



DEVELOPMENT THROUGH PARTNERSHIP

## Register of Contractors

*cidb Provincial Stakeholder Liaison Meetings  
July – September 2016*

**By: Ebrahim Moola**  
**Programme Manager; Construction Registers Service**

# Presentation Overview

- **The function of the Register of Contractors**
  - **Macro Risk Management Tool**
  - **Framework for Contractor Development**
- **Regulation Criteria**
  - **Defined within the parameters of the Cidb Act**
  - **Regulation Amendments**
- **Registration Statistics**
- **Registrations Processing and future plans**
- **Summary**

# Function of the Register of Contractors

# Registers of Contractors

- Support **risk management** in the tendering process
- Facilitates sustainable **growth and transformation** of contractors, enable effective access by the **emerging sector**
- Provide **information** on the size, distribution, nature and development of contractors
- Promote minimum standards and contractor **best practice**



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# Registration Criteria

# Registration Criteria and Requirements

Grade	Substantive Requirements
1	<b>No substantive</b> requirement
2	<b>Largest contract</b> only
3	<b>Largest contract</b> and <b>partial</b> conformity with <b>Financial requirements</b>
4	<b>Largest contract</b> and <b>partial</b> conformity with <b>Financial requirements</b>
5	<b>Financial Statements</b> and <b>Largest Contract Completed</b> for each class of works applied
6	<b>Financial Statements</b> and <b>Largest Contract Completed</b> for each class of works applied
7	<b>Financial Statements</b> and <b>Largest Contract Completed</b> for each class of works applied
8	<b>Financial Statements</b> and <b>Largest Contract Completed</b> for each class of works applied
9	<b>Financial Statements</b> and <b>Largest Contract Completed</b> for each class of works applied

# Regulation Amendments - History

- On renewal contractors struggle to meet registration requirements due to inadequate access to work and difficulties in meeting financial requirements
- The Table below provides a snap shot of amendments designed to assist developing contractors while maintaining the function of the Register as a macro risk management tool

No	Date	Highlights of amendments
1	Jun 2004	Regulations Published – Commencement of Register
2	Nov 2004	Flexibility in application of rules
3	July 2005	Increased Tender Value Limits for Grades 1 , 2 and 3. Exempt labour only contractors. Extend largest completed project from 2 years to 5 years.
4	Aug 2006	Window period extended for contractors into financial statement reporting
5	Nov 2007	Simplified registration process and reduction of registration fees for Grade 1 contractors
6	Nov 2008	Increased tender value limits for Grades 2 to 9. Improved financial requirements in the favour of contractors
7	Jul 2013	Removed requirement for registered professionals. Reduced turnover and track record requirements

# Regulation Amendments

The table below provides an overview of potential amendments. Cidb will embark on public consultation processes at the appropriate time.

No	Board Approval
1	Tender Limit Adjustments and Restructuring of Grading Levels
2	Grade 1 registration requirements
3	Administration fees, Annual fees and differentiated fees for foreign firms
4	Subcontractor Registration - On public sector projects
5	BBBEE Scorecard
6	Rail Engineering Class of Work
7	Up to Grade 6: Removal of financial requirements, extend period from 5 years to 6 years for largest project completed





