Annexure A

Framework for Infrastructure Delivery and Procurement Management

May 2019

Effective Date: 01 October 2019

national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

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Foreword

Government has a vision to create opportunities for social and economic growth through infrastructure investment. In 2002, the National Treasury conducted a review of provincial service delivery systems with the intention to enhance infrastructure delivery. The review recommended, amongst others, that a framework be developed to guide and structure the management of infrastructure delivery. In order to address issues and gaps identified in the aforementioned review, the Infrastructure Delivery Improvement Programme (IDIP) was established. It was within this programme that the concept of the Infrastructure Delivery Management System (IDMS) was developed. The IDMS was later adopted as the chosen government wide system for infrastructure delivery.

In order to establish a common approach to infrastructure delivery across all organs of state, the National Treasury adopted the Standard for Infrastructure Procurement and Delivery Management (SIPDM). In order to give effect to the SIPDM the following guidelines were issued:

- Treasury Instructions Notes No. 4 of 2015/16 in terms of Public Finance Management Act (PFMA); and
- Circular 77 for Model Supply Chain Management (SCM) policy for infrastructure procurement and delivery management.

In the process of implementing and institutionalizing the SIPDM, various institutions expressed concerns regarding certain aspects in the SIPDM, which imposed operational challenges. This was further compounded when the Preferential Procurement Regulations, 2017 were promulgated and effected, resulting in conflict between the SIPDM and Regulations.
The National Treasury, in consultation with relevant stakeholders, conducted the SIPDM review, which resulted in the Framework for Infrastructure Delivery and Procurement Management (FIDPM). The FIDPM prescribes minimum requirement for effective governance of infrastructure delivery and procurement management.

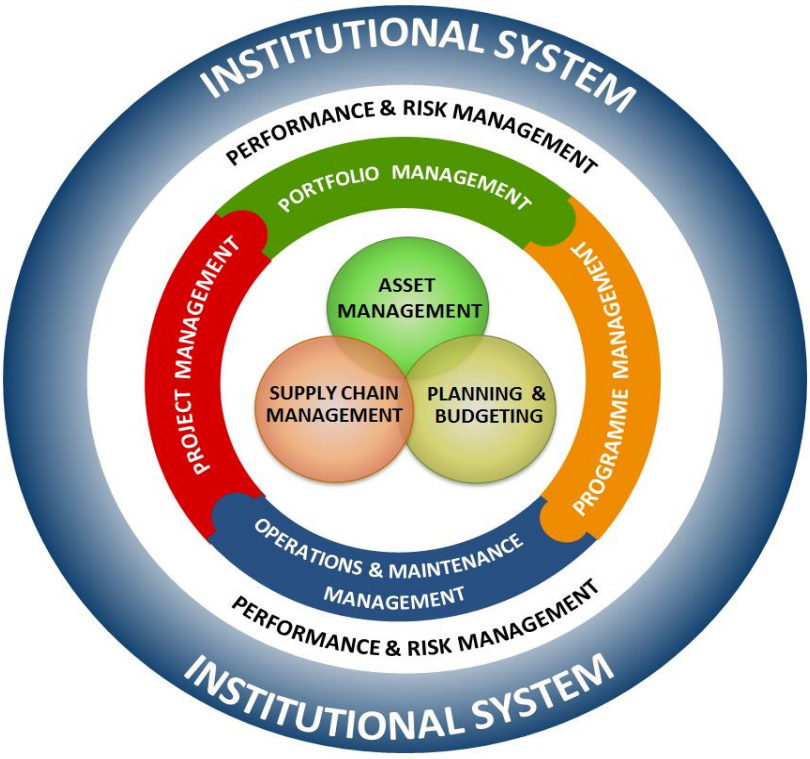
Introduction

Government Infrastructure Delivery Management System

The Framework for Infrastructure Delivery and Procurement Management (FIDPM) is primarily focused on governance decision-making points as well as alignment and functions to support good management of infrastructure delivery and procurement processes.

Government's Infrastructure Delivery Management System (IDMS) is defined as the management system that guides, directs and enables infrastructure delivery in the public sector.

Figure 1: The IDMS Diagram



The IDMS Diagram shown in Figure 1 above, depicts the structure and relationships between the different elements of the IDMS, is. The inner interconnected circles represent the core legislative requirements of the IDMS, namely, asset management, planning and budgeting, and supply chain management. Infrastructure Delivery Management (IDM) comprises portfolio, programme, operations, maintenance and project management processes. Performance and risk management are integrated in the IDM processes, while the outer circle represents the institutional system that provides organisations with guidance on a generic approach towards building an institutional system to effectively implement the IDMS.

1. Scope

1.1. The FIDPM applies to organs of state, which are subject to the Public Finance Management Act (PFMA) or implement infrastructure projects on behalf of other organs of state in terms of section 238 of the Constitution of the Republic of South Africa, 1996.

1.2. The Framework prescribes minimum requirements for the implementation of the IDMS through the:

a) Infrastructure Delivery Management processes consisting of portfolio, programme, projects, operations and maintenance of infrastructure; and
b) Infrastructure Procurement Gates.

1.3. This Framework specifies the allocation of clear responsibilities for performing activities and making decisions at control points, stages and procurement gates.

1.4. This Framework promotes the concept 'value for money' by organs of state throughout all the Infrastructure Delivery Management and Infrastructure Procurement Management processes and activities to promote optimal use of resources to achieve the intended outcomes.

