



DEVELOPMENT THROUGH PARTNERSHIP

# A Transformation Framework

*cidb National Stakeholder Forum*  
*29 March 2016*

# Transformation Framework

- 1) **Governance**
- 2) **Business conditions**
- 3) **Business factors**
- 4) **Skills development & competencies:**
  - professional
  - construction; skilled- and semi-skilled
- 5) **Developmental support**

# 1) Governance

- Transformation requires policy, legislative and regulatory environment under which transformation takes place in construction

# 1) Governance; In Place

	Instrument / Intervention	Intended Outcome
Legislation / Regulation	CIDB Act	Improved performance of public and private sector clients, contractors and other participants
	CID Regulations: • SFU	Uniformity & transparency in procurement
	• Code of Conduct	Good governance
Compliance	cidb Compliance Monitoring Strategy	Compliance with cidb Prescripts
Monitoring & Evaluation	cidb Compliance Monitor	Compliance with iTender

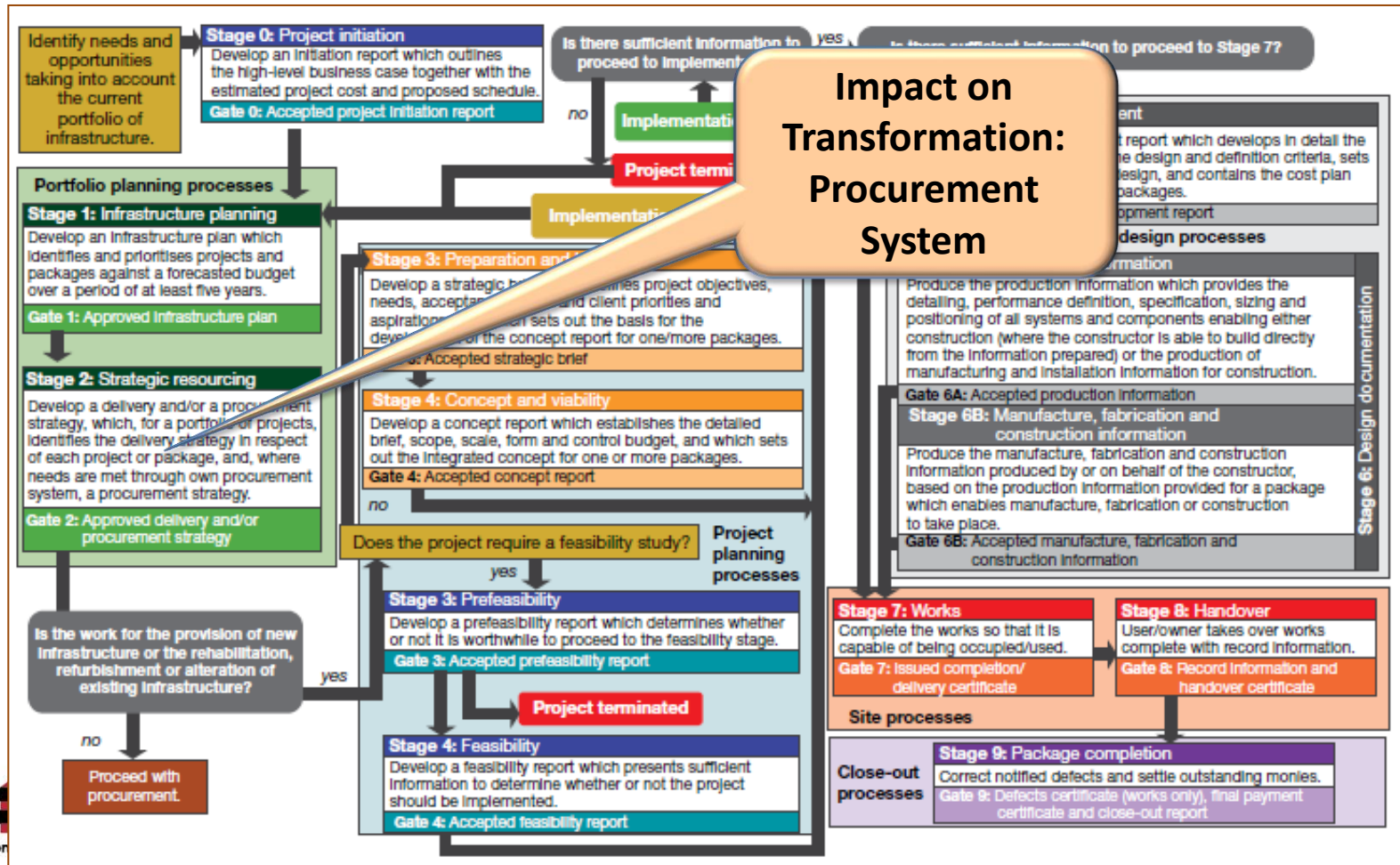
# 1) Governance; Under Development

	Instrument / Intervention	Intended Outcome
Legislation / Regulation	<b>CIDB Act;</b> <ul style="list-style-type: none"><li>• Review of Act</li></ul>	<b>Enhanced legislation</b>
Compliance	<b>CID Regulations:</b> <ul style="list-style-type: none"><li>• cidb Inspectorate</li></ul>	<b>Compliance with cidb prescripts</b>
Monitoring and Evaluation	<b>CID Regulations:</b> <ul style="list-style-type: none"><li>• cidb Inspectorate</li></ul>	<b>Compliance with cidb prescripts</b>

## 2) Business Conditions

- **Business conditions impact on the total work available to the construction sector and the underlying business conditions within which transformation must take place:**
  - **An objective for the cidb is to increase the total government spend and the efficiency and rate of spend, thereby enhancing transformation**
- **Transformation requires an inclusive economy, with enhanced participation of black-contractors, black-BEPs and black-materials manufacturers and suppliers :**
  - **An objective for the cidb is to increase the participation of the black-sector in public and private sector spend through regulation, development programmes and best practice**

# Standard for Infrastructure Procurement and Delivery Management (SIPDM)



# Procurement System (SIPDM)

- a) Establish what to procure
  - b) Decide on procurement strategies:
    - packaging strategy
    - contracting strategy
    - pricing strategy
    - targeting strategy
  - c) Solicit tender offers
  - d) Evaluate tender offers
  - e) Award contracts
  - f) Administer contracts and confirm compliance requirements
- Impact on transformation and socio-economic objectives
