MSUKALIGWA LOCAL MUNICIPALITY



PROJECT MANAGEMENT POLICY

2026/27 FINANCIAL YEAR

Approved date	
Reviewed date	As when necessary

TABLE OF CONTENTS

ITEM	DESCRIPTION	PAGE
1	APPOINTMENT OF CONSULTING ENGINEERS: FEES AND RESPONSIBILIES	3
2	PAYMENT OF PROFESSIONAL FEES AND DISBURSEMENTS	4
3	RETENTION: PROFESSINAL FEES	5
4	CALCULATION OF FEES: DIFFERENT CATEGORIES	5-6
5	APPOINTMENT OF OTHER PROFESSIONALS AND AGENTS	6
6	OWNERSHIP OF DATA, DESIGNS AND DOCUMENTS	6
7	PROFESSIONAL SERVICE PROVIDER's FEES ADJUSTMENT	7
8	SECURITY OF INFORMATION	7
9	COMPILATION OF BUSINESS PLAN	7
10	POLICY REGARDING PLANNING AND PROJECTS EXECUTION	7-9
11	CONDITIONS OF TENDER AND TENDER DOCUMENTS	9-10
12	CONDITIONS APPLICABLE TO SPECIFIC PROJECTS	11-12
13	NAME BOARDS	12
14	RETENTION OF GUARANTEES	12
15	APPROVAL OF TENDER DOCUMENTS AND PROJECT SPECIFICATIONS	12
16	TENDER NOTICE AND OPENING OF TENDERS	12-13
17	TENDER EVALUATION REPORT	13-15
18	EXECUTION OF PROJECTS	15
19	PAYMENT CERTIFICATES	15-16
20	ESCALATION	17
21	CONTIGENCY AMOUNTS AND VARIATION ORDERS	17
22	FINANCIAL MANAGEMENT	17-18
23	SUBMISSION OF FINAL ACCOUNT FOR PROFESSIONAL FEES	18
24	SAFETY	18-19
25	HANDING OVER OF WORKS UPON COMPLETION	19
26	FINALISATION OF PROJECTS	19
27	GRADUATES AND TRAINING OPPORTUNITIES	19-20
28	MUNICIPAL EMPLOYEES TRAINING OPPORTUNITIES	20
29	GENERAL	20
	ANNEXURE	
	PROFESSIONAL FEE INVOICE TEMPLATE	
	CONTRACTORS INVOICE TEMPLATE	

1. APPOINTMENT OF CONSULTING ENGINEER: FEES AND RESPONSIBILITIES

Globally, successful infrastructure delivery is dependent on input by persons with suitable technical skills, experience and resources who are able to assist and support the owner throughout the project life cycle. Consulting engineers are ideally placed to provide the required services to achieve this goal.

Generally, most infrastructure projects in South Africa may be classified as one of two different types:

- Building projects
- Engineering projects

Examples of building infrastructure in the public sector include office buildings, hospitals and health care facilities, schools and educational buildings, airport buildings, correctional services, museums, libraries, conference facilities and other buildings. Depending on the nature, size and complexity of the project most building projects in South Africa traditionally require a multi-disciplinary team of professional service providers to assist the client in the project delivery process. The team may include architects, quantity surveyors, project managers, civil, structural, mechanical, and electrical engineers as well a variety of specialist service providers such as environmental scientists, health and safety agents, geotechnical engineers, etc.

Examples of engineering infrastructure include roads, bridges, dams, airport runways, municipal services (civil and electrical), pipelines, railways and harbours, airport runways, stormwater management systems, water treatment works, etc. The professional services required for engineering projects can be provided by consulting engineers, and depending on the nature, size, and complexity of the project, may involve just a single consulting engineer or possibly a team comprising several different engineering disciplines. Many consulting engineering firms in South Africa offer multidisciplinary services to cater for a wide range of infrastructure categories.