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# Registration Statistics

# Register of Contractors, June 2016

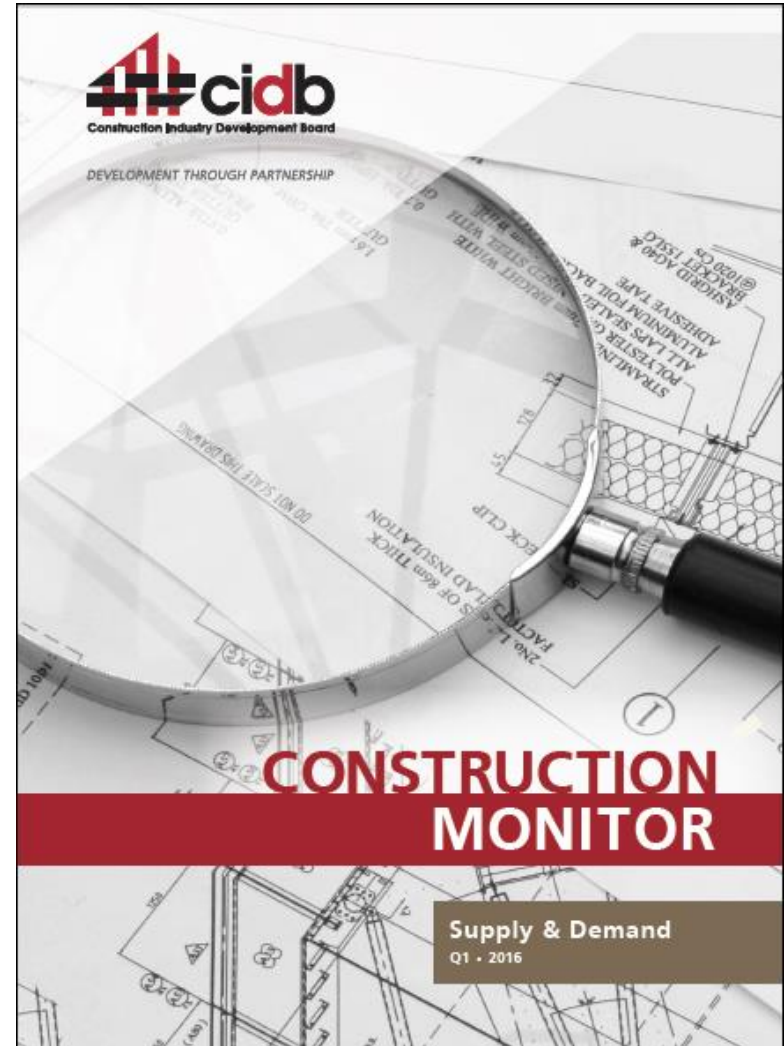
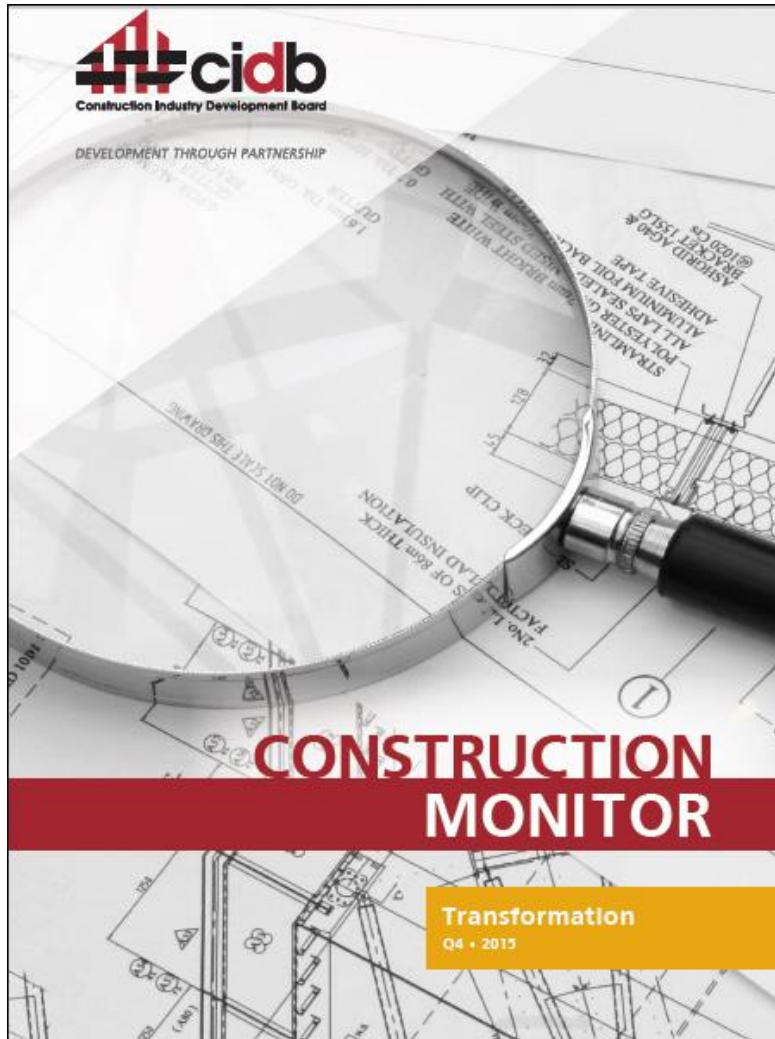
Grade	CLASS OF WORK						Total
	CE	EB	EP	GB	ME	SW	
1	29560	1910	6823	62202	6688	25082	132265
2	1729	175	203	2409	305	767	5588
3	1007	69	130	669	138	251	2264
4	1036	131	262	935	215	230	2809
5	689	104	190	575	142	168	1868
6	820	69	213	694	153	129	2078
7	484	49	108	385	73	77	1176
8	175	9	39	146	39	30	438
9	83	3	25	46	33	14	204
Total	35583	2519	7993	68061	7786	26748	148690



