

Compliance Monitor

Register of Projects

Quarter

4 2012



CIDB iTENDER/ROP COMPLIANCE MONITOR; JANUARY 2013

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The *cidb iTender/RoP Compliance Monitor* provides indicators of the level of compliance and non-compliance with the iTender/Register of Projects by client bodies. These indicators can be used by clients to verify their non-compliance with the *cidb* regulations, and for the *cidb* to support enforcement actions and sanctions.

This *Compliance Monitor* is being rolled-out incrementally, and currently focuses on:

- selected national and provincial infrastructure departments;
- public entities; and
- Metropolitan Councils.

The *Compliance Monitor* will be extended to local authorities in due course.

1. Introduction

Information on tender notices, tender awards, and project closure is of paramount importance to the *cidb*, and provides the basis, amongst others, for:

- gathering reliable information on public sector construction expenditure, at a national, provincial and local authority level and at various tender Grades;
- assessing supply and demand in the construction industry;
- promoting and increasing transparency and accountability in construction procurement;
- monitoring and assessing the level of expenditure (through main contracts) on black-, women- and youth-owned construction enterprises; and
- monitoring compliance with and the impact of *cidb* Best Practices.

The Construction Industry Development Regulations of 2004, as amended, were developed in terms of the CIDB Act 38 of 2000 to support the above objectives. In terms of these Regulations, employers in the public sector must comply with requirements for project registration, award and closure as follows:

- a) for the public sector, on projects of which the value exceeds R200 000.00; or
- b) for a public entity listed in Schedule 2 of the Public Finance Management Act, on projects of which the value exceeds R10 million.

Specifically, in terms of the CID Regulations, employers (or clients) must comply with the following:

- a) registration of employers and employer's representatives on the *cidb Register of Projects* in terms of Clause 20;
- b) advertisement of tender invitations *cidb iTender/Register of Projects* in terms of Clause 38(6) (transitional measure);
- c) registration of the tender award in terms of Clause 18; and
- d) contract completion or cancellation in terms of Clause 21, once the transitional measures have been removed.

In the case of the public sector organisations and public entities, non-compliance with the *cidb* Regulations must in terms of Clause 21(4) be reported to the Auditor General, and can also result in fines being applied.

It is the *cidb's* aim and objective that this *Compliance Monitor* will contribute to improving compliance with the *cidb* Regulations with regard to the registration of tender notices, tender awards and contract completion – and thereby contributing to a better understanding of public sector infrastructure spend and the development of the construction industry.

2. Background and Analysis

The background and key assumptions used in developing and in interpreting the *cidb iTender/RoP Compliance Monitor* are highlighted below.

2.1 Tender Notices

In addition to the *cidb* requirement that tender advertisements are to be recorded on the *cidb iTender/Register of Projects*, it is a National Treasury requirement that all public sector and public entities tenders are advertised in the *Government Tender Bulletins*. Details of advertised tenders have therefore been obtained from the *Government Tender Bulletins* as well as online sources such as *Online Tenders* and *Tenderscan*.

Details of non-compliance with the *cidb* has then been obtained by comparing tender notices recorded within the *cidb iTender/Register of Projects* and those recorded in the *Government Tender Bulletins* and the online sources consulted. As the *Government Tender Bulletins* and the online tender scanning services provide a relatively comprehensive picture of all public sector and public entity tenders, the assessment of non-compliance is relatively comprehensive.

Notwithstanding this, the *cidb* views the details of non-compliance reported on in this *Compliance Monitor* as indicators only, and it is the *cidb*'s stance that the clients have the responsibility to provide evidence of mis-interpretation of non-compliance to the *cidb*.

2.2 Tender Awards

Details of tender awards (or contract awards) are obtained from the *Government Tender Bulletins* and compared with the tender awards recorded on the *cidb iTender/Register of Projects*. It is however not a requirement that all public sector and public entities contract awards are recorded in the *Government Tender Bulletins*, and the assessment of compliance with the recording of contract awards in the *cidb iTender/Register of Projects* is therefore not comprehensive.