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## 2) Business Conditions; In Place

	Instrument / Intervention	Intended Outcome
Procurement	cidb Register of Contractors	Facilitate public sector procurement
	cidb Contractor Recognition Scheme	Facilitate public sector procurement and promote contractor development
Client Capacity	Public Sector Client Capacity interventions	Enhanced public sector procurement capability
Access to Work	PE Status	Access to work opportunities and development
	cidb Inform Practice Notes	Enhanced public sector procurement Enhance participation of black-sector
EPWP	Guidelines for Labour Intensive Construction	Enhanced participation of labour

## 2) Business Conditions; cidb Inform Practice Notes

- PN 1; Scaling up Delivery and Accelerating Empowerment
- PN 3; Applying the Register of Contractors in Construction Works Contracts
- PN 10; Attaining Social and Economic Deliverables
- PN 11; Programme Management Approach to Delivery
- PN 15, Framework Agreements
- PN 16, Advance Payment
- PN 19, Streamlining Payment Processes
- PN 33, Objectives Linked to Infrastructure Delivery
- PN 32, Application of the Potentially Emerging (PE) Status
- PN 33, Balancing Delivery and Development on Infrastructure Projects

## 2) Business Conditions; Under Development (i of ii)

	Instrument / Intervention	Intended Outcome
Procurement	Review of CIDB Act: • cidb Instruction Notes	Enhanced legislation
	cidb Register of Professional Service Providers (PSPs)	Facilitate public sector procurement and promote development of PSPs
	cidb Client Recognition Scheme	Enhanced public sector procurement
Client Capacity	cidb Procurement Competence Standards	Enhance efficiency and rate of spend
Access to Work	cidb Project Assessment Scheme: • Standard for Indirect Targeting for Enterprise Development • cidb Best Practice Subcontracting Arrangements	<ul style="list-style-type: none"> <li>• Access to work opportunities</li> <li>• Enhanced business conditions</li> </ul>

## 2) Business Conditions; Under Development (ii of ii)

	Instrument / Intervention	Intended Outcome
Local Beneficiation / Participation	cidb Standard for Contract Participation Goals	Uniformity in business conditions
Contractor Registration	cidb Register of Contractors: <ul style="list-style-type: none"><li>• Regulation Amendments</li></ul>	Facilitate public sector procurement and promote contractor development

# 3) Business Factors

- Transformation requires support mechanisms to build capabilities of black-enterprises, availability of skills, access to finance, etc.:
  - An objective for the cidb is to enhance the development and sustainability of the black-sector