2. Terms and Definitions

Approved: Officially agreed and signed-off by delegated person or body.

Construction: Everything constructed or resulting from construction operations.

Contract management: Applying the terms and conditions, including the agreed procedures for the administration thereof.

Contractor: Person or organisation that contracts with the employer to provide goods or services or any combination thereof covered by the contract.

Defect: Non-conformity of a part or component of the works to a requirement specified in terms of a contract.

Employer: Organ of state intending to or entering into a contract with a contractor.

Gate: A control point at the end of a process where a decision is required before proceeding to the next process or activity.

Gateway review: An independent review of the available information at a gate upon which a decision to proceed to the next process, or not, is based.

Implementer: An organ of state that is responsible for the implementation of projects or programmes on behalf of another organ of state.

Infrastructure:

a) Immovable assets, which are acquired, constructed or result from construction operations; or
b) Movable assets, which cannot function independently from purpose-built immoveable assets.

Infrastructure delivery: The combination of all planning, technical, administrative and managerial actions associated with the construction, supply, refurbishment, rehabilitation, alteration, maintenance, operation or disposal of infrastructure

Infrastructure Delivery Management: The application of the infrastructure delivery management processes of portfolio, programme, operations, maintenance and project management, to plan and implement the work required to sustain the performance of infrastructure assets, for public service delivery.

Infrastructure Delivery Management System: The government management system that guides and enables infrastructure delivery in the Public Sector.

Infrastructure procurement: The procurement of goods or services including any combination thereof associated with the acquisition, refurbishment, rehabilitation, alteration, maintenance, operation or disposal of infrastructure.

Maintenance: All actions intended to ensure that an asset performs a required function to a specific performance standard over its expected useful life by keeping it in as near as practicable to its original condition, including regular recurring activities to keep the asset operating but specifically excluding renewal.

Major capital project: An infrastructure project or a series of interrelated infrastructure projects on a single site with an estimated cost, including those required for new facilities or systems to become operational.

Package: Work grouped together for delivery under a single contract or an order.

Procurement strategy: Selected packaging, contracting, pricing and targeting strategy and procurement procedure for a particular procurement.

Project: A unique set of processes consisting of coordinated and controlled activities with start and end dates, performed to achieve the project objective.

Stage: A collection of periodical and logically related activities in the Project Management Control Stages that culminates in the completion of an end of stage deliverable.

Statutory permission: Any relevant approval, consent or permission in terms of any legislation required to plan and deliver the infrastructure.

3. ABBREVIATIONS

CIDB	Construction Industrial Development Board
CP	Control Points
EoY	End of Year
IAMP	Infrastructure Asset Management Plan
IDIP	Infrastructure Delivery Improvement Programme
IDM	Infrastructure Delivery Management
IDMS	Infrastructure Delivery Management System
IPIP	Infrastructure Programme Implementation Plan
IPMP	Infrastructure Programme Management Plan
IPS	Infrastructure Procurement Strategy
FIDPM	Framework for Infrastructure Delivery and Procurement Management
MMP	Maintenance Management Plan
MMRR	Maintenance Management Review Report
NIAMM	National Immovable Asset Maintenance Management
O&M	Operations and Maintenance
OHS	Occupational Health and Safety
OMP	Operations Management Plan
PSP	Professional Service Provider
PPPFA	Preferential Procurement Policy Framework Act
PFMA	Public Finance Management Act
SCM	Supply Chain Management
SIPDM	Standard for Infrastructure Procurement and Delivery Management

4. NORMATIVE REFERENCES

4.1 Acts of Parliament

The following referenced Acts of Parliament are indispensable for the application of this document:

- Architectural Profession Act, 2000 (Act No. 44 of 2000)
- Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003)
- Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996)
- Construction Industry Development Board Act, 2000 (Act No. 38 of 2000)
- Engineering Profession Act, 2000 (Act No. 46 of 2000)
- Government Immovable Assets Management Act (Act No. 19 of 2007)
- Landscape Architectural Profession Act, 2000 (Act No. 45 of 2000)
- National Archives and Record Services of South Africa Act, 1996 (Act No. 43 of 1996)
- Occupational Health and Safety Act, 1993 (Act No. 85 of 1993)
- Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000)
- Project and Construction Management Professions Act, 2000 (Act No. 48 of 2000)
- Public Finance Management Act, 1999 (Act No. 1 of 1999)
- Quantity Surveying Profession Act of 2000 (Act No. 49 of 2000)
- South African Schools Act, 1996 (Act No. 84 of 1996)
- Other Sector Specific Acts of Parliament

4.2 Treasury Regulations

- National Treasury 2005
- Preferential Procurement Policy Framework Act (PPPFA of 2017)

4.3 Standards

- Applicable Construction Industry Development Board Standard for Uniformity
- Construction sector code

4.4 Management System

- Infrastructure Delivery Management System (IDMS)

4.5 Treasury Guidelines

- Capital Planning Guidelines
- Budget Facility for Infrastructure (BFI)

5. FRAMEWORK FOR INFRASTRUCTURE DELIVERY

a) The infrastructure delivery management processes comprise of Portfolio, Programmes, Operations, Maintenance and Projects as set out in Figure 2 below.