Except where otherwise provided for in this document or the letter of appointment, the appointment of Consultants is subject to the tariff fee and responsibilities as promulgated in terms of the Engineering Profession of

South Africa Act (Act 114 of 1990) as amended from time to time.

The PMU carry out an assessment if the projects will require an appointment of the Consultants or not. The projects on which the appointment of the Consultants is not necessary are not limited to the following:

- Installation of the high-mast lights
- Installation of the VIPs
- Installation of boreholes

The reason that the Consultants are not a necessity is that shop drawings and standard drawings are generic from suppliers.

2. PAYMENT OF PROFESSIONAL FEES AND DISBURSEMENTS

a. Remuneration due to a Consultant in terms of the appointment will be in accordance with the Engineering Council of South Africa fee guidelines promulgated (as amended from time to time) in the Government Gazette. Disbursements (all expenditure not included in professional fees) shall be charged at rates not higher than those proposed from time to time by the South African Association of Consulting Engineers. Restriction on disbursements will be contained in the letter of appointment.

b. The Consultant will be entitled to subsistence and traveling allowances during the times and on the occasions when it is necessary for the Consultant to travel in the execution of his duties. Should the consultant not have a fully manned office in the area of jurisdiction of the Gert Sibande District Municipality, the consultant will only be remunerated for a maximum of **50 km** per single trip until such time that a fully manned office is established in the region and does not entail overnight absence from such office.

c. Traveling expenses will be reimbursed by the Msukaligwa Local Municipality on the basis that the Consultant will employ means of traveling which, to the Msukaligwa Local Municipality, will constitute the most favorable total cost for a complete trip. If a private motor vehicle is used as a means of conveyance, the expenses will be refunded by the Msukaligwa Local Municipality. Payment will only be done if a Log / time sheet is submitted with each claim. Notwithstanding the foregoing, however, the means employed for traveling and the amount payable as refund for costs thus incurred, shall at all times remain subject to the discretion and approval of the Msukaligwa Local Municipality. It must be fully understood that all such travel undertaken by the Consultant in the execution of his duties, shall be entirely at his own risk.

3. RETENTION: PROFESSIONAL FEES

Professional fees (excluding disbursements) payable to Consulting Engineers are subject to 5% retention, which must be shown on all payment certificates submitted. This retention is retained by the Msukaligwa Local Municipality and is paid out once "as built" drawings, the completion report, project componentized list and full satisfactory operating and maintenance instructions where appropriate, are received. As Built drawings both in hard copies in Auto Cad/Shape files format. As-builts must be submitted with close out report within 30 days after the completion inspection certificate is signed.

The final payment invoice of the consultant should reach the Msukaligwa Local Municipality within 60 days after signing completion certificate of the particular project, failure of which the consultant will forfeit the outstanding fees.

4. CALCULATION OF FEES: DIFFERENT CATEGORIES

4.1. Where the project comprises of more than one of the main categories e.g mechanical, electrical, and electronic, the fees shall be separately calculated in accordance with the prescribed tariff of fees in respect of the cost of the project in each category.

4.2. Projects comprising of dissimilar types of work within one of the main categories shall, unless otherwise agreed in writing, be calculated in respect of the total cost of such dissimilar work and not as if they were split into separate assignments.

4.3. Interim payments will only be paid as per tender but caped at the fee guidelines as stipulated in section 2.2 of the Government Gazette.

4.4. Invoices must be as per the municipal templates and certified as such.

5. APPOINTMENT OF OTHER PROFESSIONALS AND AGENTS *(additional services as per ECSA guidelines)*

5.1. Sub-consultants such as *EIA Specialist,* Geologists, Surveyors, Town-planners, etc may only be appointed after consultation with the Council's Municipal Manager or his nominee, and written approval must be obtained for the appointment of such Sub-consultant.

5.2. If the appointment of a Training Agent, Contract / Project Manager or other service rendering agent is deemed necessary, may only be appointed after consultation with the Council's Municipal Manager or his nominee, and written approval must be obtained for the appointment of service provider.

