

CESA Best Practice Presentation to
DPWI Annual Engineering Services Lekgotla

Introduction to Procurement of
Consulting Engineering Services (PCES)

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Presentation outline



1	Introduction to Consulting Engineers South Africa
2	Brief Overview of PCES
3	The real Life-cycle Cost of Engineering Services
4	The Role of the Consulting Engineer in the Infrastructure Delivery Management System (IDMS)
5	Legal Environment
6	Procurement Practice in SA
7	FIDPM Procurement of Professional Services
8	The Pro-forma RFP



1. Consulting Engineers South Africa (CESA)



CESA promotes Quality & Integrity for Sustainable Cost-effective Infrastructure

- 1 Voluntary association of Consulting Engineering firms for over 70 years
- 2 FIDIC Member Association for South Africa
- 3 Multi-disciplinary membership across all engineering disciplines, over 580 companies, employing approximately 19 000 people
- 4 Very strict set of membership criteria, including:
 - a) Commitment to the CESA Code of Conduct (recourse for Clients)
 - b) A minimum R5 million Professional Indemnity (PI) cover, in each claim
 - c) Quality/Integrity/Sustainability Management Systems
 - d) Registration with the Companies & Intellectual Properties Commission (CIPC)
 - e) 50% Principals professionally registered, 1/3 registered with ECSA
- 5 CESA Produced the PCES Manual in two Parts as a Guideline for the Best Practice Appointment of Consulting Engineers to assist Clients and member firms

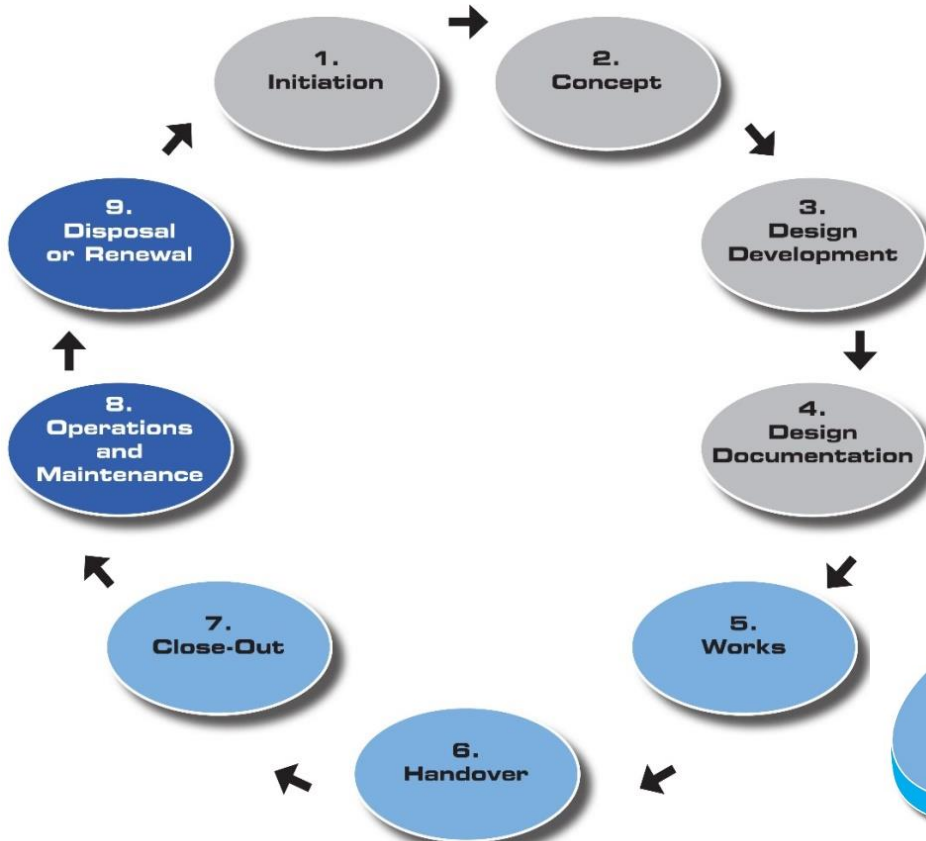
2. Brief Overview of PCES



1	Part 1
1.1	History
1.2	Guidelines
1.3	Procurement of Public Infrastructure (IDMS gateway system)
2	Part 2
2.1	Request for Proposals (RFP)
2.2	Pro Forma/ Template for RFPs (in MS Word)
2.3	Notes for Guidance



3. The real Life-cycle Cost of Engineering Services



The Role of the Consulting Engineer in the Infrastructure Life-cycle will be explained in the next slide, which deals with the Procurement of the Consulting Engineer



