

POLICY: PROJECT CYCLE TIME FRAME REDUCTION

Item B-MI (63-2003)
CM 29.1.2004

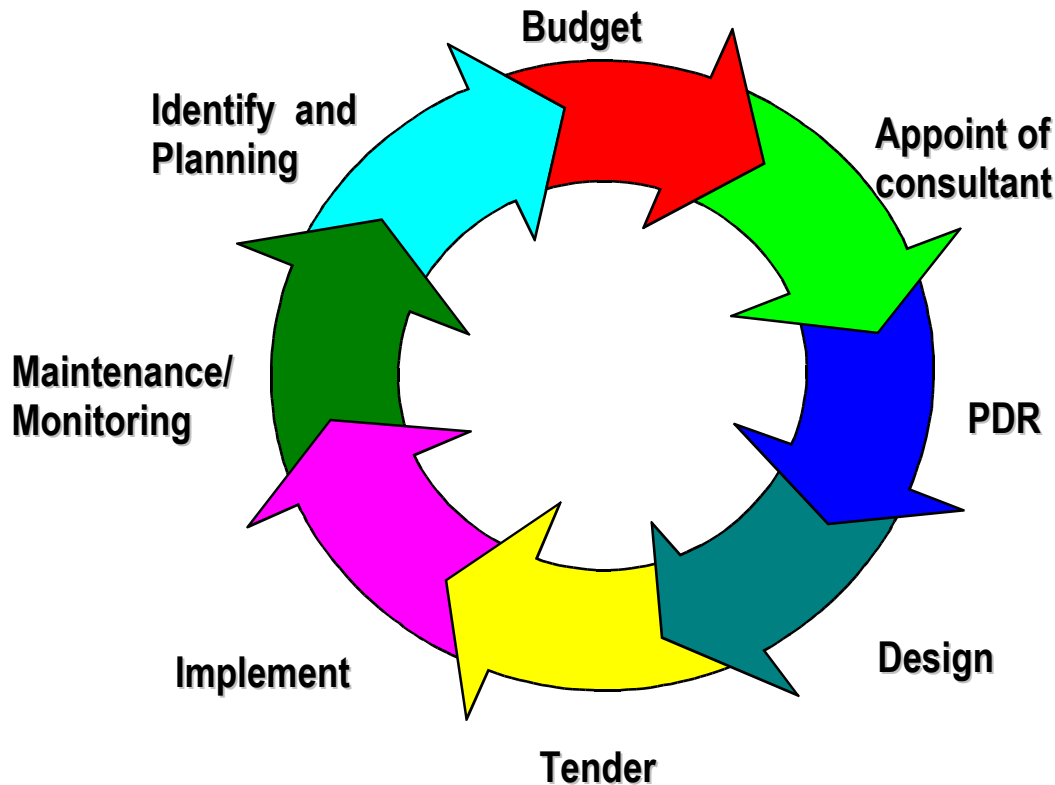
MI: WS (03/08/027): MUNICIPAL INFRASTRUCTURE CAPITAL INVESTMENT
PROGRAMME : PROJECT CYCLE TIME FRAME REDUCTION

RESOLVED:

1. **That** the report by the Executive Director: Municipal Infrastructure to inform Council on the possible project cycle time frame reductions, **BE NOTED**.
2. **That** the framework set out in **Annexure "B"** attached to the report with regard to Council's Capital Investment Programme, **BE ADOPTED** and **APPROVED** as Council's uniform policy.
3. **That** all Departments **TAKE COGNISANCE** of the content of **Annexure "B"** attached to the report and **ENSURE** the immediate implementation thereof within their respective divisions.
4. **That** the framework set out in **Annexure "B"** attached to the report **BE REVIEWED** with the intention to further refine the framework, where necessary, twelve months after its implementation or when required.