5.3. The conditions contained in this document will mutatis mutandis also be applicable to such Sub-consultants referred to in 5.1 and 5.2 above.

5.4. The Consulting Engineer in respect of any payment due to a Sub-consultant or Agent pay directly to the Sub-consultant or Agent within the agreed appointment amount.

6. OWNERSHIP OF DATA, DESIGNS AND DOCUMENTS

6.1. Notwithstanding anything contained in any legislation, codes or literature of whatever nature the Msukaligwa Local Municipality may re-use a standard design for which a Consultant has completed investigations, designs, drawings and specifications etc. under a prior agreement, and for which such Consultant has already been remunerated.

6.2. The ownership of data and information gathered by the Consulting Engineer rests with the Msukaligwa Local Municipality.

7. PROFESSIONAL SERVICE PROVIDER's FEES ADJUSTMENT

The fees of the Professional Service Provider are adjusted once the Contractor is appointed. The adjustment is guided by the construction cost of the project. The adjustment are applicable on the normal services of the Professional Service Provider

8. SECURITY OF INFORMATION

The Consultant specifically undertakes not to furnish any information of any kind whatsoever during the validity of his appointment or any period thereafter in respect of the nature, costs or estimated costs of the project as described in the letter of appointment to any unauthorized person, except in the case where authority thereto has been given in writing by the Msukaligwa Local Municipality.

9. COMPILATION OF BUSINESS PLANS

The appointment of Consulting Engineers for the planning and execution of projects funded by the Msukaligwa Local Municipality, is the prerogative of this Council. If a Consultant should therefore compile a business plan or estimates at the request of a any other institution (except MLM) in respect of any projects which may in future be executed, the Msukaligwa Local Municipality will not be bound to appoint such Consultant as its Consulting Engineer should funds for the project be provided by the Msukaligwa Local Municipality or where the Msukaligwa Local Municipality acts as implementing agency.

10. POLICY REGARDING PLANNING AND EXECUTION OF PROJECTS

10.1. After a Consultant has been appointed for a specific project, such project must in the first instance be discussed with the responsible official of the Msukaligwa Local Municipality referred to in the Consultant's appointment letter as well as with the relevant Municipality.

10.2. A Steering Committee has to be appointed for the project, with the assistance of the Consultant insuring the scope of works is clearly defined. No allowance or remuneration is payable to members of Steering Committees and no member of the Steering Committee may be involved in

the project as a contractor or employee. The attendance of Steering Committee Members from the ward committee at official site meetings will be restricted to a maximum of two persons.

10.3. A Community Liaison Officer (CLO) should be appointed for each project in consultation with the Ward Committee through the ward councilor, at remuneration as approved by the Municipality from time to time.

If however in the opinion of the steering committee and the technical services department the scope or nature of the contract does not warrant the appointment of a CLO, it must be formally communicated *to* the Municipal Manager.

The function of the CLO is to act as liaison between the community, the Project Steering Committee, the Contractor/s, the Consultant and the Project Manager (where applicable). The CLO should not be expected to carry out any other function but must be full-time on site during normal working hours. The principle of "no work no pay" will be applicable should the CLO not be present at work without a formal approval.

The remuneration of the CLO is to be included as a PC item in the tender documents and the CLO shall carry out his duties under the direction of the Contractor.

10.4. All projects are to be initiated and all aspects of the contract cleared up with all the relevant parties, i.e. the relevant Municipality, the Project Steering Committee and all other community stake holders (if applicable) at grass roots level. Once agreement has been reached regarding the manner in which the work has to be executed, the arrangements should be clearly set out in the project implementation methodology, and both the Consulting Engineer and the Municipal representative as well as the Project Steering Committee (if applicable) must then attach their signatures to the relevant document, where after it must be submitted to the Manager Technical for confirmation and record purposes.

