VALUE CHAIN OF INFRASTRUCTURE DELIVERY AND PROCUREMENT

PORTFOLIO MANAGEMENT PROCESS - LG IDMST
(Asset Management System)

EXISTING ASSETS

- Update Asset Register
- Condition Assessment
- CAMR
- IA Performance Report
- Develop projects based on CAMR and IAPR

1. Upgrade
2. Renewal/rehabilitate
3. Planned maintenance
4. Periodic maintenance
5. Operations
6. Demolish & Reconstruct (Renewal projects? Disposal?)

NEW ASSETS CONSIDERATION

Develop projects based on the following

1. Community (socio-eco) needs
2. Political (governance) needs
3. Planning (IDP & MSDF goals) needs
4. Capacity (growth demands) needs
5. Backlogs
6. Catalytic (Strategic plans, economic dev)
7. Levels of Services (Los)
8. Industry Norms & Standards (local, district, provincial roads, water quality, etc.)

SECTOR MASTER PLAN

- Water
- Sanitation
- Roads
- Stormwater
- Electricity
- Buildings
- Solid Waste
- Community Services

Municipal Spatial Development Framework

(Sector) Infrastructure Asset Management Plan

Municipal Institutional Procurement Strategy (M-IPS)

Set Targets

Overall procurement strategy based on strategic direction of the Municipality

Demand Management

Integrated Development Plan (IDP)

List of Projects per Sector

PROGRAMME MANAGEMENT PROCESS - LG IDMST
(3-year MTREF Plans - Medium-Term Planning & Budgeting)

PLANNING & BUDGETING

1. Consolidated Infrastructure Plan or Three-year capital plan
2. Infrastructure procurement strategy aligned with M-IPS
3. One-year Infrastructure Implementation Plan (SDBIP)
4. One-year Operations & Maintenance Plans with Budgets

Programme Briefs

Infrastructure Procurement Strategy

Treasury Gateway Review can take place at any stage, as and when required, initiated by Treasury

PROJECT MANAGEMENT PROCESS
Seven (7) Project Stages

1. INCEPTION/ INITIATION STAGE

Developed by internal team - e.g. Technical Services

Appoint PSP through eight PG

Appoint Professional Service Provider (Project Consultant)

2. CONCEPT STAGE

Developed by external service providers based on Step 1

Gateway review on Mega Projects

3. DESIGN DEVELOPMENT STAGE

Detailed, design, after considering preliminary design at Stage 2

Procurement Plan

4. DESIGN DOCUMENTATION STAGE

Actual Bid document with project specification, scope and Bill of Quantities

Gateway Review

Focus of such a review must be on the quality of the documentation

- Deliverability: the extent to which a project is deemed to deliver
- Expected benefits: within the declared cost, time and performance area
- Affordability: the extent to which the project's level of expenditure and financial risk can be accepted, given the organisation's overall financial position, both singly, and when considering its other current and projected commitments
- Value for money: The optimum combination of whole life costs and quality (or fitness of purpose), to meet the user's requirements

Reporting and monitoring against set Targets

5. WORKS STAGE

- Contract management
- Scope variation management
- Completion certificate (certification of work done)
- Payment certificates

6. HANDOVER STAGE

- Practical completion of works
- Fit for purpose
- Snag list
- Work completion certificate
- Hand over to User Department
- 1 year defects liability period commences

7. CLOSE-OUT STAGE

- Preparation of close-out report (incl. all documents related to the projects)
- Final completion certificate
- Capitalise Asset
- Handover periodic O&M plan manuals to end User

INFRASTRUCTURE PROCUREMENT
Eight (8) gates (PG)

1. PROCUREMENT PLANNING PHASE (PG1)

Initiate procurement process

- Determining need, title, scope, financial value/estimate, budget, compliance to SCM prescripts

2. PROCUREMENT PLANNING PHASE (PG2)

Approved project procurement strategy

- Aligned to CIDB SFU
- Contracting & Pricing Strategy
- Applying secondary goals

3. ACQUISITION PHASE (PG 3)

Procurement Documents

- Align to SFU and prepare procurement documents compatible with procurement strategy & project management design documentation
- BID documents as per Stage 4 of th project stages

4. ACQUISITION PHASE (PG 4)

- Confirm cash-flow processes to MTREF contractual obligations & establish control measures for settlement of payments

Bid Specification Committee

5. ACQUISITION PHASE (PG 5)

Solicit Tender Offer

- Invite contractors to submit tender offers
- Receive tender offers
- Record tender offers
- Safeguard tender offers

6. ACQUISITION PHASE (PG 6)

Evaluate Tender Offer

- BEC align to CIDB SFU evaluation guide lines - SANS 10845 and determine tender completeness, responsiveness
- Evaluate tender offers
- Perform risk analysis & report on tenders received & minimum compliance

Bid Evaluation Committee

Bid Adjudication Committee

7. ACQUISITION PHASE (PG 7)

Award the Contract

- AO or BAC where delegated review BEC report
- Award tender
- Notify tenders of the outcome
- Contract signature & formally accept tender offer

8. CONTRACT MANAGEMENT PHASE (PG 8)

Administer & Monitor Contract

- Capture contract award data
- Manage cash flow
- Administer contract & ensure contractual compliance

OPERATIONS AND MAINTENANCE PROCESS
Operate and Maintain existing and new assets

national treasury
Department: National Treasury
REPUBLIC OF SOUTH AFRICA

PINK PROGRAMME

Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Confederation

Federal Department of Economic Affairs, Education and Research EAER
State Secretariat for Economic Affairs SECO