BASIC PROJECT CYCLE

WATER SERVICES DIVISION
8 August 2003



Current Dec 2002		Rev 1 - August 2003		Delegated Powers	
Effective		Effective		Effective	
Days High	Days Low	Days High	Days Low	Days High	Days Low

Executive Summary of phases

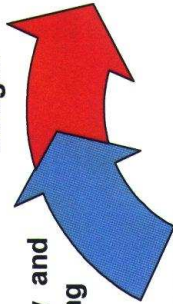
Identify and Planning	177	142	99	66	99	66
Budget	83	50	44	30	44	30
Appointment of Consultant	74	44	43	27	38	25
Preliminary Design Report (PDR)	97	42	71	45	67	43
Detail Design	0	0	0	0	0	0
Tender phase	208	110	108	67	98	64
Implementation/Construction	-	-	14	29	14	29
Monitoring/Retention	361	92	361	92	361	92
Total days	1000	480	740	356	721	349
Total weeks	200	96	148	71	144	70
Total months	50	24	37	18	36	17
Total years	4.2	2.0	3.1	1.5	3.0	1.5
Variance between high & low	512		384		372	
Reduction in months	-		13.0	6.2	1.0	0.4

TIME BASED DIAGRAM - PROCESS POLICY

WATER SERVICES DIVISION
8 August 2003

Budget

Identify and Planning



Identifying and planning of a project (input to IDP)

- Ward committee meetings
- Ward audit exercise (every two years)
- Stakeholder committee meetings
- Technical input (modelling of network)

Budget informed by the IDP

- Draft budget from IDP process (1st round)
- Draft budget discuss with Finance
- Curtailment process of budget
- Review by individual SDC's
- Draft budget from IDP process (2nd round)
- Draft budget discuss with Finance
- Budget to Portfolio committee
- Budget to Mayoral committee
- Budget to Council

Appoint of consultant



Appointment of Consultant (General appointments)

- Request for register on database
- Evaluate projects versus expertise
- Generate result from database - draft list
- Discuss possible appointments with SDC's
- Make adjustments to draft list of appointments
- Review draft list with SDC's
- Discuss draft list with ED/RED's and SED
- Final list to Portfolio committee
- Final list to Tender/Procurement committee
- Physical appointment of consultant/s

Current Dec 2002

Effective	
Days	Days
High	Low
4	2
2	2
3	2
170	138
179	144

Total days

Effective	
Days	Days
High	Low
4	2
2	2
3	2
90	60
99	66
5	4
3	2
3	2
3	2
1	1
1	1
8	5
5	3
15	10
44	30

Most M/plans have been done - only update

Approved IDP - easy access to Capex in IDP
Refined processes with Finance now

Review now by Region/Depot and not SDC
2nd Round should not be impacting on the process

Refined processes with Finance now
Special Portfolio meetings to be arranged - important item
Provision to be made to adhere at 'low' - important for Council
Provision to be made to adhere at 'low' - important for Council

Rev 1 - August 2003

Remarks/Reason for reduction

Current Dec 2002

Effective	
Days	Days
High	Low
15	10
5	4
2	1
10	5
4	3
10	5
3	2
15	8
7	3
3	3
74	44

Total days

Rev 1 - August 2003

Effective	
Days	Days
High	Low
15	10
5	3
2	1
0	0
0	0
0	0
3	2
10	6
5	2
3	3
43	27

Depending on type of projects 'low' can be maintained

Not required anymore - placement process

Not required anymore - placement process

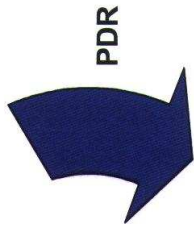
Not required anymore - placement process

Alignment of internal process to achieve this - drive item

Slot on Procurement agenda could be made (once off annually)

TIME BASED DIAGRAM - PROCESS POLICY

WATER SERVICES DIVISION
8 August 2003



Preliminary Design Report (PDR)