10.5. The following aspects should be considered:

10.5.1 The way the project will be executed should be sorted out before tender documents are signed, eg whether the work is to be carried out -

- by a main contractor only; or
- by a contractor with local sub-contractors.

Where practical and depending on the nature and scope of the Contract, the latter type of contract appears to be preferable, for the reason that the Sub-contractors develop in a Contractor's environment, and Council enters into an agreement with one entity only. Problems are also not experienced regarding the provision of guarantees and sureties and the main Contractor can also be held liable for any problems experienced during the maintenance period.

10..5.2 If in the interests of the relevant project, skills training of officials of the council to enable them to carry out maintenance work after completion of the project, should also be attended to. (See also par 11.2)

10.5.3 Training of the Project Steering Committee should only be considered in respect of their duties and responsibilities and no allowance or remuneration is payable for such training.

10.5.4 Wherever practical the contract should comply with expanded public Works program guidelines and standards.

10.6 After the above has been attended to, the Consultant designs the project and prepares the necessary tender documents.

11 CONDITIONS OF TENDER AND TENDER DOCUMENTS

11.1 It should be clearly provided for in tender documents that all obligations of the tenderer, i.e. the provision of surety, insurance, etc. must be finalized within a maximum period of *14 days* from date of acceptance of the tender, failing which the allocation of the tender may be cancelled by the Msukaligwa Local Municipality.

11.2 The work is not proceeded with until the contract document, duly signed by the Contractor, together with the performance guarantee/ surety and proof of insurance have been furnished to the Msukaligwa Local Municipality.

Original guarantee documents must be submitted to the Msukaligwa Local Municipality for safekeeping and audit purposes if the guarantee documents are not in place a letter requesting that the Msukaligwa local Municipality deducts 10% of interim payments in respect of the guarantee will suffice. The Consulting Engineer must ensure that guarantees are valid till the completion inspection and not for the contract period.

11.3 In an absence of the performance guarantee from the bank, a formal request should be submitted for approval by the Municipal Manager wherein 10% will be deducted in the interim payment certificates for the duration of the project, this practice should only be carried upon approval by the Msukaligwa Local Municipality. The interest of the Msukaligwa Local Municipality should always receive priority.

Please note that exceptions of this nature can, with the approval of the Msukaligwa Local Municipality, only be made in the case of emerging contractors from previously disadvantaged communities, and where such contractor is unable to furnish insurance or the required surety. Due cognizance must however be taken that the 10% deduction for this purpose together with the 10% deduction for retention has a serious effect on the cash flow of the contractor and can quite easily lead to him being unable to complete the contract due to lack of funds.

11.4 This tender cost of **R 1600.00** will be reviewed annually during review of the financial policies.

Only bank guaranteed cheques will be accepted.

The income derived from tender cost does not form part of the funds available for the relevant project.

The tender cost will be reviewed annually during review of the financial policies.

10.5 A copy of the site inspection attendance list where the contractors have signed for the documents, as well as a telephone number and address for the contractor must be submitted, with the payments of the tender deposit (cost) to the Msukaligwa Local Municipality.

10.6 No contracts will be awarded to tenderers who have failed to submit an original Tax Clearance Certificate from the South African Revenue Services certifying that their taxes are in order.

12. CONDITIONS APPLICABLE TO SPECIFIC PROJECTS:

12.1 Sewerage purification works:

It is of the utmost importance that the operating costs as well as the expertise required for the operation of sewerage works should be within the means of the Municipality. It will therefore be necessary to consider different systems prior to commencing with the final design to determine which system would be the most suitable.

Proposals regarding possible alternative designs and the operating cost and requirements for operation of the works therefore must be submitted to the Manager: Technical Services of the Msukaligwa Local Municipality for consideration before the planning and design of the project is commenced with.

12.2 Electricity, Water and sewerage purification works: Operation:

If a project of this nature calls for specific expertise with regard to the operation thereof the Consultant has to determine the level of expertise available at the Municipality and should, if necessary, make provision for proper training.

