QUESTIONS/ANSWERS RELATING TO TENDER E1590 – updated on 3 Dec 2020

TO APPOINT SERVICE PROVIDERS (SPS) ON 36 MONTH CONTRACTS DURING THE 2021/22-2023/24 MEDIUM TERM EXPENDITURE FRAMEWORK (MTEF) WINDOW PERIOD TO ASSIST THE DEPARTMENT OF ENVIRONMENT, FORESTRY AND FISHERIES (DEFF) WITH THE IMPLEMENTATION OF THE NATURAL RESOURCES MANAGEMENT (NRM) PROGRAMMES’ JOB CREATION, CAPACITY BUILDING AND DEVELOPMENT PROJECTS.

1. Question: Explain Current contracts and Contracts with Service Providers that are successful in the new round of tender (E1590);

   Answers:

   1.1 Service Providers (SPs) that currently have valid contracts in place with the DEFF and which will come to an end anywhere between the 2021/22 - 2023/24 financial years, are encouraged to apply for and submit their bids for E1590 for project end dates between 2023/24 – 2026/27 financial years. Irrespective of when your current contract ends, all bidders should put a price quotation forward for the following three years; 2021/22 - 2023/24. This is important so that we may compare the price quotation with other bidders that will bid for the same 3 years. Since this Terms of Reference (TOR) clearly indicates that through this tender (E1590) the DEFF will appoint SPs on 36 month contracts during the 2021/22-2023/24 Medium Term Expenditure Framework (MTEF) window period, the starting date of the Contract that will be concluded with the Service Provider may start anywhere during this time-frame/window period. If the contract starts in 2022 or 2023, CPIX will be used to adjust the price accordingly.

   1.2 The DEFF is required to change our current accounting practice from the advance/pre-payment system to a standard Goods & Services system where payments will be made against an order number based on performance, after services have been delivered.

   A significant difference between the current contracts and the new contracts pertains to the differences in accounting practices and payments. Service Providers will not be required to open dedicated bank accounts as the DEFF will no longer make payments in advance to Service Providers. All payments will be based on goods and services already delivered. Service Providers will however be expected to account for wages paid/household income as this is a deliverable in terms of the new contract. They must therefore consider what mechanisms they will have to put in place to submit reliable evidence for wage payments made.

   1.3 Therefore, there are three options available to Service Providers who are currently contracted by DEFF that are also successful in the new round of tenders (E1590);
(i) DEFF will engage Service Providers that have current Contracts in place to consider moving over to a new “Goods & Services” type Contract. Important to note that this can only be done via mutual agreement where both parties agree.

OR

(ii) Current Service Providers contracted with DEFF that are successful under tender E1590 (with a similar Project Scope), may decide to cancel their current Contract with DEFF and enter into a new Contract on the Goods & Services model under E1590.

OR

(iii) Current Service Providers contracted with DEFF, may continue with their current Contract (in the same format) for the remainder of their contract period. They will however run the risk that the Department may be forced suspend all contracts involving prepayments due to audit findings.

2. Question: How is the extension to current Contracts between Service Providers and the DEFF going to be implemented?

Answer: It should be noted that the Government’s financial year starts on 1 April and ends on 31 March every year. Current contracts without extensions are signed for a period of 36 months. An Annual Performance Plan (APP) will be issued for each financial year, irrespective of which month in the financial year your contract starts, an APP will be issued for each respective financial. Therefore, it might be that your 36-month Contract could run over four government financial years.

For example, if your Contract started on 1 August 2019, the 36 months contract period will end on 31 July 2022. Based on this example, APPs will be issued as follows;

APP 1 – 1 Aug 2019 until 31 March 2020
APP 2 – 1 April 2020 until 31 March 2021
APP 3 – 1 April 2021 until 31 March 2022
APP 4 – 1 April 2022 until 31 July 2022

If a Service Provider’s current Contract with DEFF is extended, the same principle will apply to APPs as per the above (APPs will be issued per financial year). Therefore, based on the example above, if your Contract was extended for a further period of 6 months (31 July to 31 January 2023), your Contract will now end on 31 January 2023. Therefore, your APP 4 will be issued from 1 April 2022 until 31 Jan 2023 (because it still falls within the same financial year).

3. Question: Does the NRM Bid still go out annually?

Answer: NRM Bids do not run annually. Terms of Reference (TOR) clearly indicates that through this tender (E1590) the DEFF will appoint Service Providers on 36-month contracts during the 2021/22-2023/24 Medium Term Expenditure Framework (MTEF) window period. Should it happen that there are gaps between the supply and demand for services offered by the successful bidders and the Departmental priorities though, the Department may issue supplementary calls for tenders focusing on the shortfalls in service providers for specific priority areas.
4. Question: Can a current Service Provider of DEFF put a Bid in for additional work, not part of the current Contract/MOA, that falls within the spectrum of this Bid, or can an organisation only be in one cycle at a time?
Answer: Should a current Service Provider contracted with DEFF want to bid for any other work that is outside of their current Project Scope, they are welcome to tender for one or more of the 14 NRM Categories outlined in the TOR. Thereby, if they are successful, a new Contract will be negotiated for that work.