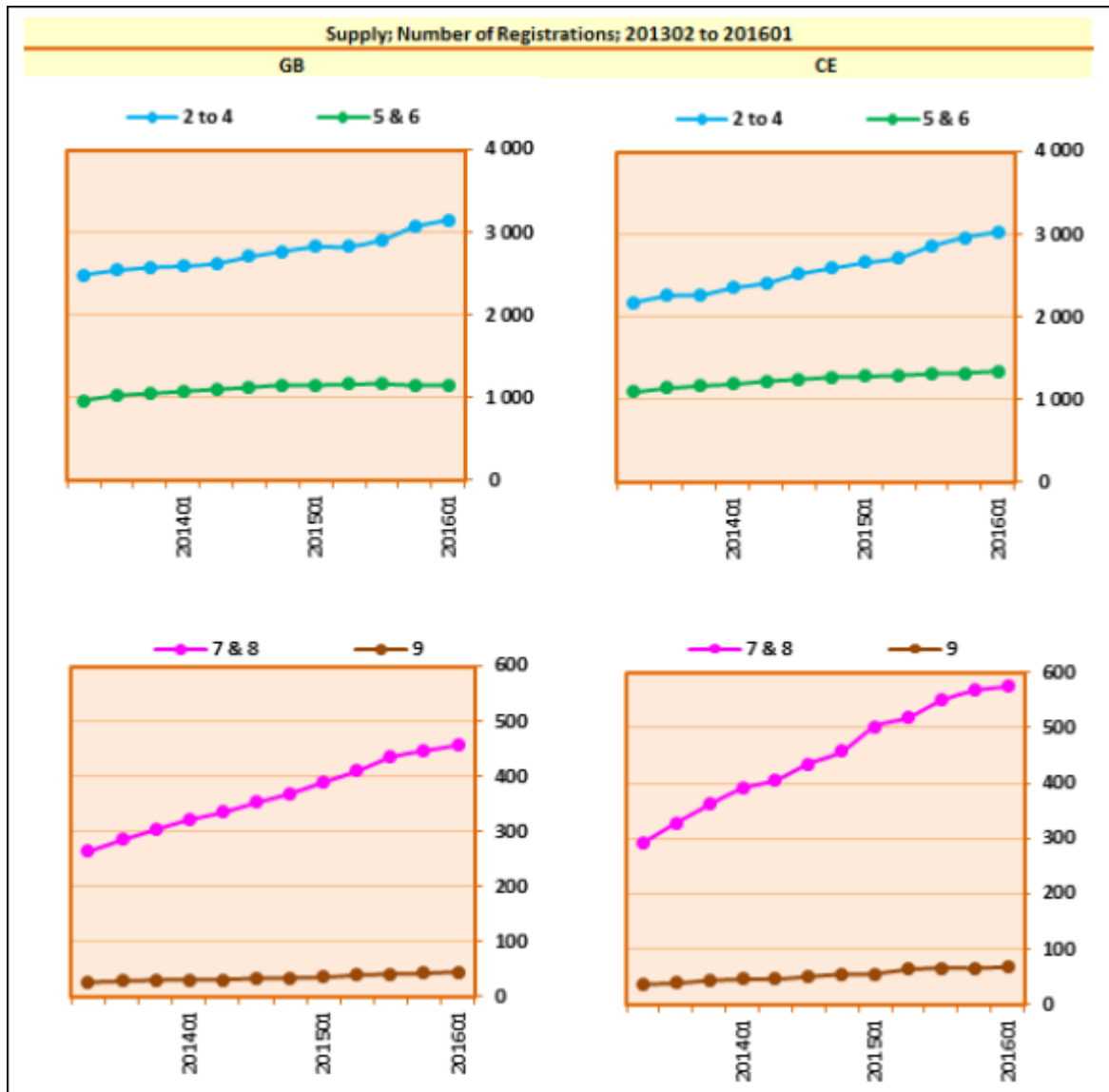
Note: Contractors may be registered in multiple classes of work