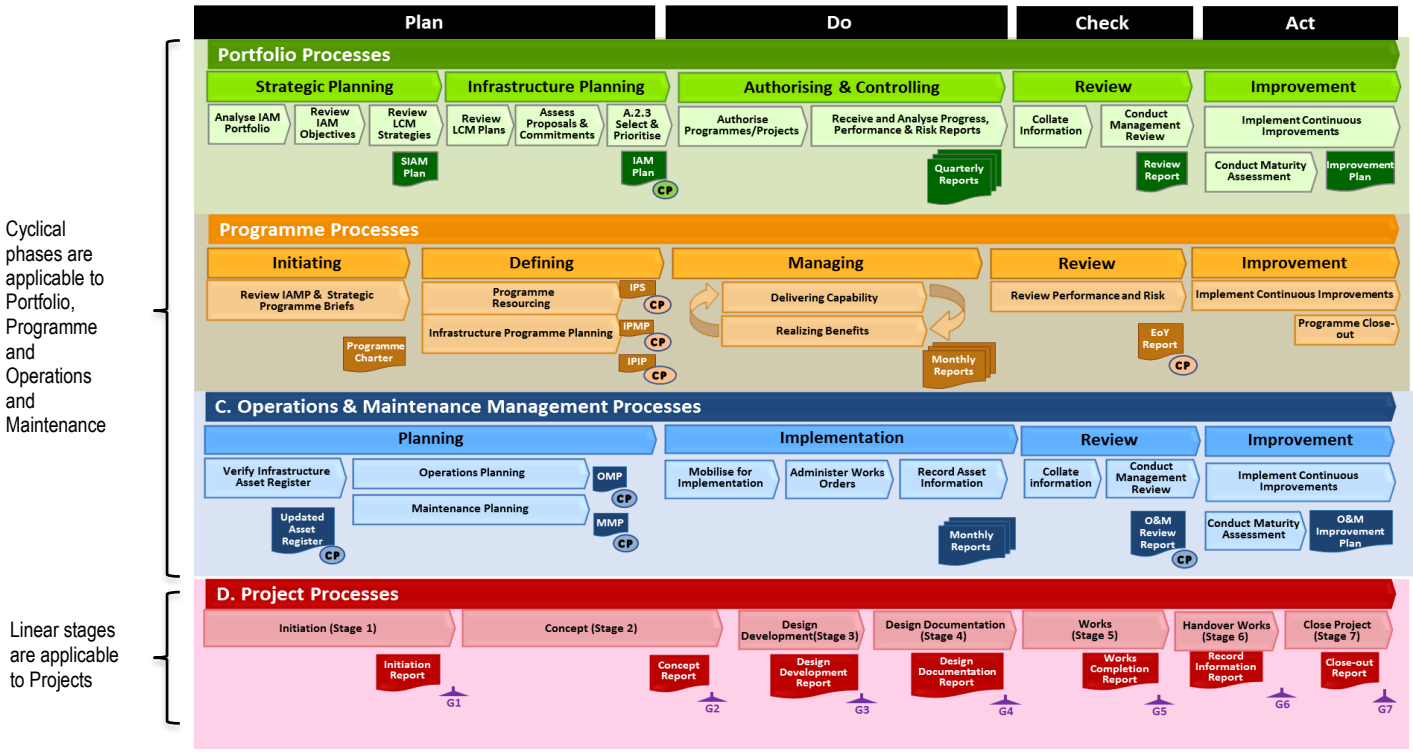
b) Portfolio, Programme, Operation & Maintenance processes are typically cyclical and performed in phases and are reviewed and updated on an annual basis.

c) The Portfolio, Programme, Operation and Maintenance phases contain key Control Points (CP) at which the associated phase deliverable that needs to be approved. The phase may only continue beyond the control point once the phase deliverable has been approved by the person or body designated in the institutional policy arrangements to do so.

d) Project processes are typically linear, meaning a project process is performed in stages from start to completion.

e) The project stages contain gates at the end of each stage at which the associated stage deliverable needs to be approved. The project may only continue beyond the stage gate, in accordance with the approved contracting arrangements, once the stage deliverable has been approved by the person or body designated in the institutional policy arrangements to do so.

Figure 2: The IDM Process Diagram



f) The Portfolio phases that outline and describe the annual, cyclical, repetitive processes in the management of a portfolio of infrastructure assets are:

(i) Strategic Planning;

(ii) Infrastructure Planning;

(iii) Authorising and Controlling;

(iv) Review; and

(v) Improvement.

g) The Programme phases that outline and describe the annual, cyclical, repetitive processes in the management of a programme of infrastructure assets are:

(i) Initiating;

(ii) Defining;

(iii) Managing;

(iv) Review; and

(v) Improvement.

h) The Operations & Maintenance (O&M) phases that outline and describe the annual, cyclical, repetitive processes of a facility or an infrastructure asset network are:

(i) Planning;

(ii) Implementation;

(iii) Review; and

(iv) Improvement.

i) The Project stages of a project, from start to end are:

(i) Initiation;

(ii) Concept;

(iii) Design Development;

(iv) Design Documentation;

(v) Works;