12.3 Roads and storm water drainage:

Except where specifically agreed to otherwise, the project has to be designed as a contractor development and community-based project, and to the appropriate levels of training already provided. A detailed business plan must be submitted for approval.

12.4 Community supply projects:

Where any community supply related project is to be undertaken, confirmation (in writing) should be obtained from the municipality that a sufficient bulk supply is available prior to any planning being done.

12.5 Special case projects

If a project of this nature calls for specific expertise regarding implementation of such projects, (i.e., Mechanical Engineering Services, Electrical Engineering Services: supply and installation of pumps and motors, supply, and installation of transformers, etc.), the Contract will be treated as a turnkey Contract, where the Consultant will be appointed.

The Contractual Obligations for such Works must still be adhered to. The retention will not be withheld for such projects as the warranty will be utilized for the equipment to be installed. The Cessions for the supply and installation of the Works with the specialize Supplier must be in place.

12.6 Environment Conservation Act, 1989

The Consultant has to ensure that the provisions of the Environmental Impact Assessment Regulations published in terms of the above act are complied with and has to advise the Municipality should an Environmental Impact Assessment Report be required in order that arrangements may be made for the appointment of consultants for this purpose. Provision must be made for this expenditure within the allocated budget.

13. NAME BOARDS

Provision should be made in the tender documents for the manufacture and erection of a name board in a suitable place on the site, which name board shall contain such details as determined by the Municipal Manager or his nominee of the Municipality.

14. RETENTION GUARANTEES

Please note that retention guarantees are not acceptable, and that retention is to be retained in cash only.

15. APPROVALS OF TENDER DOCUMENTS AND PROJECT SPECIFICATIONS

Tender documents are to be discussed with the Manager: Technical Services of the Municipality and presented to the Bid specification committee prior to the placing of notices in the press.

16. TENDER NOTICES AND OPENING OF TENDERS

16.1 Tenders should in general be advertised in the following newspapers and other media approved by the Municipality: City Press, Sowetan, local newspapers, municipal notice boards and municipal website.

The Municipality will always place the advert in the newspaper after approval by the Bid Specification Committee and the Municipal Manager. The cost for the advert is debited against the respective vote of the project.

16.2 Note must be taken of the Procurement Policy of this Municipality. The conditions of this policy must be reflected in the tender document under the "Special Conditions of Contract".

16.3 Provision should be made in tender advertisements for tenders to be placed in the tender box of the Msukaligwa Local Municipality, Cnr Kerk and Taute Street, Ermelo 2350, during normal office hours i.e. between 07:30 and 13:00 and 14:00 and 16:15 on weekdays.

16.4 All tenders are to be opened at the offices of the Msukaligwa Local Municipality unless alternative prior formal written arrangements have been made with the Municipal Manager of the Msukaligwa Local Municipality or his nominee.

16.5 All tenders are to close at 12:00 on any Friday or on the preceding Thursday should the Friday fall on a public holiday. If more than one tender closes on the same day and at the same time, the tenders will be opened consecutively.

16.6 Please note that in terms of the Financial Regulations, a period of at least 14 days has to elapse between the time of the first appearance of a tender notice in the press, and the closing date.

16.7 The Municipal Manager or his nominee of the Msukaligwa Local Municipality must be advised of the closing date of the tenders as well as the date and time of the opening of the tenders in public and must be furnished with a copy of the tender notice thereof.

16.8 It must be stated clearly in the tender advertisement that not the lowest of any tender will be accepted and that the Msukaligwa Local Municipality reserves the right not to appoint whole or part of the project.

17. TENDER EVALUATION REPORT

17.1 An evaluation report of the tenders received must be prepared by the Consultant and thereafter submitted within five (5) working days after tender closure to the Msukaligwa Local Municipality: Manager Technical Services for consideration by the Bid Committees, the Consultant must submit a tender evaluation report in electronic format and a paper copy with all received tender documents.