Establish scope of work/project	5	3	4	3	4	3	Discussion can be limited
Preliminary field investigation (Physical)	4	3	4	3	4	3	Technical can be limited 'desk study'
Preliminary field investigation (Technical)	5	4	4	3	4	3	More realistic figures
Draft report by consultant	20	15	25	18	25	18	
Discuss report with officials (SDC/Corporate)	2	1	2	1	2	1	
Amend report to requirements	3	2	3	2	3	2	
Submit final report for approval	35	3	10	5	35	3	Consultant submit directly to Head office not SDC any more
Draft item for approval (delegated powers)	7	4	7	4	7	4	
Receive comments from Finance	3	1	3	1	3	1	All items to be treated as urgent!
Recommend for approval (Director)	3	2	2	1	3	2	
Recommend for approval (Executive Director)	2	1	2	1	2	1	
Recommend for approval (Strategic Executive Director)	3	1	3	1	3	1	All items to be treated as urgent!
Recommend for approval (Portfolio Head)	3	1	3	1	3	1	All items to be treated as urgent!
Inform project leader and consultant of approval	2	1	2	1	2	1	All approvals to be treated as urgent!
Total days	97	42	71	45	97	45	

Current Dec 2002

Effective	
Days	Days
High	Low

Rev 1 - August 2003

Effective	
Days	Days
High	Low



Detail Design

Currently detail design is approved by the SDC where required to fit their particular operations. Technical details such as standards, materials and in the case of sewer, longitudinal section design will be done in preliminary manner in the PDR stage already. Refinement of long sections.

Current Dec 2002

Effective	
Days	Days
High	Low

Rev 1 - August 2003

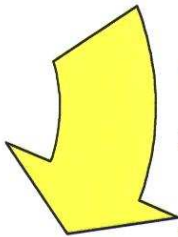
Effective	
Days	Days
High	Low

Not approved by SDC anymore - Head office

Total days 0 0 0 0

TIME BASED DIAGRAM - PROCESS POLICY

WATER SERVICES DIVISION
8 August 2003



Tendering phase

- Drafting of a tender document
- Submit document for legal scrutiny
- Amend draft tender document
- Obtain permission to advertise (legal letter)
- Obtain tender number from tender office
- Submit documents to tender office
- Compulsory tender advertisement period
- Receive tenders on closing date at tender office
- Evaluate all tenders submitted
- Draft a tender evaluating report (TAR)
- Submit TAR from Consultant for approval
- Draft item to motivate tender evaluating report by SDC
- Item forwarded to RED for approval
- Item forwarded to Corporate staff
- Item amended by Corporate staff in liaison with SDC
- Request comments from Finance
- Request comments from Equity and Employment dept
- Request comments from Corporate and Legal
- Scrutiny of report by Corporate and Legal (Head office)
- Scrutiny of report by Administrative officer
- Scrutiny of report by Director
- Amend report as per directives
- Submit to SED to recommend to Portfolio agenda
- Submit to Portfolio clerk for Portfolio agenda
- Submit to Portfolio committee
- Await approval of minutes of Portfolio committee
- Submit to Tender/Procurement committee agenda
- Await approval of minutes of Tender/Procurement
- Inform SDC of outcome
- Inform consultant of outcome
- Consultant instruct contractor to come on-site

Current Dec 2002

Effective		Days	
High	Low	High	Low
5	4	3	3
30	3	2	2
4	2	2	2
5	2	1	1
2	1	2	16
3	2	1	1
16	1	5	3
1	1	3	1
10	5	6	4
5	3	8	6
3	1	3	2
6	4	5	4
8	6	7	5
3	2	13	6
5	4	10	5
4	3	5	3
3	2	4	3
2	1	3	2
15	5	4	3
10	5	3	2
10	5	4	3
10	5	3	2
1	1	15	5
1	1	10	5
2	1	10	5
2	1	10	5
1	1	1	1
2	1	1	1
2	1	2	1
208	110		

Rev 1 - August 2003

Effective		Days	
High	Low	High	Low
5	4	3	3
5	3	2	2
3	2	2	2
3	2	1	1
2	1	2	1
2	1	16	16
1	1	1	1
15	10	5	3
5	3	2	1
2	1	3	2
3	2	0	0
0	0	2	1
2	1	3	1
3	1	1	0
1	0	5	2
5	2	0	0
0	0	2	1
3	2	2	1
3	2	3	2
4	3	2	1
5	3	2	1
6	4	3	2
5	3	2	1
5	3	2	1
4	3	2	1
3	2	10	5
13	6	4	3
10	5	3	2
5	3	4	3
5	3	3	2
4	3	15	5
3	2	10	5
2	1	10	5
2	1	10	5
1	1	1	1
1	1	1	1
2	1	2	1
208	110		