**CE** – Civil, **EB/EP** – Electrical, **GB** – Building, **ME** – Mechanical, **SW** – Specialist class of works

# Growth in Registrations



# Growth in Registrations, CIDB Construction Monitor, April 2016

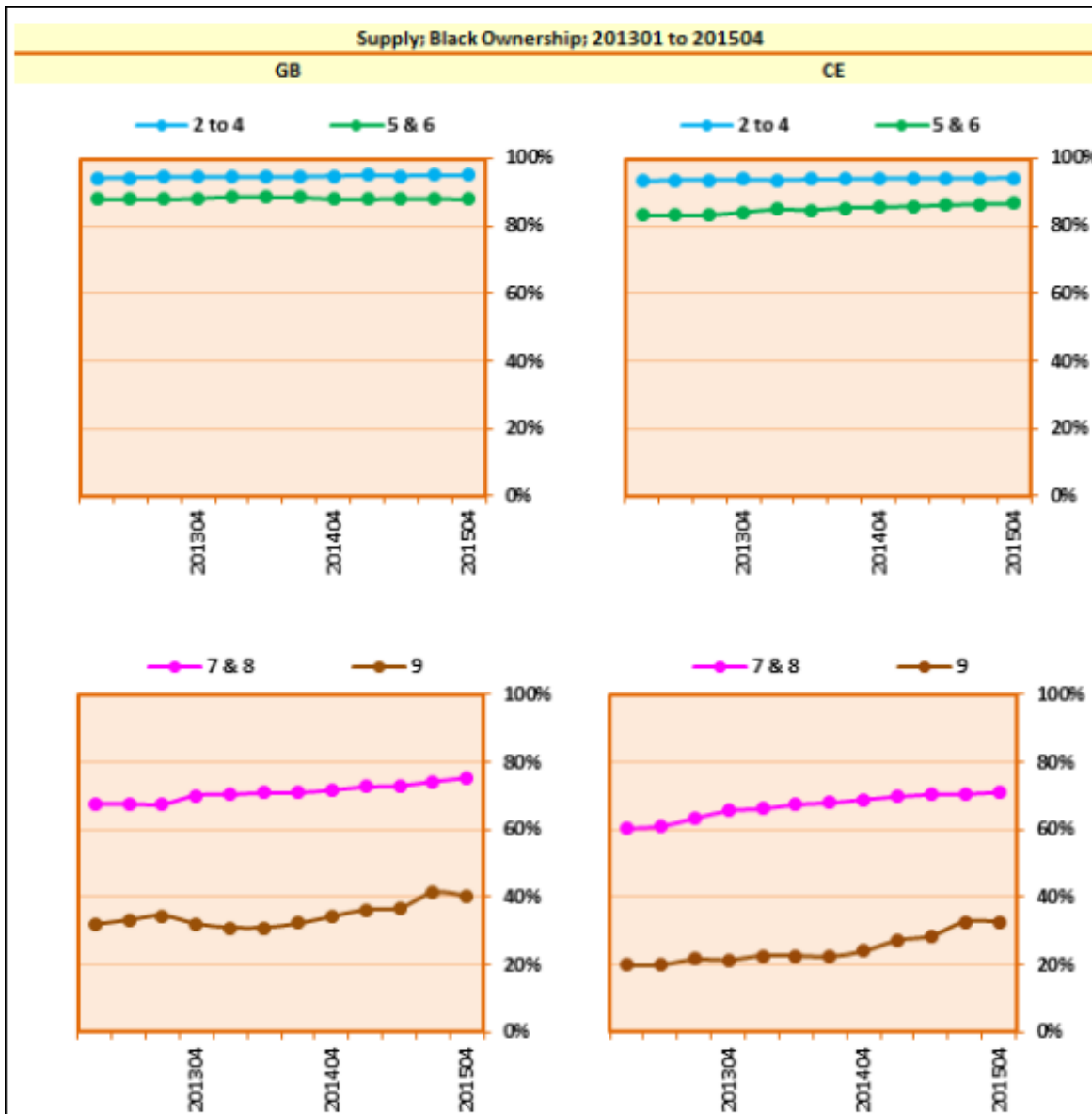


Increase in the number of registrations in Grades 2 to 4.