4. The Role of the Consulting Engineer in the Infrastructure Delivery Management System (IDMS)

Project stage		Project stage documentation		Gate		Role of Consulting Engineer
1. Initiation	➔	Pre-feasibility report	➔	1	➔	Establish requirements
2. Concept	➔	Feasibility report	➔	2	➔	Prepare/finalise project as per brief
3. Design Development	➔	Design development report	➔	3	➔	Develop concept to final design, cost, etc
4. Design Documents	➔	Design documentation	➔	4	➔	Prepare construction/tender documents
5. Works	➔	Completion report	➔	5	➔	Manage/monitor construction contracts
6. Handover	➔	Training record information	➔	6	➔	Inspect works, prepare defects list
7. Close-out	➔	Close-out report	➔	7	➔	Complete close-out



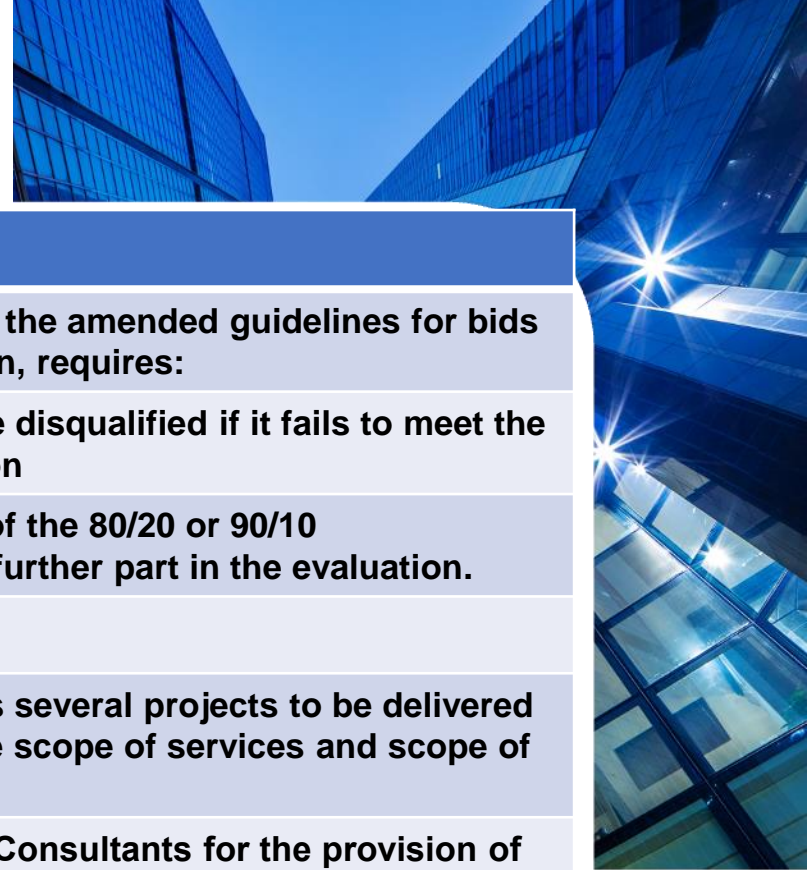
5. Legal Environment - Section 217 of the Constitution

Organs of state contracting for goods or services must

- 1 Must use a procurement system that is fair, equitable, transparent competitive, and cost effective**
- 2 May implement a procurement policy providing for:**
 - a) categories of preference in the allocation of contracts and**
 - b) the protection or advancement of persons or categories of persons disadvantaged by unfair discrimination**
- 3 National legislation must be prescribe a framework within which the policy referred to in subsection 2 must be implemented.**

5. Legal Environment – Key Legislation

No	Description of Key Legislation
1	Constitution of the Republic Of South Africa 1996
2	Public Finance Management Act 1999
3	Municipal Finance Management Act 2003
4	Initial Finance Management Act Regulations 2005
5	National Treasury Guidelines under the Local Government Municipal Finance Management Act 2003
6	Preferential Procurement Policy Framework Act 2000
7	Construction Industry Development Board Act 2000
8	Broad Based Black Economic Empowerment Act 2003
9	Amended Construction Sector Charter (in terms of BBBEE Act 2003)
10	Promotion of Administrative Justice Act 2000
11	Promotion of Equality and the Prevention of Unfair Discrimination Act 2000
12	Prevention and Combating of Corrupt Activities Act 2004
13	Public Procurement Regulations 2022



6. Procurement Practice in South Africa

Functionality and 80/20 & 90/10 rule

National Treasury Instruction Note issued in September 2010 on the amended guidelines for bids that include functionality (i.e. quality) as a criterion for evaluation, requires:

- 1 The assessment of functionality is done, and a bid must be disqualified if it fails to meet the minimum threshold for functionality as per the bid invitation
- 2 Thereafter only the qualifying bids are evaluated in terms of the 80/20 or 90/10 price/preference point systems and functionality plays no further part in the evaluation.