No information regarding the evaluation report may be furnished to the Project Steering Committee or any member of the community.

17.2 The evaluation report must contain an executive summary of the method in which the project is to be undertaken as well as a recommendation regarding the tender proposed for acceptance.

The corrected tender prices of tenderers should not be furnished as a total amount in the tender evaluation report, but should reflect the following details:

- Technical evaluation including rate comparison
- Tender Price
- Corrected Tender Price
- CPA
- Contingencies
- VAT

The total project cost based on the tender recommended for acceptance must then be provided in the same manner, with the addition of professional fees and similar items not included in the contract. V A T must then be calculated on the total project cost. This means that V A T should not be taken into account when any comparisons are made between tenders.

17.3 The comparative schedule of tenderers should contain the physical address of each tenderer. In the case of trade names, partnerships, close corporations or companies, full particulars of the owner/directors, i.e. name, address, telephone number, etc also have to be furnished.

Problems are continuously experienced in the case of partnerships or sole owners where a trade name is apparently picked at random. The prospective contractor may submit a tender name of e.g. XYZ Construction, while his bank account is in his personal name. The tender of XYZ Construction is then accepted, but as the cheques of the Msukaligwa Local Municipality bear a restrictive crossing, the bank is then not prepared to accept such cheque as the bank account is in the name of the person/s trading as XYZ Construction.

It is therefore requested that: -

- In the case of a tender submitted by apparent close corporations, and if the tender of such corporation is being considered for recommendation, that a copy of the certificate of incorporation be submitted with the tender evaluation report;

- In the case where trade names are used, tenderers are also requested to furnish a cancelled cheque and that it be ensured that the name used on such cheque corresponds with the name of the tenderer.

17.4 Since tender evaluations are generally too vague, statements such as "Contractor A is not capable of doing the job" is not acceptable. Where the recommended tender is higher than any other tender, full details should be given of the reason why such lower tender/s are not recommended for acceptance. As far as the tenderer's ability is concerned, detailed references should also be given, i.e. the names and telephone numbers of persons who have been contacted in this regard.

17.5 It is the opinion of the municipality that Consulting Engineers should focus on the manner in which an Emerging Contractor can be assisted, rather than summarily ignoring or not recommending such tender. This exercise should, however, not be detrimental to the Msukaligwa Local Municipality.

17.6 In making recommendations on tenders, it will be necessary to report fully on the financial standing and experience of tenderers meriting consideration. Furthermore such recommendation shall include a comparison with the original estimate of the Consultants.

17.7 The physical addresses of tenderers must be furnished in the tender evaluation report, and the Procurement Policy must be taken into account when a recommendation is made regarding the acceptance of any tender.

18. EXECUTION OF PROJ ECTS

18.1 Projects must be executed in close liaison with authorized representatives of the Municipality and the Project Steering Committee (if applicable), as well as the representative of other government departments identified as stakeholders in the project.

18.2 The applicable suite of contract should be clearly indicated in the contract data and be fully enforced during project construction

19. PAYMENT CERTIFICATES

19.1 In terms of the policy of the Msukaligwa Local Municipality amounts due in terms of payment certificates are paid out within 30 days from the date of receipt of such payment (correct) certificate by the municipality unless:

- where the total value of the contract for the execution of a project does not exceed R250 000,00; or

- where the payment involved is less than R 20 000.00 (Excl VAT)

Payment will then be done within approximately 5 days.

19.2 Information on payment certificates should in essence be furnished in the order as set out in the attached draft, accompanied by a summary of previous payments as per the enclosed schedule.

19.3 No payments can be made until original payment certificates and original tax invoices bearing the V A T registration number of the contractor and an invoice number, are submitted by the Contractor.

19.4 The value of materials on site may only be included in a payment certificate in the following circumstances:

19.4.1. If a cession, signed by the supplier contractor and the Msukaligwa Local Municipality in which provision is made for the transfer of ownership to the Local Municipality, is submitted.

