



CESA

The Voice of Consulting Engineering

Consulting Engineers South Africa

Public – Private Infrastructure Forum “CESA Address”



public works

Department:
Public Works
REPUBLIC OF SOUTH AFRICA



Naren
Bhojaram
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2012

Presentation Outline

- 1. State of the Built Environment Sector**
- 2. Problems as we see it**
- 3. Proposed solutions**

1. State of the Built Environment Sector



Source: CESA, BCS, BER

1. State of the Built Environment Sector

Priorities of Government

- Operation & Maintenance
- Monitoring and Evaluation
- Planning and prioritisation
- Enabling Environment for business to flourish
- Make SA attractive to foreign Investors
- Decision Making especially on policy issues

Reality

- School kids are getting old waiting for proper schools
- Our existing assets are falling apart
- We are busy creating white elephants
- Artisans and trainees from technikons & FET colleges are walking the streets
- SA built environment contractors & professional services providers are seeking greener pastures

2. Problems as we see it (Page 1 of 2)

Institutional Strength

- Generally weak in local and provincial Gov Structures
- Tender Committees and Bid Evaluation Committees weak and poorly structured
- “do it yourself mentality” does not help matters
- Lack of understanding about what a professional does
- Staff are capable but not experienced for their jobs

Project Delivery Mechanisms

- PPP's
- Frameworks
- Partnering

Also...

- Share in the risk & reward
- “Win-Win mentality” required
- Become Entrepreneurial !

2. Problems as we see it (Page 2 of 2)

Procurement Systems

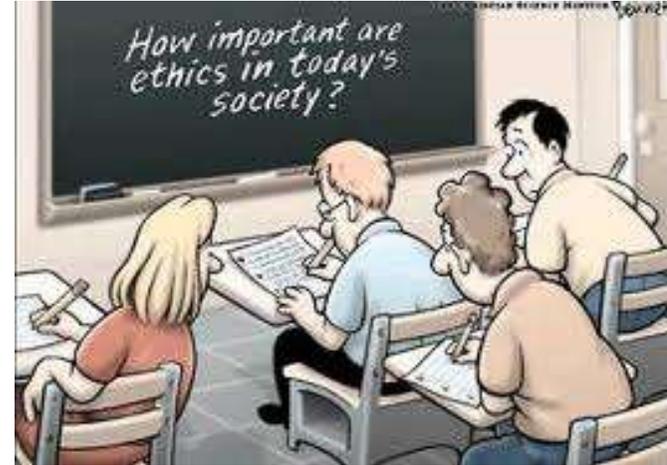
- Functionality must be brought back into a single assessment process for tenders (eg CIDB Method 4)
- Uniformity is key with limited resources in Gov
- lower fees do not represent better value
- Roster for more routine projects
- Composition of Tender & Bid Committees

**Face
this
BRUTAL
FACT !**

Face the brutal facts! – Take 1

Listen to the voices on the street

- Perceptions of the man on the street (TNS Survey 2011)
- Corruption, poverty, unemployment in top tier
- Social, well being issues & service delivery in second tier
- CESA members can make a difference to the top tier issues



Face the brutal facts! – Take 2



Corruption Perception Index 2011

Rank	Country	Score	Rank	Country	Score
1	New Zealand	9.5	75	China	3.6
2	Denmark	9.4	95	India	3.1
7	Netherlands	8.9	100	Indonesia	3.0
10	Canada	8.7	112	Senegal	2.9
16	United Kingdom	7.8	120	Bangladesh	2.7
24	USA	7.1	120	Mozambique	2.7
32	Portugal	6.1	154	Kenya	2.2
32	Botswana	6.1	154	Nepal	2.2
41	Poland	5.5	154	Zimbabwe	2.2
57	Namibia	4.4	168	Angola	2.0
64	South Africa	4.1	182	Somalia	1.0
69	Ghana	3.9	182	North Korea	1.0

Face the brutal facts! – Take 3 Address Business Integrity

- Socialising with clients
- Conflict of interest
- Use of agents and partners
- Collusion
- Bribery
- Personal
- Confidential information

Don't be trapped in your own reasoning!!

We all have an ethical balance!



Face the brutal facts! – Take 4

Embrace CESA BIMS

- Based on **FIDIC** Guidelines
- Guideline is part of **CESA Code of Conduct**
- Failure to comply results in **disciplinary action**
- Focus is on **internal** and **external** integrity issues
- High level **Do's and Don'ts** provided
- **Reporting** all cases to CESA
- Support and encourage use of CESA **Whistleblower Schemes**
- Conscientious **Objection**



2. Problems as we see it (Page 2 of 2)

Procurement Systems

- **Functionality must be brought back into a single assessment process for tenders (eg CIDB Method 4)**
- **Uniformity is key with limited resources in Gov**
- **lower fees do not represent better value**
- **Roster for more routine projects**
- **Composition of Tender & Bid Committees**

Business Integrity

- **SA score 4.1 on Transparency International**
- **Business Integrity issues are presently paralysing our country & our industry**
- **Cases are not brought to book**
- **Business Integrity management systems are at times used as a facade**

3. Proposed Solutions

Short Term

- Set the tone on Business Integrity, name & shame
- Private sector to step in to temporarily assist in capacity building & getting projects going
- Use the established CIDB method 4 for procurement
- Move CIDB to Ministry of PMEAs in Presidency
- All state departments & parastatals to comply with PPPFA Regulations

Longer Term

- Operation and Maintenance targets for all custodians of Gov Infrastructure
- New Regulations for built environment professionals
- Allow and actively support alternative delivery mechanisms for Infrastructure
- Attract experienced municipal engineers back to Government
- Root out corruption



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THANK YOU

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