Panel Appointments

- 1 Panel appointments are commonly used where a client has several projects to be delivered in an ensuing period (usually three financial years), but the scope of services and scope of work for each project cannot yet be clearly defined.
- 2 Tenders are invited for the “the Appointment of a Panel of Consultants for the provision of Professional Engineering Services” for the period concerned.
- 3 Evaluation is done on first on Functionality and then the Price/Preference Points evaluation is done on the basis of a percentage fee for a sample project with a given construction value.



7. FIDPM Procurement of Professional Services (1)

Description	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Gate
1. Initiate Procurement Process →	Establish need	Project description	Broad scope of works	Estimate financial value	Confirm budget	→	PG1
2. Develop Procurement Strategy →	ID prof service areas	Decide contract strategy	Decide pricing strategy	Preferent Procurement aspects	Decide form of contract	→	PG2
3. Prepare Procurement Documents →	Tender section	Functionality criteria	Contracts section			→	PG3
4. Confirm Cash Flow Availability →	Confirm financial details	Payment control measures				→	PG4

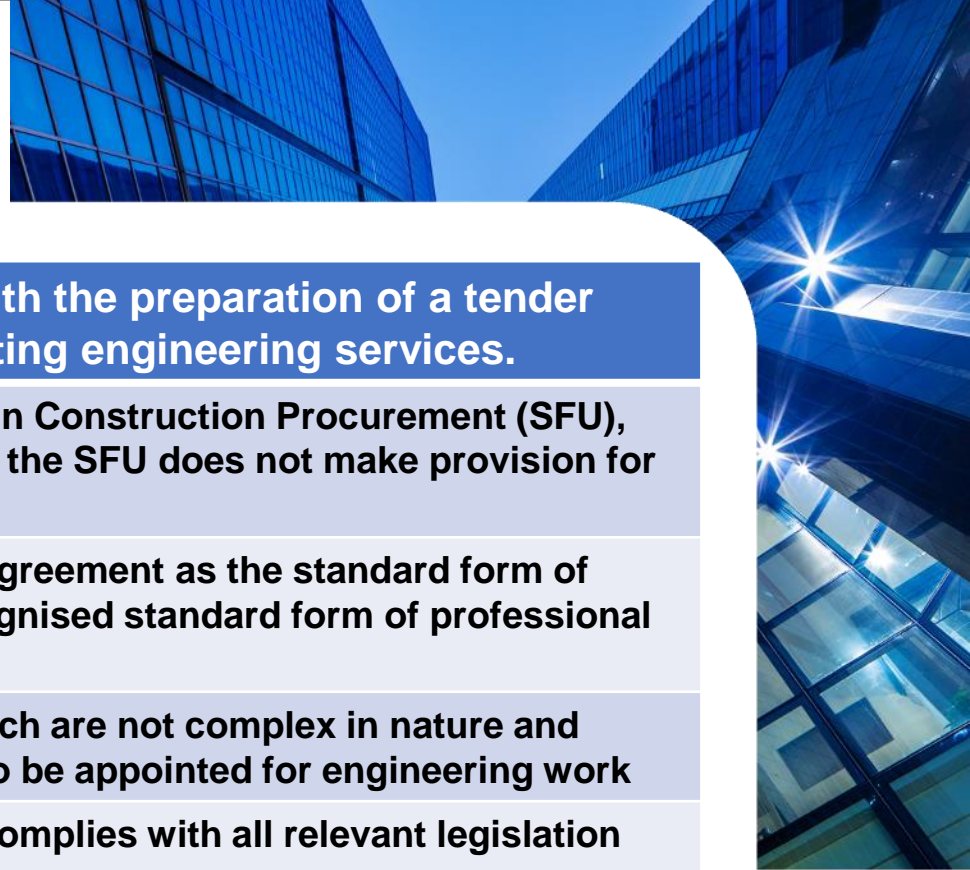
7. FIDPM Procurement of Professional Services (2)



Description	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Gate
5. Solicit Tenders →	Invite tenders	Tender briefing	Receive tenders	Record safeguard tenders	Report tenders received	→	PG5
6. Evaluate Tenders →	Open/record tenders	Check completeness	Check responsiveness	Evaluate tenders	Perform risk analysis	Draft evaluation report →	PG6
7. Award Contract →	Notify all tenderers	Allow objection period	Compile contract document	Formally accept tender offer		→	PG7
8. Administer Contract →	Capture contract award data	Administer in terms of contract	Ensure contract compliance	Contract completion & close-out		→	PG8