Tender

- Standard documents available per Division
- Provision of dedicated legal staff member per Department
- Amendments should not be major at this point in time anymore
- Advertising of a tender is 'dead' time - sooner the better
- Copies of documents could be made earlier
- Information required from banks can take longer
- Submission to Head office - not to SDC anymore
- Head office draft item
- Head office draft item
- Head office draft item
- Liaison with RED where relevant
- Framework/Checklist from Equity included in documents
- Dedicated Legal staff member per Department
- See comments from Corporate and Legal
- Tender items dependant on time - miss one Portfolio = 3 weeks lost
- Streamline processes in place
- Tender items dependant on time - miss one Portfolio = 3 weeks lost
- All approvals to be treated as urgent!
- All approvals to be treated as urgent!
- Streamline processes to be in place
- Specific arrangements to be discussed
- Specific arrangements to be discussed
- Specific arrangements to be discussed
- Managed directly from Head office

5	4	3	3
5	3	2	2
3	2	2	2
3	2	1	1
2	1	2	1
2	1	16	16
1	1	1	1
15	10	5	3
5	3	2	1
2	1	3	2
3	2	0	0
0	0	2	1
2	1	3	1
3	1	1	0
1	0	5	2
5	2	0	0
0	0	2	1
3	2	2	1
3	2	3	2
4	3	2	1
5	3	2	1
6	4	3	2
5	3	2	1
5	3	2	1
4	3	15	5
3	2	10	5
2	1	10	5
2	1	10	5
1	1	1	1
1	1	1	1
2	1	2	1
208	110		

Total days

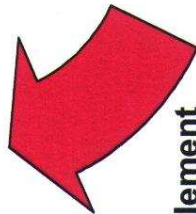
108

67

TIME BASED DIAGRAM - PROCESS POLICY

WATER SERVICES DIVISION

8 August 2003



Implement

Implementation/Construction phase

Contractor come on-site (subject to tender)
 Physical construction (dependant on type/size
 of the contract and construction site conditions
 Completion of contract

Current Dec 2002

Effective		
Days	Days	Low
High		

21	7	
-	22	
-	-	
21	29	

Total days

Rev 1 - August 2003

Effective		
Days	Days	Low
High		

14	7	
0	22	
14	29	

Tender documents (Appendix) to be adjusted accordingly



Maintenance/ Monitoring

Monitoring/Retention phase

Completion of construction (subject to completion cert)
 Retention period
 Final completion and hand over to operations

Current Dec 2002

Effective		
Days	Days	Low
High		

2	1	
356	90	
3	1	
361	92	

Total days

Rev 1 - August 2003

Effective		
Days	Days	Low
High		

2	1	
356	90	
3	1	
361	92	

TIME BASED DIAGRAM - PROCESS POLICY

WATER SERVICES DIVISION

8 August 2003

Summary of all Project

Executive Summary of phases

- Identify and Planning
- Budget
- Appointment of Consultant
- Preliminary Design Report (PDR)
- Detail Design
- Tender phase
- Implementation/Construction
- Monitoring/Retention

Current Dec. 2002

Effective Days		
High	Low	
179	144	
83	50	
74	44	
97	42	
0	0	
208	110	
21	29	
361	92	
1023	511	

Rev 1 - August 2003

Effective Days		
High	Low	
99	66	
44	30	
43	27	
71	45	
0	0	
108	67	
14	29	
361	92	
740	356	

Total days **1023** **511**

Variances between high & low

512

384

It should be noted that any referrals by a Committee has not been taken into account in the above and could have a significant delay in the execution of a project. For instance validity of tenders may not be valid and result in re-advertising. In the case of a Committee referral it could impact from a week (7 days) up to three weeks (24 days), which is a major negative impact towards the implementation phase of a project. Approximately one month lost means almost a year lost on the project.