The following indicators of non-compliance with the *cidb* requirements for registering tender awards on the *cidb iTender/Register of Projects* are used in the *Compliance Monitor*:

- i tender awards recorded in the *Government Tender Bulletins*, but not recorded in the *cidb iTender/Register of Projects*;
- ii tender notices recorded in the *cidb iTender/Register of Projects*, but not recorded in the *cidb iTender/Register of Projects* as tender awards within 90 days of the tender closing date; and
- iii tender notices recorded in the *Government Gazette*, but not recorded in the *cidb iTender/Register of Projects* as tender awards within 90 days of the tender closing date.

Items (ii) and (iii) above are clearly only indicators of non-compliance, and do not take into account the non-award or cancellation of tenders, etc. Notwithstanding this, items (ii) and (iii) are however important indicators, and it is the *cidb*'s stance that the clients have the responsibility to provide evidence of mis-interpretation of non-compliance to the *cidb*.

2.3 Contract Completion

Indicators of non-compliance with *cidb* requirements for recording of contract completion and/or contract termination will be included in due course.

3. Tender Notices

Details of the number of tender notices for selected public sector organisations and public entities that are recorded in *Government Tender Bulletins* but not recorded on **cidb iTender/Register of Projects** for the period 2012Q1 to 2012Q4 is shown on the following pages. In addition, details of the number of tender notices for selected public sector organisations and public entities recorded in *Government Tender Bulletins* which are also recorded on **cidb iTender/Register of Projects** is also shown. Collectively these tables give an indication of the extent of compliance or non-compliance by the client bodies.

The following clients are largely not using the **cidb iTender/Register of Projects** (*20% compliance or less*):

- Airports Company South Africa Limited (ACSA)
- Eskom Holdings Limited
- Department of Health; KwaZulu-Natal
- Department of Public Works, Roads and Transport; Mpumalanga
- Department of Public Works, Roads and Transport; North West
- Department of Public Works; Nelspruit
- Buffalo City Local Municipality (BCLM)
- City of Tshwane Metropolitan Municipality (CTMM)
- Department of Roads and Public Works; Eastern Cape
- Department of Transport; KwaZulu-Natal
- Coega Development Corporation (Coega)
- Ethekwini Metropolitan Municipality (EMM)

Clients with the highest rate of compliance (*80% or greater*) include:

- Transnet Capital Projects
- Department of Public Transport, Roads And Works; Johannesburg
- Department of Rural Development and Land Reform; Limpopo
- National Department of Public Works
- Department of Transport, Roads and Public Works; Northern Cape
- Department of Rural Development and Land Reform; Free State
- Department of Transport and Public Works; Western Cape (SCM)
- Department of Public Works; Eastern Cape
- City of Cape Town Metropolitan Municipality (CCTMM)
- Department of Sport and Recreation; KwaZulu-Natal

Details of individual tenders are available from the **cidb** on request.

Number of Non-Compliant Tender Notices per Quarter

Client	201201	201202	201203	201204
Airports Company South Africa Limited (ACSA)	4	5		
Department of Water Affairs		1	2	
Eskom Holdings Limited	9	27	5	1
Independent Development Trust (IDT)	65	18	22	65
National Department of Public Works		12	12	24
The South African National Roads Agency Ltd	1	3	15	13
Transnet Rail Engineering	3	9	70	1
Department of Agriculture and Land Administration; Northern Cape	3	2		
Department of Agriculture; Limpopo		9		
Department of Education; North-West	2			
Department of Health; Free State	1			
Department of Health; KwaZulu-Natal	23	184	598	138
Department of Infrastructure Development; Gauteng	62	3		
Department of Public Works, Roads and Transport; Mpumalanga	4	18		
Department of Public Works, Roads and Transport; North West	9	3	4	
Department of Public Works; Eastern Cape	1	3	1	1
Department of Public Works; KwaZulu-Natal	4	2		
Department of Public Works; Nelspruit	9			
Department of Roads and Public Works; Eastern Cape	34	4		
Department of Roads and Transport; Limpopo	1			
Department of Rural Development and Land Reform; Free State	2			
Department of Rural Development and Land Reform; KwaZulu-Natal			1	
Department of Sport and Recreation; KwaZulu-Natal	3			
Department of Transport and Public Works; Western Cape (SCM)			26	2
Department of Transport, Roads and Public Works; Northern Cape		1		
Department of Transport; KwaZulu-Natal	82	294	304	10
Buffalo City Local Municipality (BCLM)	5	12	8	1
City of Cape Town Metropolitan Municipality (CCTMM)	2	3	9	8
City of Johannesburg Metropolitan Municipality (CJMM)	2			
City of Tshwane Metropolitan Municipality (CTMM)	11	19	15	2
Coega Development Corporation (Coega)	15	13	22	
Ekurhuleni Metropolitan Municipality (EMM)	13	4	11	
Ethekwini Metropolitan Municipality (EMM)	52	7	8	
Johannesburg Development Agency	6	3		
Johannesburg Water		1	2	7
Mandela Bay Development Agency (MBDA)	1			
Mangaung Local Municipality	5	1		
Nelson Mandela Bay Municipality (NMBM)	2		1	