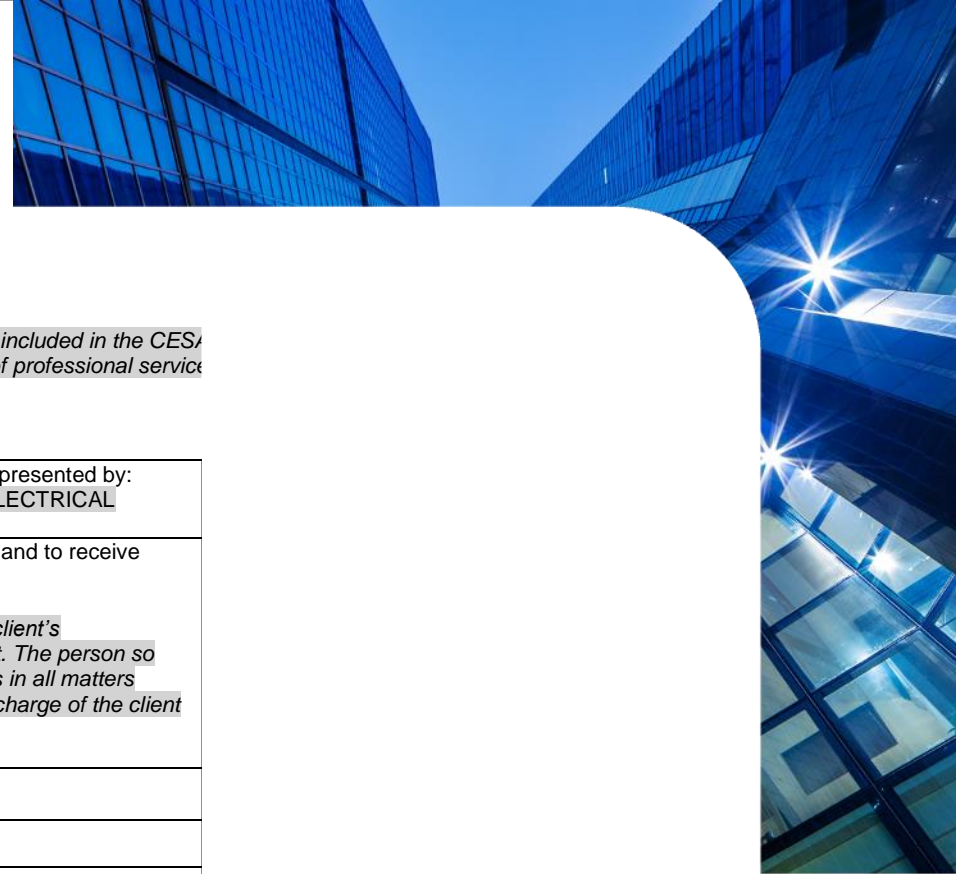


8. Pro Forma RFP – Notes



- 1 Part 2 of the Manual is intended assist with the preparation of a tender document for the procurement of consulting engineering services.**
- 2 Modelled on the CIDB Standard for Uniformity in Construction Procurement (SFU), August 2019 and SANS 10845 (2019 version of the SFU does not make provision for professional services)**
- 3 Uses the CESA Model Professional Services Agreement as the standard form of contract but could be used with any other recognised standard form of professional services agreement.**
- 4 For use on small-to-medium sized projects which are not complex in nature and where a single consulting engineering firm is to be appointed for engineering work**
- 5 Use with care to ensure that the final product complies with all relevant legislation and the client’s supply chain management policy.**
- 6 Includes guidance to the compiler in the form of “*Compiler notes*” shaded in grey**

8. Pro-forma RFP – Sample page



C 1.2.2 SPECIFIC CONTRACT DATA

C 1.2.2.1 DATA PROVIDED BY THE CLIENT

(Compiler note: The following specific contract data is based on the specific data included in the CESA Model Professional Services Agreement, May 2021. If a different standard form of professional service agreement is selected, the specific contract data must be modified accordingly)

a	The Client is (insert Client name, eg the HERITAGE MUNICIPALITY) represented by: (Insert Client department, eg THE DIRECTOR: WASTEWATER AND ELECTRICAL ENGINEERING DEPARTMENT)	
b	The client's designated representative with authority to give instructions and to receive information is:	
	<i>(Compiler note: insert here the details of the person who will act as the client's representative in all matters related to the professional services contract. The person so named must have the authority to make decisions and issue instructions in all matters related to the contract and would normally be the Director, or person in charge of the client department)</i>	
	Name	
	Telephone	
	Email	
c	The project is the provision of consulting engineering services for the: <i>(Compiler note: insert here the project name, eg: new Wastewater Treatment Works and new Substation for Heritage Municipality.)</i>	



Thank you for your attention

CESA - Your Partner in Enabling Consulting Engineering Excellence

- The pro-forma/template and PCES Manual may be obtained free of charge in electronic format as either a pdf or MS word document from Ms Gillian Wands at general@cesa.co.za or 011 463 2022.
- Queries can also be addressed to Wally Mayne at wally@cesa.co.za