19.5. The issuing by the contractor of cessions is expressly prohibited except if and when the prior written approval of the Msukaligwa Local Municipality for the issue of a cession has been requested and obtained signed by the Municipal Manager or his nominee.

19.6. Where in terms of a payment certificate, part of the amount due to the Contractor is to be paid to a cessionary, the Contractor has to furnish a tax invoice for the full amount to the Local Municipality as the Msukaligwa Local Municipality is not in a contractual situation with the cessionary. The Msukaligwa Local Municipality will then in fact pay part of the V A T to the cessionary, but as V A T invoices are issued to the Contractor by the cessionary, such V A T can then be reclaimed by the Contractor.

19.7. All payment certificates are to be signed by the Consulting Engineer or in the case of a partnership etc by one of the partners who is a Professional Engineer, or otherwise by a person authorised in writing by the Consulting Engineer to do so. The initials, surname and professional registration number (if any) of the person signing

any payment certificate should be inserted below his signature.

20. ESCALATION

It must be pointed out that for the purpose of completion certificates, escalation has to be extrapolated and agreed by the contractor in order to ensure that no further payments, except for retention, are required after the submission of a completion certificate.

21. CONTINGENCY AMOUNT AND VARIATION ORDERS

21.1 Variation orders have to be submitted in writing to the Municipal Manager or his nominee for approval prior to any expenditure being incurred.

Should expenditure be incurred without a prior approval the Variation order must be considered as not approved and the consulting engineer will borne full cost of such a variation and pay the contractor directly.

Note that the Msukaligwa Local Municipality regard this matter as important and will not entertain any undue enrichment claims from the consultant or contractor.

21.2 Although the contingency amount included in a contract may have been approved by the Municipality when the tender was awarded, the utilization of these funds is still subject to compliance with Council's financial regulations. In other words, items for which rates have not been approved in terms of the contract, are subject to these financial regulations.

22. FINANCIAL MANAGEMENT

21.1. Although the Msukaligwa Local Municipality keeps financial records in respect of each project being executed, it is the duty of the Consulting Engineer to ensure that the contract amount approved by the Municipality for the specific project is not exceeded.

22.2. Expenditure should be carefully monitored and if for any unforeseen reason it appears that the amount provided would not be sufficient to finalise the project, a properly motivated application for additional funds should be submitted to the Msukaligwa Local Municipalityat an early date and in any event prior to any additional expenditure being incurred. Otherwise, clause 20.1 above will apply.

22.3. No unauthorized excess expenditure may be incurred, and if this happens the Consulting Engineer will be liable for such expenditure.

23. SUBMISSION OF FINAL ACCOUNTS FOR PROFESSIONAL FEES

23.1 Consulting Engineers are to submit their final accounts for professional fees or any other outstanding amounts within a maximum period of 30 days from the date of the issuing of a completion certificate in respect of any contract. If this requirement cannot be complied with written application should be made for extension of time, as after expiry of this period any remaining funds will be regarded as a saving on the project forfeited by the consultant.

23.2 Contents of a close out report

The following are minimum acceptable contents of the close out report. The consultant may provide more information:

1. Consultant Appointment and acceptance letters
2. Approved scope of works
3. Contractor's Appointment and acceptance letters
4. Copy of guarantee and insurance of works
5. Actual works constructed
6. Variations (if any)
7. Componentized
8. items with costs
9. Minutes of all site meetings
10. List of all labours & salaries paid
11. Various approvals from third parties & or other department
12. As – built information – Hard copies & PDF
13. Health & Safety file
14. Incident Report
15. Quality assurance information
16. Operation and Maintenance Plan with indicative budgets

24. SAFETY

24.1 Arrangements must be made for full compliance with the Occupational Health and Safety Act, 1993 (Act 85 of 1993) as amended and all other statutory or local regulations, including those of ESKOM, where applicable. All notices required in terms of legislation shall be obtained and applied under the direction of the

Consultant. It must be noted that it is the responsibility of the Consulting Engineers to ensure that the Contractor adhere to all requirements of the relevant acts and regulations.