Number of Compliant Tender Notices per Quarter

Client	201201	201202	201203	201204
Department of Water Affairs	1	3		
Independent Development Trust (IDT)	2		2	68
National Department of Public Works	240	384	576	120
The South African National Roads Agency Ltd	14	17	19	5
Transnet Capital Projects	13	6		
Transnet Rail Engineering	7	8	11	
Department of Agriculture and Land Administration; Northern Cape	2			
Department of Education; Western Cape	3	2		
Department of Health; Mmabatho		4		
Department of Infrastructure Development; Gauteng	13	15		
Department of Public Transport, Roads And Works; Johannesburg	14			
Department of Public Works; Eastern Cape	4	7	17	4
Department of Public Works; Free State	2	1		
Department of Public Works; KwaZulu-Natal	2	5		
Department of Roads and Public Works; Eastern Cape	2			
Department of Roads and Transport; Limpopo	4			
Department of Rural Development and Agrarian Reform; Eastern Cape		3		
Department of Rural Development and Land Reform; Free State	24			
Department of Rural Development and Land Reform; KwaZulu-Natal	1		1	2
Department of Rural Development and Land Reform; Limpopo	14	1	1	
Department of Sport and Recreation; KwaZulu-Natal	14			
Department of Transport and Public Works; Western Cape (SCM)	10	46	142	16
Department of Transport, Roads and Public Works; Northern Cape	5	11		
Department of Transport; KwaZulu-Natal	26	16	26	
City of Cape Town Metropolitan Municipality (CCTMM)	45	17	26	26
Coega Development Corporation (Coega)			6	1
Ekurhuleni Metropolitan Municipality (EMM)	15	3	1	
Ethekwini Metropolitan Municipality (EMM)	1		11	3
Johannesburg Development Agency	2	3		
Johannesburg Water	2	4	6	2
Mangaung Local Municipality	19			

Tender Notices Compliance Ratio (%)

Client	Number of Tenders	Compliance Ratio
Airports Company South Africa Limited (ACSA)	9	0%
Department of Water Affairs	7	57%
Eskom Holdings Limited	42	0%
Independent Development Trust (IDT)	242	30%
National Department of Public Works	1368	96%
The South African National Roads Agency Ltd	87	63%
Transnet Capital Projects	19	100%
Transnet Rail Engineering	109	24%
Department of Agriculture and Land Administration; Northern Cape	7	29%
Department of Health; KwaZulu-Natal	943	0%
Department of Infrastructure Development; Gauteng	93	30%
Department of Public Transport, Roads And Works; Johannesburg	14	100%
Department of Public Works, Roads and Transport; Mpumalanga	22	0%
Department of Public Works, Roads and Transport; North West	16	0%
Department of Public Works; Eastern Cape	38	84%
Department of Public Works; KwaZulu-Natal	13	54%
Department of Public Works; Nelspruit	9	0%
Department of Roads and Public Works; Eastern Cape	40	5%
Department of Rural Development and Land Reform; Free State	26	92%
Department of Rural Development and Land Reform; Limpopo	16	100%
Department of Sport and Recreation; KwaZulu-Natal	17	82%
Department of Transport and Public Works; Western Cape (SCM)	242	88%
Department of Transport, Roads and Public Works; Northern Cape	17	94%
Department of Transport; KwaZulu-Natal	758	9%
Buffalo City Local Municipality (BCLM)	26	0%
City of Cape Town Metropolitan Municipality (CCTMM)	136	84%
City of Tshwane Metropolitan Municipality (CTMM)	47	0%
Coega Development Corporation (Coega)	57	12%
Ekurhuleni Metropolitan Municipality (EMM)	47	40%
Ethekewini Metropolitan Municipality (EMM)	82	18%
Johannesburg Development Agency	14	36%
Johannesburg Water	24	58%
Mangaung Local Municipality	25	76%