5. Question: A request was received from a potential Bidder to make the Service Provider Training Database available.
Answer: This can be accessed on the following link:
https://sites.google.com/site/nrmprogrammes/home/2021-2024-NRM-Bid-Call

6. Question: May the prices for pesticides on the Transversal Contract (RT12) be made available
Answer: This can be accessed on the following link:
https://sites.google.com/site/nrmprogrammes/home/2021-2024-NRM-Bid-Call

7. Question: Clarify CIDB:
Answer: Bidders should familiarize themselves with the CIDB requirements/prescripts and ensure that they comply accordingly:

National Treasury Regulation 16A6.3, issued in terms of the PFMA, binds all public sector clients, to apply the CIDB prescripts when procuring for infrastructure. Regulation 16A6.3 states:
“The accounting officer or accounting authority must ensure that –
(a) bid documentation and the general conditions of a contract are in accordance with
(i) the instructions of the National Treasury; or
(ii) the prescripts of the Construction Industry Development Board, in the case of a bid relating to the construction industry” [emphasis added]

- Section 1(i) of the CIDB Act defines contractor as:
  “a person or body of persons who undertakes to execute and complete construction works.”

- Section 1(j) of the CIDB Act defines construction work as:
  “the provision of a combination of goods and services arranged for the development, extension, installation, repair, maintenance, renewal, removal, renovation, alteration, dismantling or demolition of a fixed asset including building and engineering infrastructure”

- the Construction Industry Development Regulations (CID) of 2004, as amended, binds all public sector clients to apply the Register of Contractors in construction procurement. The purpose of the Register is to manage the risk to public sector clients in construction procurement. Clients must apply the Register of Contractors when preparing a tender, advertising a tender and when evaluating a tender.

- The Register categorises and grades contractors according to capability to carry out infrastructure projects. Regulation 17 states that:
  “A contractor registered in a contractor grading designation indicated in column 1 of the Table 8 below, is considered to be capable of undertaking a contract in the range of tender values indicated in column 2 of that table in the class of the construction works to which the category of registration of that contractor relates.”
<table>
<thead>
<tr>
<th>Contractor Grading Designation</th>
<th>Less than or equal to (R)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (class of construction works)</td>
<td>200 000</td>
</tr>
<tr>
<td>2 (class of construction works)</td>
<td>650 000</td>
</tr>
<tr>
<td>3 (class of construction works)</td>
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<td>4 (class of construction works)</td>
<td>4 000 000</td>
</tr>
<tr>
<td>5 (class of construction works)</td>
<td>6 500 000</td>
</tr>
<tr>
<td>6 (class of construction works)</td>
<td>13 000 000</td>
</tr>
<tr>
<td>7 (class of construction works)</td>
<td>40 000 000</td>
</tr>
<tr>
<td>8 (class of construction works)</td>
<td>130 000 000</td>
</tr>
<tr>
<td>9 (class of construction works)</td>
<td>No Limit</td>
</tr>
</tbody>
</table>

8. Question: What is a FTE?
   Answer: Full Time Equivalent (FTE) refers to one person-year of employment. One person year is equivalent to 230 person days of work.

9. Question: Closing date of tender
   18 January 2021 (11:00)

10. Question: Do we have to put a tender forward for each NRM Category or per Geographical area?
    Answer: A tender needs to be put forward per NRM Category, irrespective of the area or areas that you are planning to work in. You may tender for more than one NRM category, providing there is a tender document per NRM category.

QUESTIONS/ANSWERS RELATING TO TENDER E1590 – updated on 10 Dec 2020

NRM Field Operations Projects

P40
5. Mechanised clearing and harvesting of large size timber from riparian zones and other accessible areas.

Activities:
7. Harvesting and primary processing of timber
   7.1 Clear felling
   7.2 Extraction
   7.3 Transport

1. Questions:
   (i) Primary processing:
       Answer: Harvesting, Clearing, Cutting activities
   (a) What activities are included in primary processing;
       Answer: Harvesting, Clearing and Cutting activities
(b) Are Eco Furniture Program (EFP) primary processing units included under this bid; 
Answer: Yes
(b) Are there any primary processing units currently operational- excluding EFP; and
Answer: Yes
(c) If (b) above is yes; where are these processing plants located
Answer: Please refer to the priority areas map provided and attached for as part of the tender documentation published.

P40
6. Value Added Industries: Saw milling, eco-furniture projects and other solid wood products

Secondary processing of high-value low volume biomass from clearing operations (e.g. production of ecofurniture, eco-coffins and crafts where feasible).

2. Questions:
i) Secondary processing:
(a) What activities are included in secondary processing;
Answer: Dry milling and the production of solid wood products and biomass products and structures
(b) Will primary products from 5 above be processed at the secondary processing facilities;
Answer: Yes
(c) The secondary facilities refer to EFP dry mills as in Annexure D.
Answer: Yes

P54
j. Ability to manage eco-furniture factories across the country, to process harvested biomass from alien invasive plants
k. Demonstrate capacity to manage all four key value-adding areas (harvesting; wet mill; dry mill and delivery/assembly), with transportation links between each area

3. Question:
(a) Under (j and k) the entire EFP value chain is covered- is EFP a self contained unit and how does it relates to 5 and 6 above where primary and secondary processing units are stand-alone units
Answer: No the EFP will not be assessed as a standalone value chain, all activities will need to submit separate bids in terms of the three listed bidding activities of 5, 6 and 7. A tender document is needed for each category.

General

4. Question
(a) Will the current staff be transferred to the successful bidder;
Answer: Yes for the Eco-furniture Programme
(b) If yes in (a) above; will transfer be at the current employment conditions- such as pensions, all allowances etc.
Answer: Yes – current staff compliment for the Eco-furniture Programme total 81 employees and a monthly compensation budget of R1 543 807, excluding the management component. The VAI staff component total 26 with a monthly compensation budget of R1 050 000.