### 3) Business Factors; In Place

	Instrument / Intervention	Intended Outcome
Quality	cidb Construction Management Guidelines (CMG101)	Improved performance and contractor development
Finance	MoU with financial institutions	Access to finance
Sustainability of enterprises	cidb Contractor Recognition Scheme: <ul style="list-style-type: none"> <li>• cidb Standard for Contractor Performance Reports</li> <li>• cidb Competence Standard for Contractors</li> <li>• cidb Best Practice: Construction Management Systems</li> </ul>	Improved performance and contractor development
Governance	<ul style="list-style-type: none"> <li>• Specification for a Fraud and Corruption Management System</li> </ul>	Enhanced governance

# 3) Business Factors; Under Development

	Instrument / Intervention	Intended Outcome
Sustainability of enterprises	Prompt Payment Regulations	Contractor sustainability
	<b>cidb Project Assessment Scheme:</b> <ul style="list-style-type: none"> <li>• cidb Standard for Indirect Targeting for Enterprise Development</li> </ul>	Access to developmental opportunities
	cidb Professional Service Provider Recognition Scheme	Improved performance and contractor development

# 4) Skills Development & Competencies

- Transformation requires support mechanisms to build capabilities of black-enterprises, availability of skills, access to finance, etc.:
  - An objective for the cidb is to enhance the development and sustainability of the black-sector



# 4) Skills Development & Competencies; In Place

	Instrument / Intervention	Intended Outcome
Professionals	cidb Skills Development Agency (SDA)	Management of skills development
Artisans /skilled /semi-skilled	cidb Contractor Recognition Scheme: • cidb Competence Standard for Contractors	Enhanced skills
	cidb Skills Development Agency (SDA)	Management of skills development

# 4) Skills Development & Competencies; Under Development

	Instrument / Intervention	Intended Outcome
Professionals	<b>cidb Project Assessment Scheme:</b> <ul style="list-style-type: none"> <li>• cidb Standard for Developing Skills</li> </ul>	Skills development
Artisans /skilled /semi-skilled	<b>cidb Project Assessment Scheme:</b> <ul style="list-style-type: none"> <li>• cidb Standard for Developing Skills</li> </ul>	Skills development
	WorldSkills SA Construction Chapter	Enhanced skills development

## 5) Developmental Support

- Transformation requires support mechanisms to build capabilities of black-enterprises, availability of skills, access to finance, etc.:
  - An objective for the cidb is to enhance the development and sustainability of the black-sector, and enhancing the quality of construction

## 5) Developmental Support; In Place

	Instrument / Intervention	Intended Outcome
CDPs	<b>National Contractor Development Programme (NCDP):</b> <ul style="list-style-type: none"> <li>• Targeting for Contractor Development Programmes: Background</li> <li>• Guidelines For Implementing Contractor Development Programmes</li> </ul>	Contractor development & developmental support
Information	cidb Construction Management Guidelines (CMG101)	Improved performance and contractor development
	cidb Inform Practice Notes <ul style="list-style-type: none"> <li>• PN 29, Allocating Sustainable Work Opportunities to Contractor Development Programmes on Infrastructure Projects</li> </ul>	Access to developmental opportunities
Innovation	(SEE IDT / ASA presentations)	

# 5) Developmental Support; Under Development

	Instrument / Intervention	Intended Outcome
Training	<b>cidb Project Assessment Scheme:</b> <ul style="list-style-type: none"><li>• cidb Standard for Indirect Targeting for Enterprise Development</li></ul>	<b>Access to developmental opportunities</b>

# 5) Programmatic Developmental Support: cidb Best Practice Fee; Under Development

Item	Rm; 5 Year Total	Number; 5 Year Total	Unit
Assessment of prior learning (APL)	23	4 600	Contractors
Top-Up training in line with cidb Competence Standard	17	2 125	Contractors
Construction Management Systems (CMS)	102	2 040	Contractors
Mentoring on CDPs	207	1 380	Contractors
Contractor Performance Reports; Adjudication	5	100	Contractors
Sponsorship of Construction Mentor Training (C-Mentor)	5	179	Mentors
World-Skills	67	13 400	Learners

# Summary & Conclusions

# cidb Interventions; Emerging Results

- **Compliance with SFU is good**
- **Compliance with Register of Contractors is high**
- **Compliance with iTender / Register of Projects is low**
- **Uptake of PE status is low**
- **Uptake of Practice Notes is limited**
- **NCDP and Contractor Development Programmes (CDPs) – strong potential, compliance is low**
- **Contractor Recognition Scheme – roll-out only initiated in August 2015**



# Concluding Comments



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**Thank You**