



Our Ref: BW243/HO/CONTR/22

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ENGAGEMENT MODEL

BW243/HO/CONTR/22 – ENGAGEMENT MODEL AND GUIDELINES FOR THE PANEL OF CONTRACTORS IN THE MECHANICAL, ELECTRICAL AND CIVIL WORKS FOR MAINTENANCE AND NEW CONSTRUCTION OF WATER AND SANITATION DISTRIBUTION NETWORKS AND FOR ALL SECONDARY ACTIVITIES OF BLOEM WATER FOR A PERIOD OF 36 MONTHS

Version: 02

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1. Foreword

This Engagement Model provides guidelines on the process to be followed in the engagement of the appointment contractors for services to be provided in terms of BW243/HO/CONTR/22.

The use of this Engagement Model is to ensure compliance with applicable prevailing public sector procurement legislation i.e. any legislation, regulations, rules of practice of all the courts of law in the Republic of South Africa, by-law, policy or directive presently in existence or coming into existence after the Commencement Date which is of relevance to the rendering of the goods and services for the provision of maintenance and new construction of water and sanitation distribution networks for all secondary activities of Bloem Water for a period of 36 months.

2. Purpose

The purpose of this document is to define the relationship between Bloemwater and the appointed contractor which include the contractual obligations, commitment, rules, and scope of work to be performed by the contractor for the duration of the contract. Furthermore, it provides guidelines as a Framework for Bloem Water effective contracts management. The use of these guidelines should enforce compliance with all relevant public sector procurement legislation, National Treasury regulations, Instruction Notes, Bloemwater SCM Policy, PPPFA, CIDB Act, BBBEE Act and/or any other applicable legislation.

3. Background

Bloem Water is mandated to provide water services to the Southern and Central areas of the Free State Province. Bloem Water, formerly known as

the Bloem Area Water Board, was established in 1991 in terms of Section 108(2) of the Water Act, 1956. The primary reason for establishing the Water Board was to operate the Caledon/Bloemfontein Government Water Scheme, constructed to supply purified water to the Municipal areas of Bloemfontein, Bainsvlei, Bloemspruit, Botshabelo and Dewetsdorp. The name was officially changed from "Bloem Area Water Board" to "Bloem Water" in 1994 and to "Vaal Central Water Board" in 2023. Although the establishment is still trading as Bloem Water Naturally.

Bloem Water derives its primary mandate from the Water Services Act, Act 108 of 1997 and operates in terms of the Public Finance Management Act (PFMA), Act 1 of 1999, Schedule 3B, a National Government business entity, which reports to the Executive Authority, represented by the Minister of Water and Sanitation through the Department of Water and Sanitation (DWS).

During 1995 the Service Area of Bloem Water was extended to include the southern Free State, adding towns such as Bethulie and Phillipolis. In 1996 the Minister further extended the area of supply to include the Thaba Nchu district, which added the responsibility to supply water directly to the inhabitants of rural areas, in addition to the formal urban areas and this increased the scope of operation for Bloem Water from purely a supplier of bulk purified water to the urban areas. These added cutting edge responsibilities and activities in the rural areas for the provision of required range of delivery of retail water services to the end consumer have been outstandingly performed by the entity dating back to 1997. Recently, the service areas has been expanded to include parts of the eastern Free State such as Ladybrand, etc. Today, Bloem Water supplies water services to a population of more than 1.2 million people in the areas referred to above.

4. Employer's Objective

The strategic goals and objectives of the Employer include plan, develop, operate and maintain infrastructure to ensure sustainable quality of water service delivery, and secure the supply and quality of raw water resources. The employer have forged partnership with the contractors in order to achieve the strategic goals and objectives. The appointed Panel of contractors shall provide Services for the respective areas of their specialty in various construction works as it is expected in the Water and Sanitation environment for Section 30 Activities as stipulated by the Water Services Act. The appointed panel of contractors will cover areas where the Water Board is being utilized as an Implementing Agent for the Department of Water and Sanitation (DWS). The appointed panel of contractors shall be assigned projects from time to time as directed by Ministerial Authority. Suitably qualified and experienced contractors shall be invited to submit proposals to perform Maintenance and new Construction of water and sanitation distribution networks for all secondary activities of Bloem Water as and when required for a Period of 36 Months.

5. Scope of Work

5.1. Scope of work: Inclusions

Contractors are required for maintenance and new construction of Water and Sanitation Distribution Networks for all Secondary Activities including directives as appointed from time to time.

6. Scope of work: Exclusions

Any maintenance and new construction of Water and Sanitation Distribution Networks for all Primary Activities.

7. Allocation of Work

- a) All contractors with the requisite CIDB grading will be invited to submit price proposals.
- b) The appointments of contractors will be limited to 1 project per CIDB Class of Work and not exceeding the upper limit value of the Contractor Grading.
- c) There will be no addition of Class of Work for contractors (i.e. if appointed for ME or CE (say), those grading categories are what will be kept for the duration of the contract).
- d) All contractors on the panel will maintain their CIDB Grading from the time they were appointed in the Panel for the duration of the Panel. For CIDB 2-4 and Grading 5 Grading and above Contractors will **NOT** be permitted to submit confirmation for their CIDB Upgrading.
- e) Bloemwater will request RFQs from ALL contractors in a specific CIDB Class of Work and grading as per the recommended Class of Work and Grading by the PSP.
- f) No Joint Venture submissions will be accepted during RFQ stage. Subcontracting must be specified in the SBD document.

8. Emergency Works

Bloemwater acknowledges that there will be instances where emergency works will have to be performed in Municipalities to address works where it will not be practical to request RFQs from the Panel of Contractors. A submission will have to be generated in line with PFMA Instruction No. 3 of 2021/2022 for procurement by "other means". Emergency works will be allocated to a contractor on the Panel of Contractors with the required Class of Work. SCM will generate a 'request to allocate', which will be approved by the Chief Executive with reasons for emergency.

9. Sub-contracting

Sub-contracting will be the responsibility of the main contractor. Preference should be given to local contractors on the panel for sub-contracting.

10. Returnable Documents

There will be a 'minimum returnable documents' requested of each RFQ.

- Company registration documents
- Tax compliance pin status
- B-BBEE certificate or Sworn Affidavit
- SBD Documents

11. Evaluation of Submitted RFQs

At closing of RFQs Bloemwater will read all prices as per submitted documents (this will be subject to arithmetic error correction). Bloem Water SCM will request the respective consulting engineer to collect the document to perform responsiveness and technical report on submitted documents. The consulting engineer will be requested to present the report to Bloem Water Bid Evaluation Committee before a final report is submitted to Bid Adjudication Committee to finalize procurement process.

Yours Sincerely,



Dr. L. Moorosi

Chief Executive

Date: 2023.09.21

Abbreviations/Acronyms

- **BBBEE** - Broad-Based Black Economic Empowerment
- **CIDB** - Construction industry development board.
- **CONTRACTOR** - The bidding entity who has responded and got appointed to the panel of contractors in the mechanical, electrical and civil works for maintenance and new construction of water and sanitation distribution networks for all secondary activities of Bloem Water for a period of 36 months.
- **DWS** means Department of Water and Sanitation
- **PFMA** - Public Finance Management Act
- **PPPFA** - Preferential Procurement Policy Framework Act
- **PSP** - Professional Service Provider
- **RFQ** – Request for Quotation
- **SBD** – Standard Bidding Document
- **SCM** - Supply Chain Management
- **BW** - Bloem Water