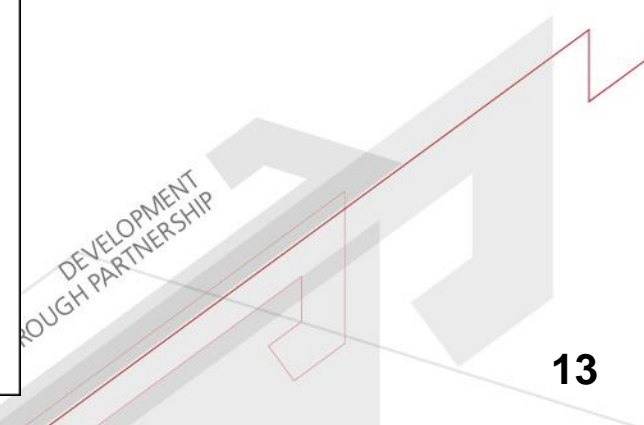
Substantial increase in registrations in Grades 7 & 8.

Contrasted against the low business confidence and a possible decrease in the growth in construction spend over the next few years

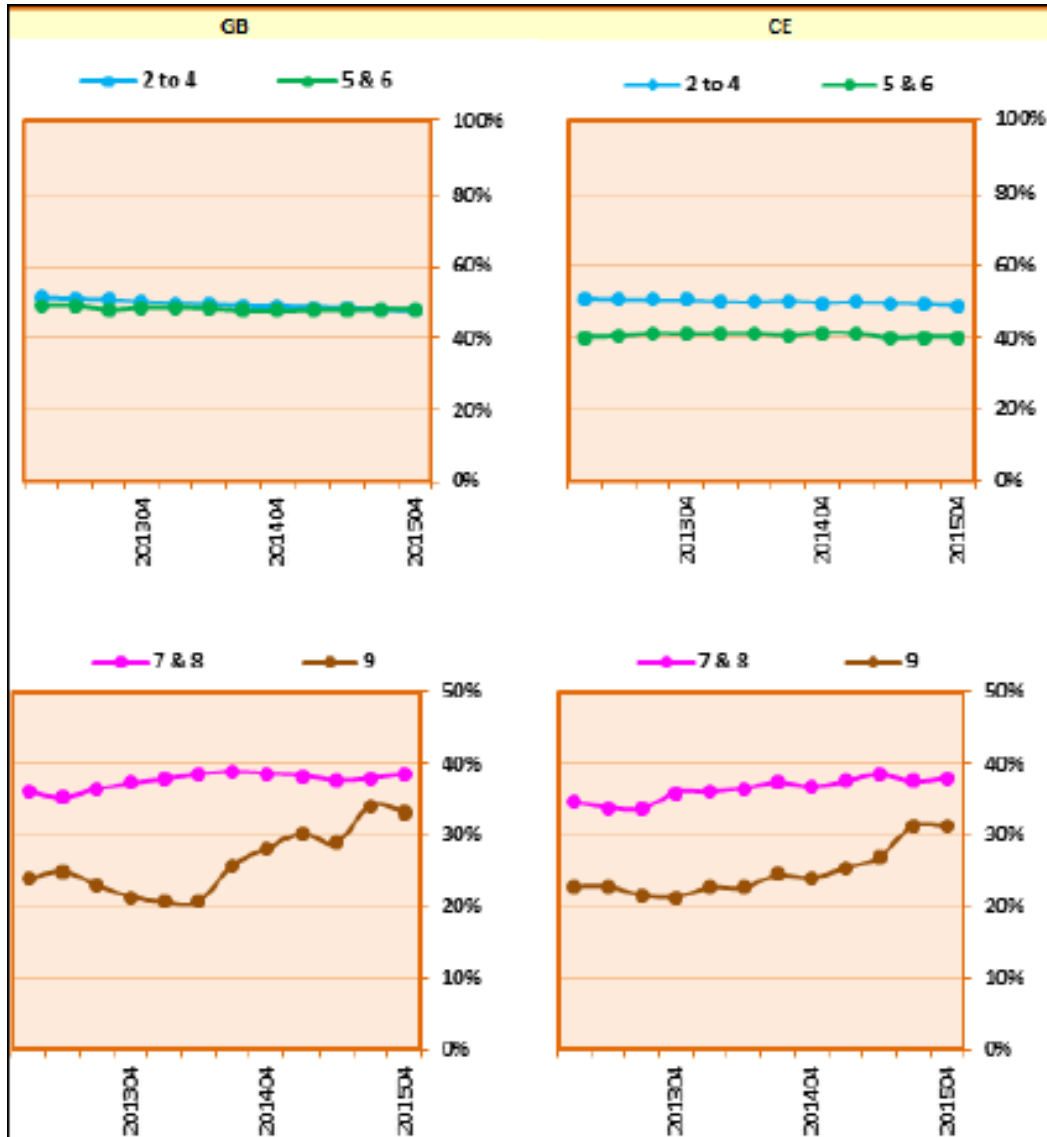
# Growth in Registrations, Black Owned, CIDB Construction Monitor, Jan 2016