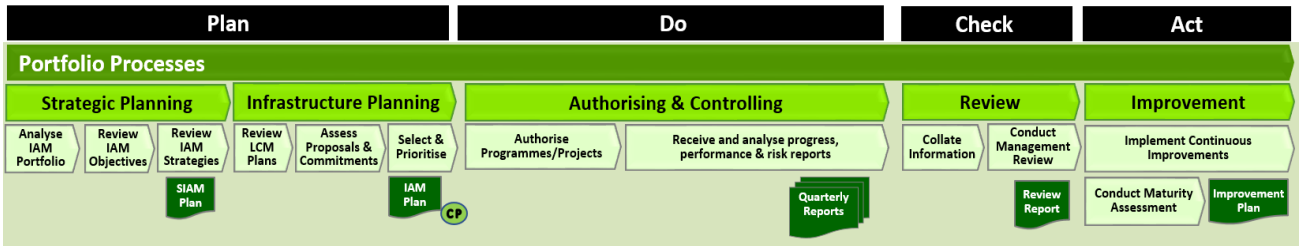
(vi) Handover; and

(vii) Close-out.

5.1 Portfolio Processes

a) The infrastructure delivery Portfolio processes are shown in Figure 3 below.

Figure 3: The IDM Portfolio Processes



b) Table 1 below outlines the minimum requirements of the Infrastructure Asset Management Plan (IAMP) as a control point deliverable that must be developed, updated annually and approved by a delegated person or body in an institution.

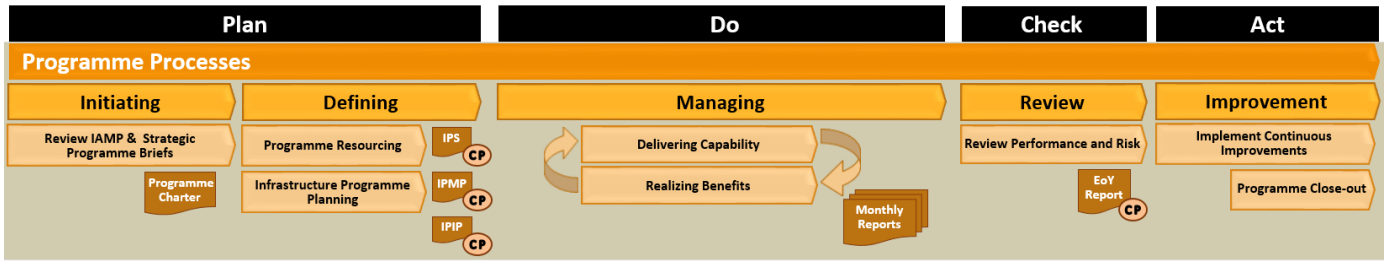
Table 1: Portfolio phase deliverables

Table 1: Portfolio Phase Deliverables	
Phase Name	**Control Point Deliverable**
Infrastructure Planning	**Infrastructure Asset Management Plan (IAMP)** (i) The long-term plan that outlines the asset activities and resources required, to provide a defined level of service, in the most cost-effective way. The plan must include a list of programmes and projects for a period of at least five years. **The control point deliverable is complete when the Infrastructure Asset management Plan is approved.**

5.2 Programme Processes

a) The infrastructure delivery programme processes are shown in Figure 4 below.

Figure 4: The IDM Programme Processes



b) Table 2 below outlines the control point deliverables as minimum requirements to be developed, updated annually and approved by a delegated person or body in an institution.

Table 2: Programme phase deliverables

Programme Phase Deliverables	
Phase Name	**Control Point Deliverables**
Defining	**The Infrastructure Procurement Strategy (IPS)** (i) The IPS shall include a list of programmes and projects covering the prescribed planning period and include the following minimum contents: *a) Delivery Plan* *b) Contracting Arrangements* *c) Procurement Arrangements* **The control point deliverable is complete when the Infrastructure Procurement Strategy is approved.**

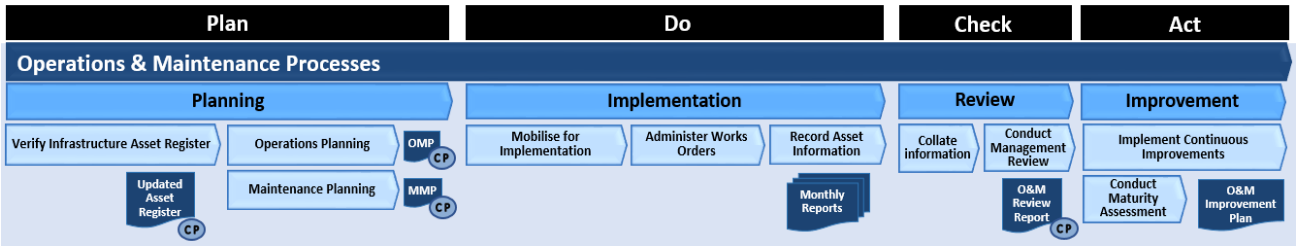
Programme Phase Deliverables	
Phase Name	**Control Point Deliverables**
	Infrastructure Programme Management Plan (IPMP) (i) The IPMP must specify how the infrastructure programme will be executed, monitored and controlled over the planned Medium-Term Expenditure Framework (MTEF) period. (ii) The IAMP must inform the development of the IPMP, with respect to describing the infrastructure programmes and projects that will be executed, monitored and controlled over the planned MTEF period. This will ensure that all programmes implemented over the MTEF period are aligned with broader strategic objectives of government. (iii) The IPMP documents the deliverables to be achieved by each party in accordance with the designated roles and responsibilities defined in the agency agreement where applicable. **The control point deliverable is complete when the Infrastructure Programme Management Plan is approved.**
	Infrastructure Programme Implementation Plan (IPIP) ***(Only applicable when an Organ of State provides agency service)*** (i) The IPIP must specify how the infrastructure programme will be executed, monitored and controlled over a specified financial year and the outer two years that make up the planned Medium-Term Expenditure Framework (MTEF) period. (ii) The IPMP must inform the development of the IPIP, with respect to describing the infrastructure programmes and projects that will be executed, monitored and controlled over the planned MTEF period. This will ensure that all programmes implemented over the MTEF period are aligned with broader strategic objectives of government. (iii) The IPIP documents the deliverables to be achieved by each party in accordance with the designated roles and responsibilities defined in the agency agreement when applicable. **The control point deliverable is complete when the Infrastructure Programme Implementation Plan is approved.**

