosen criteria.

3. PUBLIC SECTOR TENDERS AND QUOTATIONS

The public sector is obligated to follow legislation and procedures that govern procurement of goods, services or works.

Typically tenders are invited in terms of a standard form of contract, scope of work, form of tender and stated conditions of tender whereas only a brief scope of work is provided where quotations are sought.

Commonly clients accept quotes by issuing a letter of acceptance or a Purchase Order.

Construction enterprises are required to submit signed tender offers whenever quotations or tenders are called for. Written contracts should be entered into with a public sector client.

4. TENDER APPLICATION GUIDELINES:

The purpose of this Tips and Advice is to assist tenderers intending to contract as the main contractor or sub contractor at tender stage.

The following must be considered when preparing/completing tender documents:

Work: What is the nature and extent of the work that the tenderer is required to undertake?

- Is the tenderer responsible for any portion of the design of the work?
- Is the location, start date and probable duration of the project known?
- Can this contract be undertaken given the construction business's current and foreseeable contractual commitments, resources and work load?

Form of contract:

- Is the contract a standard form of contract or subcontract as recommended by the cidb or are there any amendments or variations to the standard conditions of contract?
- What is the risk associated with signing an "unknown" form of contract or an extensively modified form of contract with regards to payment terms, administrative procedures, procedures relating to practical and final completion, resolution of disputes, claims procedures, interest on overdue payments, the contractor's right to suspend the works for default on payment, claims for extension of time, recovery of costs due to client delay, etc.

Tender period:

- Can the tenderer prepare and submit a tender within the allocated time?

Client:

- Is the client an acceptable credit risk?
- Is the client known to delay in making payments?

5. SCOPE OF WORK:

What are the works and other requirements and constraints relating to the manner in which the contract work is to be performed?

- Are the specifications clear and comprehensive?
- What is the acceptance criteria, if any, for the works and components thereof?
- Do the provided drawings clearly establish what is required?
- Is it difficult to comply with the constraints relating to the manner in which the works are to be performed e.g. program constraints, local resource requirements, quality management systems, etc.?
- Can the works be constructed in accordance with the drawings and specifications?
- How comprehensive is the information?

Payment terms and pricing strategy:

- Are the pricing strategy or payment terms appealing?
- Can the construction business finance the project within the required pricing strategy, payment terms and levels of retention monies at the various stages of the contract?
- Is there sufficient compensation for late payment by the client?

Performance bonds:

- Is a performance bond required?
- What is the amount of the performance bond?

Price escalation:

- Is the contract price subject to adjustment to allow for price inflation?
- Is the formula for and the indexes relating to price adjustment known?

Insurance:

- What are the requirements for insurance which will affect the tendered price?

Dispute resolution:

- If a dispute arises, what is the method of resolution mediation, adjudication, litigation, arbitration?