Black ownership of Grade 9 contractors has improved in both GB and CE classes of works from 25% to 33% in CE and from 30% to 40% in GB over the period.



# Women Ownership; GB and CE; SA (CIDB Construction Monitor, Jan 2016)



Woman ownership of Grade 9 GB and CE contractors has increased significantly from 24% to 31% in GB and 16% to 31% in CE over the period.

# cidb Interventions – Present and Future

- **National Contractor Development Programme**
  - **Contractor Development Programmes**
- **Industry Monitoring**
- **Standard for Indirect Targeting**
- **Standard for Skills Development**
- **Best Practice Fee Developmental Interventions**
- **Inform Practice notes**
- **Supportive registration criteria**



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# Registrations Processing and Future Plans



# Registrations Processing

- **Registration Cycle**
  - Valid for three years, annual update of particulars required
- **Register of Contractors – Central Supplier Database Integration**
  - Supporting documents will be reduced
  - Will improve registration turnaround times
- **Online Registration**
  - Contractors to be able to apply online and upload documents
  - Will improve registration turnaround times
- **Impact of proposed Regulation Amendments**
  - Less volumes in terms of Grade 1 applications
  - Will enable improved services to contractors
- **Help Desk / Query Forms available**
  - Registration queries may be lodged. Feedback will be provided directly to you



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# Summary

# Summary

- Register of Contractors
  - serves as a **macro risk management tool** for the public sector
  - Facilitates **growth and transformation** of contractors, enable effective access by the emerging sector
- **Registration criteria** defined within the above parameters
  - Constant improvement of requirements
  - Next suite of amendments targeted to be published for public comment by 30 Nov 2016
- **Slow pace of growth of black owned contractors in higher grades.** Also low numbers in specialist classes of work. **Moderate to low growth in transformation over time.** Depth and pace of transformation is not what government or industry desires.
- **CIDB Interventions** include NCDP, Standard for Indirect Targeting, Standard for Skills Development, Best Practice Fee Developmental Interventions, Industry Monitoring, Inform Practice notes, registration criteria review
- **Online registrations process** planned

**Blocks N&R, SABS Campus**  
2 Dr. Lategan Rd  
Groenkloof  
Pretoria  
South Africa

PO Box 2107  
Brooklyn Square  
0075

Tel +27 86 100 2432  
Fax +27 12 349 8986 or +27 86 681 9995  
Anonymous Fraud Line 0800 11 24 32  
E-mail [cidb@cidb.org.za](mailto:cidb@cidb.org.za)  
[www.cidb.org.za](http://www.cidb.org.za)