

SCMB 29/06/20

**PROCUREMENT OF GOODS/SERVICES/CONSTRUCTION
WORKS FROM ANOTHER ORGAN OF STATE:
MAINTENANCE AND REPAIRS OF PUBLIC HOUSING
RENTAL STOCK**

Members of the Committee through a BAC Comments form raised questions and comments.

The CFO's representative, Ms L Muller queried whether any consideration was given to initiate a formal tender for this service. She was also of the view that the 'specification' as outlined in the report was for "Enterprise development and programme management support in establishing and implementing the contractor development framework".

Ms Muller and Mr R Wootton requested that clarity be given as this does not seem to align with the award to NHFC for the Repairs and maintenance of City owned properties.

Mr R Wootton queried the contract period for this work.

The Director: SCM queried whether the National Housing Finance Corporation SOC Ltd is a public institution listed in the PFMA schedules and under which National department this institution resides.

It was confirmed that National Housing Finance Corporation SOC Ltd is a public institution listed in the PFMA and resides under the National Department of Human Settlements. The meeting was also informed that the entity will provide enterprise and development and programme management support for the department to roll out its repairs and maintenance program.

The author of the report, Ms S September proposed that the recommendation should be amended to reflect that National Housing Finance Corporation SOC Ltd be appointed for Enterprise development and programme management support in establishing and implementing a Contractor Development Framework instead of the maintenance and repairs of Public Housing Rental Stock.



In response to questions raised regarding the cost, Ms S September said that the cost will be R15 000 000 or 10% of the contract value and based on DPSA rates.

The Director: SCM was of the view that the contract documents should be provided to the City's Contracts Management Unit.

It was proposed that the contract period be from 1 July 2020 until 30 June 2023.

RESOLVED that for the reasons set out in the report and in accordance with clause 20.1 of the SCM Policy, National Housing Finance Corporation SOC Ltd be appointed for Enterprise development and programme management support in establishing and implementing a Contractor Development Framework to implement a turnkey solution to Public Housing offering the following services: Facilities Management, Community Engagement & Liaison, Contractor Development, Project Financing, and a Supply Chain Management recommendation, at the rates in the table below (excl. VAT) at a percentage fees rate of 10% of the project value (6.5% for the management fees and 3.5% for the enterprise development), from 1 July 2020 until 30 June 2023.

DPSA Rates 2018 Model B Long Term - B 2.2 No Mark Up				
	TOTAL NO RESOURCES	Per Month	Per Annum	Contract (3 years)
Cluster 1	5.75	460 600	5 527 200	16 581 600
Cluster 2	5.75	460 600	5 527 200	16 581 600
Cluster 3	5.75	460 600	5 527 200	16 581 600
Cluster 4	5.75	460 600	5 527 200	16 581 600
	23	1 842 400	22 108 800	66 326 400

ACTION: **B VUMASE, L ESTERHUIZEN** to communicate the decisions of the BAC to the tenderers and BEC.

FOR NOTING: **SIPHOKAZI SEPTEMBER** to note the BAC decisions and apply the recommendations and decisions of the BAC.

This resolution complies with the Supply Chain Management Policy as approved by Council on 30 May 2019.



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ARNO VORSTER EMPLOYEE NO. 10300397
CHAIRPERSON: SUPPLY CHAIN MANAGEMENT
BID ADJUDICATION COMMITTEE

DATE: 11/06/2020