

National Stakeholders Forum paves way for growth in construction sector

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Public sector investment in infrastructure will be one of the defining features of South Africa's economic recovery as the country emerges from its current economic slump. It is, thus, of the utmost importance that there is broad agreement between government departments and entities which issue tenders, and the construction sector on critical issues relating to empowerment, contractor development and uniform standards.



Cyril Gamede, CEO of the Construction Industry Development Board (cidb)

This will contribute to the creation of a sustainable and agile construction sector which is able to participate fully during the recovery and post-recovery infrastructure drive.

The Construction Industry Development Board (cidb) plays a pivotal role in this process as a facilitator which seeks to multiply the contribution of this sector to the country's economy.

One of the primary tasks of the cidb is to convene a National Stakeholders Forum (NSF) in line with the CIDB Act. The NSF brings together representatives from business, labour, built environment professional bodies and public sector clients to discuss issues which confront the industry and may hamper its ability to grow.

The NSF met seven times over the past 30 months and a report containing far-reaching recommendations was recently handed over to the minister of public works and infrastructure Patricia de Lille.



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Wide-ranging concerns

The report highlights the wide-ranging concerns raised by stakeholders in the construction industry and also the interventions that are in progress to address these issues. Resolving these issues together with our stakeholders will contribute to a strengthened industry. It demonstrates the value which the NSF adds to the growth of a sector which must focus on the increased participation of emerging enterprises.

A key outcome of the NSF's discussion is the strengthening of the Register of Contractors (RoC) with broad agreement among participants about the value it brings to industry performance.

The objective is that the RoC will be integrated with development and capacity building in order to empower emerging contractors. The register must also reflect development needs so that clients can identify contractors that qualify for development and make necessary provisions during their planning stages.

Another achievement is the intended integration of information systems, including the Central Supplier Database managed by National Treasury, the cidb Register of Projects, Home Affairs' system for the verification of identification documents and the RoC. This will improve government's ability to monitor procurement practices and the expenditure of clients, as well as reduce the administrative burden on contractors who will no longer be required to submit the same documentation to different government institutions.



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Streamlining tender processes

Similarly, the NSF addressed the consistent requests raised by the industry to streamline tender processes and rationalise conflicting legislation and regulations which create confusion and add to the administrative burdens experienced by contractors. Conflicts in regulations issued by the cidb and National Treasury were ironed out and a new Framework for Infrastructure Delivery and Procurement Management (FIPDM) was adopted.

The recurring complaints from contractors about late payments by government departments have also received priority attention in the NSF. This problem is generic to many institutions in the public sector, but it has particular implications for small and emerging enterprises in the construction sector who often have to survive lengthy periods without payments.

The cidb has finalised a draft Standard for Prompt Payment while National Treasury is working with the Presidency to ensure that failure to pay contractors within 30 days is treated as a misconduct by officials as defined in the Public Finance Management Act.

Programme of action identified

The NSF's handover report identifies a programme of action relating to pending issues that will be taken to the incoming NSF.

One such issue is a review of the grading criteria contained in the RoC which will strengthen risk management in tenders. It will further streamline administrative procedures and also address the contentious issue of "downraiding" through which smaller enterprises are deprived of opportunities by higher-grade contractors who snap up projects that are below their grade.

The handover report and the start of the new term of the NSF on 28 May 2021, coincide with a period of greater stability and clarity of vision within the cidb. A number of strategic leadership positions have been filled and a revitalised cidb is now positioned to effectively work with all its stakeholders to ensure that a transformed sector plays a vital role in a construction-led recovery of the economy.

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