24.2 Overhead electrical works must be in accordance with the relevant Code of Practice of the SA Institute of Electrical Engineers or its equivalent SASS Code of Practice.

25. HANDING OVER OF WORKS UPON COMPLETION

A practical completion inspection will be done by the Consulting Engineer only if it is expected that the outstanding work (snag list) can be executed within 14 days.

After 14 days a completion inspection will be conducted and if completion is achieved the engineer will issue a completion certificate after which only then 50% of the retention and full guarantee will be released. A completion certificate must be signed by the Consulting Engineer and the Contractor. Msukaligwa Local Municipality sign as witnesses that the project can be operational.

The Municipal Manager or his nominee must be advised by the Consultant of the date upon which the project will be ready for handing over in order that early arrangements can be made to involve members of the public and other interested parties.

26. FINALISATION OF PROJECTS

26.1 Consultants are advised that their appointment for a specific project will lapse if in the opinion of the Municipal Manager or his nominee sufficient progress is not made with the implementation of the specific project after approval for the implementation was given; and

26.2 the Municipal manager or his nominee is authorized to determine the period for the implementation of specific projects.

27. GRADUATES AND TRAINING OPPORTUNITIES

27.1 The Municipality will create work opportunities for graduates, as guided by the agreements that will be signed with funding sources.

26.2 The Municipality will also provide in-service training opportunities for students in the process of acquiring a formal qualification. The opportunities will be through the capital projects that will be under construction.

26.3 The renumeration will be guided by the National Bargaining Council Framework, Department of Labour minimum wage guidelines and available budget within that funding source.

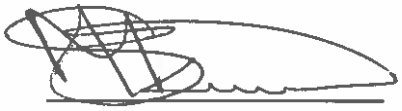
28. MUNICIPAL EMPLOYEES TRAINING OPPORTUNITIES

28.1 The Municipality will provide the employees training need analysis to the appointed Professional Service Provider.
28.2 The Municipality will also provide a provision of training request to the appointed Professional Service Provider to enable its employees to be eligible to register with professional bodies.
28.3 The training must be provided within the designing period of the projects

29 GENERAL

29.1 Any matters not addressed in this document should be discussed with the Municipal Manager or his nominee in order to prevent any disputes from arising. The same applies where any matter raised in the document is not clear or cannot in any specific instance be readily complied with.

30. AUTHORITY



24/7/26

M KUNENE
MUNICIPAL MANAGER

DATE

ANNEXURE A

CONSULTANT PROFESSIONAL FEE INVOICE TEMPLATE

ANNEXURE B

CONTRACTOR'S INVOICE TEMPLATE

Vote No: **Date** **Issued**

Project No: _____

Description: _____ _____

Contractor: _____

Address of Contractor: _____ _____

Payment Certificate No: _____

Item	Description	Amount
1	Work done as per Schedule of Quantities	R
2	Less previous payments	R
3	Sub Total	R
4	Material on Site	R
5	Less 10% retention	R
6	Subtotal	R
7	Plus 14% VAT	R
8	Amount now due to Contractor	R

Amount due to contractor to be paid as follows:

Payee	Amount Due	VAT	Total
Contractor (name)			
Cessionary (name)			
Cessionary (name			
Total			

Project No: _____

Vote No: _____

Date: _____

Contractor: _____

Section	Description	Cert I	Cert 2	Cert 3	Cert 4	Cert 5	Current claim Cert 6	Total to date	Contract Amount
1	Preliminary & General								
2									
3									
4									
5									
6									
Sub-total									
Escalation									
Subtotal									
Contingencies ... %									
V/O									
V/0 2									
Less retention 10									
Total									
Material on site									