Programme Phase Deliverables	
Phase Name	**Control Point Deliverables**
Review	**End of Year (EoY) Report** (i) The EoY Report must be consistent and aligned to the IPMP. The report must specify the: a) Progress made by the end of financial year by Programmes against the objectives and outcomes. b) Past financial and non-financial performance of the infrastructure delivery of the Department. c) Impact that the previous year's performance will have on planning and implementation on the next and subsequent year's delivery. d) Monitoring of key competencies deployed to track and report on progress. e) Risks on Programme and Project Management levels. f) Overall management of the Programme. g) Organisation capability and individual capacity to manage infrastructure **The control point deliverable is complete when the End of Year Report is approved.**

5.3 Operations and Maintenance Processes

a) The infrastructure delivery Operations and Maintenance processes are shown in Figure 5 below.

Figure 1: The IDM Operations & Maintenance Processes



b) Table 3 below outlines the control point deliverables as minimum requirements to be developed, updated annually and approved by a delegated person or body in an institution

Table 3: Operations and Maintenance phase deliverables

Operations and Maintenance Phase Deliverables	
Phase Name	**Control Point Deliverables**
Planning	**Updated Asset Register** (for a Facility or IA Network) (i) Updated record of infrastructure asset information and data attributes is required preferably quarterly, but at a minimum annually. (ii) These updates are required on completion of work carried out on the infrastructure assets i.e. acquisition, construction, renewal, maintenance and disposal. **The control point deliverable is complete when the Updated Asset Register is approved.**
	Operations Management Plan (OMP) (i) The OMP contains the Operations Work Schedules with the organizational structure and institutional arrangements for the planning, implementation, monitoring and controlling of all operational activities. (ii) The plan must include: a) Operating procedures;

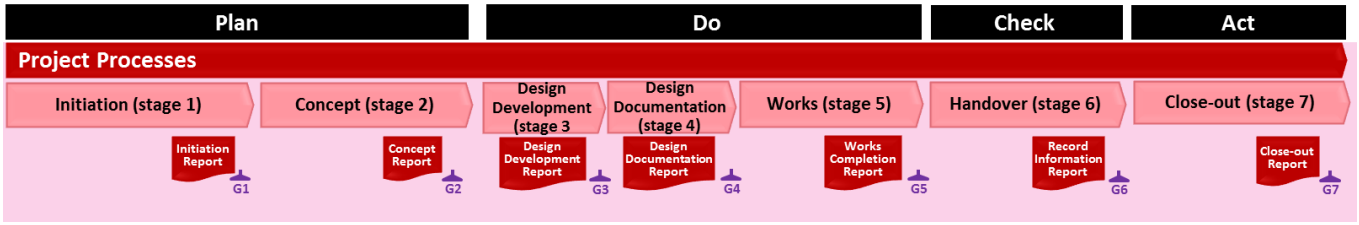
Operations and Maintenance Phase Deliverables	
Phase Name	**Control Point Deliverables**
	b) Scheduling activities; c) Emergency procedures; d) Resource (staff, funding, equipment, materials, etc.) requirements; e) Performance and quality requirements; and f) Risks and Occupational Health and Safety (OHS) provisions. **The control point deliverable is complete when the Operations Management Plan is approved.**
	Maintenance Management Plan (MMP) (i) The Annual Maintenance Management Plan describes the actions required to keep infrastructure assets as near as is practical to their original condition (without renewal) and to ensure their minimum availability and reliability. (ii) The plan must include: a) Maintenance procedures and activities; b) Scheduling of activities; c) Resource (staff, funding, equipment, materials, etc.) requirements; d) Performance and quality requirements; and e) Risks and OHS provisions. **The control point deliverable is complete when the Maintenance Management Plan is approved.**
Review	**Maintenance Management Review Report** (MMRR) (i) Management reviews provide top management with an opportunity to evaluate the continuing suitability, adequacy and effectiveness of the assets, asset management, and asset management system. ***(ii) <u>Minimum contents:</u>***

Operations and Maintenance Phase Deliverables	
Phase Name	**Control Point Deliverables**
	a) Achievement of the O&M objectives. b) O&M performance in terms of the pre-determined performance measures. c) Review of the O&M risks as documented in the Risk Register. d) The Accounting Officer of the facility or network should review and sign off the Review Report. **The control point deliverable is complete when Maintenance Management Review Report is approved.**

5.4 Project Processes

a) The infrastructure delivery project processes are shown in Figure 6 below.

