



basic education

Department:
Basic Education
REPUBLIC OF SOUTH AFRICA

ASIDI Disbursement, Professional and Management Fee Policy and Procedure

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1. OBJECTIVE

To determine the total project expenditure per school and the value of assets transferred to custodians. Expenditure includes payments relating to disbursements, Professional Service Providers, contractors and management fees.

2. SCOPE

The guidelines apply to the Accelerated School Infrastructure Development Initiatives (ASIDI) programme, DBE Financial Services and Asset Management, and Implementing Agents.

3. INTERPRETATIONS

3.1 Disbursement costs are inclusive of and not limited to:

- Accommodation
- Travel costs
- Car hire
- Meals.

3.2 Professional Service Providers include:

- Contractors
- Quantity surveyors
- Architects
- Engineers.

3.3 Projects refer to:

- Construction
- Provision of electricity, water and sanitation.

4. PROCESSES

ASIDI programme addresses four sub-programmes namely:

- i. Eradication of entire inappropriate school to replace with a new school
- ii. Provision of water to schools which never had before;
- iii. Provision of sanitation to schools that never had before; and
- iv. Provision of electricity to schools that never had before.

Therefore a project is a newly built school or provision of water facilities, sanitation and /or electricity at a particular school.

During the contracting and procurement stage, projects may be clustered. Clustering of projects can take any of the following forms:

CLUSTERING MORE THAN ONE PROJECT FOR A SCHOOL

One of ASIDI schools may require the provision of water, sanitation and electricity. During the planning stage, the IA may choose to establish the scope of works in line with the guidelines and prepare one bill for provision of water, sanitation and electricity. One of the reasons for doing this is to avoid more than one contractor working on one site (i.e at a school).

CLUSTERING MORE THAN ONE PROJECT IN MORE THAN ONE SCHOOL

For economies of scale and to make projects more lucrative to service providers and contractors, the IA may opt to group schools based on their proximity. The combination of a cluster may be a number of schools in need of water services only, sanitation only, electricity only or any combination of water, sanitation and electricity. Scope of work is established in each school but costs are estimated by compiling a single bill of quantities instead of individual bills based on a project.

Therefore where projects were not procured and contracted individually, a standard method to apportion clustered expenditure to individual projects needs to be developed.

The methods to split expenditure per project are:

4.1 SPLIT BY IA's AND PSPs

In certain instances, though there is a single contract and single invoice for a cluster issued by the contractor on a monthly basis for payment, the IA may have prepared costs per individual project and consolidated these amounts to arrive at a cluster price.

This contracting method would result in the preparation and submission of one final account for a cluster of schools. For the invoice with clustered expenditure, DBE will request the IA to provide a breakdown of final expenditure per project.

The IA and the PSP, based on their cost estimations shall allocate the cost per project. A document with a cost/ expenditure break-down, on the IA/PSP's letter head, signed-off by a suitably qualified professional, endorsed by the IA shall be submitted to DBE.

4.2 SPLIT BY ASIDI QUANTITY SURVEYORS

Where DBE is not able to get the information from the IA and/or its PSPs, DBE shall apply its professional judgement to split the expenditure which will be informed by:

- i. The implemented scope of work to split the construction amounts for contractors per project.
- ii. The PSPs invoiced values shall be split equally (as the level of effort is not dependent on the scope of work) per project based on the portfolio of projects which were implemented and reached close out stage.
- iii. Where projects only ended at the feasibility stage, and no invoice was issued for undertaking the feasibility task, a reasonable amount will be determined based on:
 - a. Time spent;
 - b. Resources used;
 - c. Hourly rates per resource; and
 - d. Actual disbursements incurred if applicable.
- iv. For the IAs, the invoiced amount will be split in accordance with the percentage agreed between the IA and DBE after establishing Contractor and PSP expenditures.

APPROVAL

Signed at *Peromia*on *03 July 2015*

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