Figure 6: The IDM Project Processes



b) Table 4 below outlines the control point deliverables as minimum requirements that to be developed, updated annually and approved by a delegated person or body in an institution

Table 4: Project stage deliverables

Stage		Project Stage Deliverables
No	**Name**	**End of Stage Deliverables**
1	**Initiation**	**Initiation Report or Prefeasibility Report** (i) The Initiation Report, which defines project objectives, needs, acceptance criteria, organisation's priorities and aspirations, procurement strategies, and which sets out the basis for the development of the Concept Report. Or (ii) A Prefeasibility Report, is required on mega capital projects to determine whether or not to proceed to the Feasibility Stage, where sufficient information is presented to enable a final decision to be made regarding the implementation of the project. **Stage 1 is complete when the Initiation Report or Prefeasibility Report is approved.**
2	**Concept**	**Concept Report or Feasibility Report** (i) The Concept Stage represents an opportunity for the development of different design concepts to satisfy the project requirements, as developed during Stage 1. It also presents, through the testing of alternative approaches, an opportunity to select a particular conceptual approach. The ultimate objective

Stage		Project Stage Deliverables
No	**Name**	**End of Stage Deliverables**
		of this stage is to determine whether the project is viable to proceed, with respect to available budget, technical solutions, time-frame and other information that may be required. (ii) The Concept Report should as a minimum, provide the following information: a) Document the initial design criteria, cost plan, design options and the selection of the preferred design option, or the methods and procedures required to maintain the condition of infrastructure for the project. b) Establish the detailed brief, scope, scale, form and cost plan for the project, including, where necessary, the obtaining of site studies and construction and specialist advice. c) Provide an indicative schedule for documentation and construction or maintenance services, associated with the project. d) Include a site development plan, or other suitable schematic layouts of the works. e) Describe the statutory permissions, funding approvals and utility approvals required to proceed with the works associated with the project. f) Include a baseline risk assessment for the project, and a health and safety plan, which is a requirement of the Construction Regulations, issued in terms of the Occupational Health and Safety Act. g) Contain a risk report linked to the need for further surveys, tests, other investigations and consents and approvals, if any, during subsequent stages and identified health, safety and environmental risk. (iii) A Feasibility Report shall, as a minimum, provide the following information: a) Details regarding the preparatory work covering:

Stage		Project Stage Deliverables
No	**Name**	**End of Stage Deliverables**
		• A needs and demand analysis with output specifications. • An options analysis. b) A viability evaluation covering: • A financial analysis. • An economic analysis, if necessary. c) A risk assessment and sensitivity analysis; d) A professional analysis covering: • A technology options assessment. • An environmental impact assessment. • A regulatory due diligence. e) An implementation readiness assessment covering: • Institutional capacity. • A procurement plan. **Stage 2 is complete when the Concept Report or the Feasibility Report is approved.**
3	**Design Development**	**Design Development Report** (i) The Design Development Report shall as necessary: a) Develop in detail the approved concept to finalise the design and definition criteria. b) Establish the detailed form, character, function and costings. c) Define all components in terms of overall size, typical detail, performance and outline specification.

Stage		Project Stage Deliverables
No	**Name**	**End of Stage Deliverables**
		d) Describe how infrastructure or elements or components thereof are to function, how they are to be safely constructed, how they are to be maintained and how they are to be commissioned. e) Confirm that the project scope can be completed within the budget or propose a revision to the budget. **Stage 3 is complete when the Design Development Report is approved.**
4	**Design Documentation**	**Design Documentation** (i) Design documentation provides the: a) production information that details, performance definition, specification, sizing and positioning of all systems and components that would enable construction; b) manufacture, fabrication and construction information for specific components of the work informed by the production information. **Stage 4 is complete when the Design Documentation Report is approved.**
5	**Works**	**Completed Works capable of being used or occupied** (i) The following is required for completion of the Works Stage: a) Completion of the works is certified in accordance with the provisions of the contract; or b) The goods and associated services are certified as being delivered in accordance with the provisions of the contract. **Stage 5 is complete when the Works Completion Report is approved.**
6	**Handover**	**Works which have been taken over by user or owner; completed training; Record Information** (i) The following activities shall be undertaken during the handover stage:

Stage		Project Stage Deliverables
No	**Name**	**End of Stage Deliverables**
		a) Finalise and assemble record information which accurately reflects the infrastructure that is acquired, rehabilitated, refurbished or maintained; b) Hand over the works and record information to the user organisation and if necessary, train end user staff in the operation of the works. **Stage 6 is complete when the Handover/Record Information Report is approved.**
7	**Close-Out**	**Defects Certificate or Certificate of Final Completion; Final Account; Close-Out Report** (i) The Close-Out Stage commences when the end user accepts liability for the works. It is complete when: a) Record information is archived; b) Defects certificates and certificates of final completion are issued in terms of the contract; c) Final amount due to the contractor is certified, in terms of the contract; d) Close-Out Report is prepared by the Implementer and approved by the Client Department. **Stage 7 is complete when the Close-out Report is approved.**

a) The IDM Project Processes should be implemented in accordance with the following principles:

(i) Procurement of PSPs and Contractors can occur at different points in the project stages.

(ii) It should be noted that additional stages may be added to the prescribed stages, if deemed necessary. Such stages could include, for example, those necessary to ensure that project activities are appropriately carried out and stages linked to contract

activities, would, in many instances, be contingent upon the requirements of the specific contract being used.

(iii) When reporting a specific project's progress using the project stages, it is important to emphasise that when the project is shown as being in a specific stage, it is the deliverable of the previous stage that has been achieved and which must be reported on. For example, if a project is shown as being at Stage No. 3 (Design Development), it implies that the deliverable for Stage No. 2 (i.e. the Concept Report) has been achieved, and that the deliverable for Stage 3 (i.e. the Design Development Report) is in the process of being prepared.

(iv) Where Organs of state who engage another organ of state to provide agency services shall develop a service delivery agreement that should outline the roles and responsibilities for each organ of state which creates a relationship between a client and an implementer. The development of all deliverables should be carried out in a cooperative and consultative manner between both parties (i.e. between Client and Implementer). All deliverable must be developed and signed off as per their service delivery agreement.

5.5 Gateway Reviews

5.5.1 Gateway reviews for major capital projects

(i) In terms of section 38 and 51 of the PFMA (Act 1 of 1999), the Accounting Officer or authority must ensure that the department, trading entity, constitutional institution or public entity has and maintains a system for properly evaluating major capital projects prior to a final decision on the project.

(ii) This framework prescribes the gateway review at the end of stage 2 as the minimum requirement to comply with section (i) above.

(iii) The focus of such a review shall be, in the first instance, on the quality of the documentation, and thereafter on:

a) Deliverability: the extent to which a project is deemed likely to deliver;
b) The expected benefits within the declared cost, time and performance envelope;
c) Affordability: the extent to which the level of expenditure and financial risk involved in a project can be taken up, given the organisation's overall financial position, both singly and in the light of its other current and projected commitments; and
d) Value for money: The optimum combination of whole life costs and quality (or fitness of purpose) to meet the user's requirements.

(iv) A gateway review team shall comprise not less than three persons who are not involved in the project associated with the work covered, and are familiar with various aspects of the subject matter.

(v) A gateway review shall be led by a person who has experience in the planning of infrastructure projects and is registered as a professional with a statutory council under the built environment professions. The members of the team shall, as relevant, have expertise in the key technical areas, cost estimating, scheduling and implementation of similar projects.

(vi) It is the duty of the institution's Accounting Officer or Authority to appoint a team responsible for the gateway review of his or her institution.

(vii) The gateway review team shall base its findings primarily on:

a) The information contained in the end-of-stage deliverable;

b) Supplementary documentation, if any, provided by key staff obtained during an interview process; and

c) Interview with key staff members and stakeholders.

(viii) The gateway review team shall issue a report at the conclusion of a gateway review, which indicates the team's assessment of the information at the end of a stage and provides findings or recommendations on areas where further work may be undertaken to improve such information.

(ix) The gateway review findings shall be classified by the gateway review team as:

a) **Critical**: Findings that pose adverse effect to the project or package. Critical findings are wholly unacceptable.
b) **Major**: Findings that pose a potentially adverse effect to the project or package. Major findings are serious findings and are in direct violation of key legislation, e.g. The Constitution of the Republic of South Africa, 1996; the PFMA or the PPPFA.
c) **Minor**: Findings not to posing any adverse effect to the project or package. Minor findings indicate the need for improvement of practices and processes.

(x) A Stage 2 deliverable shall not be approved until such time that all critical findings have been addressed.

(xi) An organ of state shall submit, on quarterly basis, a list of gateway reviews undertaken in a prescribed format to the relevant treasury and national departments.

5.5.2 Gateway reviews initiated by the relevant treasury and national departments

(i) A relevant Treasury may at any time institute a gateway review of any of the end-of-stage deliverables associated with the IDM project processes, irrespective of the estimated cost of a project. The focus of such a review shall be determined by the relevant Treasury. The associated institution accountable for the project shall be notified of the review and its focus at least three weeks prior to the conducting of the review.

(ii) A relevant National Department may institute, at any time, a gateway review of any of the end-of-stage deliverables associated with the IDM project processes, irrespective of the estimated cost of a project. The focus of such a review shall be determined by the relevant National Department. The associated institution accountable for the project shall be notified of the review and its focus at least three weeks prior to the conducting of the review.

6. FRAMEWORK FOR INFRASTRUCTURE PROCUREMENT

6.1 Infrastructure Procurement Requirements

6.1.1 Infrastructure procurement shall be undertaken in accordance with all applicable Infrastructure Procurement-related legislation and this Framework.

6.1.2 Infrastructure procurement shall be implemented in accordance with procurement gates prescribed in clause 6.2 and the CIDB prescripts. If deemed necessary by the institution, Accounting Officer or Accounting Authority can, over and above procurement gates prescribed in clause 6.2, introduce additional procurement gates.

6.1.3 Procurement Gate 1 and 2 shall be informed by the Programme Management Control Point Deliverables in terms of Section 5.2 above.

6.1.4 Given the peculiarity of the institution, the procurement of Professional Service Providers (PSPs) and Contractors can occur at any points in the IDM Processes.

6.1.5 The Accounting Officer or Accounting Authority must ensure that a budget is available and cash flow is sufficient to meet contractual obligations and pay contractors within the time period provided for in the contract.

6.1.6 Procurement gates provided in 6.2 shall be used, as appropriate, to:

a) Authorise commencement to the next control gate;

b) Confirm conformity with requirements; and/or

c) Provide information, which creates an opportunity for corrective action to be taken.

6.1.7 The authorisation to proceed to the next procurement gate must be given by a delegated person or body. The delegated person or body must be able to apply the knowledge and skill to achieve intended results required at the relevant procurement gate. The level of detail contained in the documentation upon which a decision to proceed to the next procurement gate, must be sufficient to enable an informed decision.

6.1.8 The Accounting Officer or Accounting Authority must develop and implement effective and efficient emergency procurement procedures, including relevant approval delegation, to safeguard the institution from:

a) Being exposed to substantial damages to the institution infrastructure;

b) Consequential damages which could result in loss of life and or serious damage to property;

c) Significant litigation claims; and

d) Reputational damage to the institution.

6.1.9 The Accounting Officer or Accounting Authority of an institution to which this framework applies must develop and implement, in that institution, an effective and efficient disposal policy. The institution may, prior to deciding to proceed with the procurement strategy, consider disposal strategies in line with their internal disposal policy, such as:

a) Salvageable material as prescribed in the relevant Built Environment Council; and

b) Formation of the disposal committee by relevant persons or body.

6.1.10 The Accounting Officer shall, in a manual or electronic format, keep records of Procurement Gate Approvals with the following minimum requirements:

a) Procurement gate;

b) Delegated person/s or body;

c) Date on which the approval request was received;

d) Date on which the approval was actioned; and

e) Signature of the delegated person.

6.2 Infrastructure Procurement Gates

6.2.1. Procurement Gate 1 (PG1)

a) Obtain permission to start with the procurement process.

b) **Minimum Requirement for PG 1:**

1) Establish and clarify what needs to be procured.

2) Prepare broad scope of work for procurement.

3) Ascertain a title for the procurement for the purposes of project identification.

4) Estimate financial value of proposed procurement and contract for budgetary purposes, based on the broad scope of work.

5) Confirm the budget.

c) **PG 1 is complete when a designated person or body makes a decision to proceed/not to proceed with the procurement based on the broad scope of work and the financial estimates.**

6.2.2. Procurement Gate 2 (PG2):

a) Obtain approval for procurement strategies that are to be adopted.

b) **Minimum Requirement for PG 2:**

1) Decide on procurement strategies.

2) Establish opportunities for promoting preferential procurement in line with legislative provisions and the Construction Sector Code.

3) Establish contracting and pricing strategy comprising of an appropriate allocation of responsibilities and risks and the methodology by which contractors are to be paid.

4) Establish procurement procedures.

c) **PG 2 is complete when a delegated person or body approves procurement strategies that are to be adopted.**

6.2.3. Procurement Gate 3 (PG3)

a) Obtain approval for procurement documents.

b) **Minimum requirements for PG 3:**

1) Prepare procurement documents that are compatible with the approved procurement strategies.

c) **PG 3 is complete when a delegated person or body reviews the procurement document, identifies sections, if any, which require amendments or improvement, and grants the necessary approval.**

6.2.4. Procurement Gate 4 (PG4)

a) Confirm that cash flow is sufficient to meet projected contractual obligations.

b) **Minimum requirement for PG 4**

1) Confirm sufficient cash flow to meet contractual obligations.

2) Establish control measures for payment of contractors within the time period provided for in the contract.

c) **PG 4 is complete when a delegated person or body ensures that cash flow is sufficient for the procurement to take place.**

6.2.5. Procurement Gate 5 (PG 5)

a) Solicit tender offers.

b) **Minimum requirements for PG 5**

1) Invite tender offers.

2) Receive tender offers.

3) Record tender offers.

4) Safeguard tender offers.

5) Prepare a report on tender offers received.

c) **PG 5 is complete when a delegated person or body ensures that all received tender offers are duly accounted for.**

6.2.6. Procurement Gate 6 (PG 6)

a) Evaluate tender offers in terms of undertakings and parameters established in procurement documents.

b) **Minimum Requirement for PG 6:**

1) Open and record tender offers received.

2) Determine whether or not tender offers are complete.

3) Determine whether or not tender offers are responsive.

4) Evaluate tender submissions.

5) Perform a risk analysis.

6) Prepare a tender-evaluation report.

c) **PG 6 is complete when a person or body reviews evaluation report and ratifies recommendations.**

6.2.7. Procurement Gate 7 (PG7)

a) Award the contract.

b) **Minimum Requirement for PG 7:**

1) Notify successful tenderer and unsuccessful tenderers of outcome.

2) Compile contract document.

3) Formally accept tender offer.

c) **PG 7 is complete when a delegated person or body confirms that the tenderer has provided evidence of complying with all requirement stated in the tender data and formally accepts the tender offer in writing and issues the contractor with a signed copy of the contract**

6.2.8. Procurement Gate 8 (PG 8)

a) Administer the contract and confirm compliance with all contractual requirements.

b) **Minimum Requirements for PG 8:**

1) Capture contract award data.

2) Administer contract in accordance with the terms and provisions of the contract.

3) Ensure compliance with contractual requirements.

c) **PG 8 is complete when a delegated person captures contract completion/termination data.**

6.3 Procurement Documentation

6.3.1 Procurement documents shall be developed in accordance with the applicable Construction Industry Development Board Act (CIDB) Standard for Uniformity (SFU).