4. Tender Awards

The number of tender awards for selected public sector organisations and public entities recorded in *Government Tender Bulletins* but not recorded on *cidb iTender/Register of Projects* for the period 2012Q1 to 2012Q4 is shown on the following pages. The number of tender awards for selected public sector organisations and public entities recorded in *Government Tender Bulletins* which are also recorded on *cidb iTender/Register of Projects* is also shown on the following pages. Collectively these tables give an indication of the extent of compliance or non-compliance by the client bodies.

However it should be noted that it is not mandatory for government departments to publish details of tender awards, and the assessment of non-compliance is therefore limited to those clients that have elected to publish details of tender awards in the government Gazette.

Low levels of compliance (*30% or less*) are seen for:

- Department of Health; KwaZulu-Natal
- Department of Water Affairs
- Department of Transport; KwaZulu-Natal

Relatively high levels of compliance (*70% or more*) are seen for:

- Department of Transport and Public Works; Western Cape (SCM)
- National Department of Public Works

Details of individual tenders are available from the *cidb* on request.

Number of Non-Compliant Tender Awards per Quarter

Client	201201	201202	201203	201204
Department of Agriculture and Rural Development	4			
Department of Environmental Affairs & Tourism		1	1	
Department of Rural Development and Land Reform			2	
Department of Water Affairs	2	2		4
National Department of Public Works	27	15	2	1
Department of Arts and Culture; KwaZulu-Natal		1		
Department of Education; Western Cape				1
Department of Finance; Gauteng	1			
Department of Health; KwaZulu-Natal	2	4	46	3
Department of Infrastructure Development; Gauteng			1	
Department of Public Works; KwaZulu-Natal	46	11	6	8
Department of Sport and Recreation; KwaZulu-Natal	3			
Department of Transport and Public Works; Western Cape (SCM)		3	1	
Department of Transport; KwaZulu-Natal	7	5	7	10

Number of Compliant Tender Awards per Quarter

Client	201201	201202	201203	201204
Department of Water Affairs		3		
National Department of Public Works	80	73	6	3
Department of Public Works; KwaZulu-Natal	13	16	3	5
Department of Public Works; Nelspruit				1
Department of Sport and Recreation; KwaZulu-Natal	1			
Department of Transport and Public Works; Western Cape (SCM)	14	13	13	
Department of Transport; KwaZulu-Natal		11		2

Tender Awards Compliance Ratio (%)

Client Description	Number of Tenders	Compliance Ratio
Department of Water Affairs	11	27%
National Department of Public Works	207	78%
Department of Health; KwaZulu-Natal	55	0%
Department of Public Works; KwaZulu-Natal	108	34%
Department of Transport and Public Works; Western Cape (SCM)	44	91%
Department of Transport; KwaZulu-Natal	42	31%

Indicators of non-compliance with the requirements for the award of tenders is given on the following page, in which the number of tender notices recorded on iTender/RoP which have not been recorded as being awarded within the last 90 days on iTender/RoP are given (other than those recorded as being cancelled, etc.).

These indicators suggest high levels of non-compliance with requirements of the registration of tender awards for:

- Department of Transport and Public Works; Western Cape (SCM)
- City of Cape Town Metropolitan Municipality (CCTMM)
- National Department of Public Works
- The South African National Roads Agency Ltd
- Ekurhuleni Metropolitan Municipality (EMM)
- Department of Public Works; KwaZulu-Natal
- Department of Public Works; Eastern Cape
- Transnet Capital Projects

Number of Tender Notices on iTender/RoP not Awarded per Quarter

Client	200902	200903	200904	201001	201002	201003	201004	201101	201102	201103	201104
National Department of Public Works	15	29	17	4	10	17	55	14	14	96	95
The South African National Roads Agency Ltd	31	21	22	7	31	31	29	20	29	21	20
Transnet Capital Projects	4	11	5	8	7	5	17	7	15	11	15
Department of Infrastructure Development; Gauteng										37	58
Department of Public Transport, Roads And Works; Johannesburg	2	4	3				4	3	20	1	12
Department of Public Works; Eastern Cape	22	15	18	12	14	2	1	12	13	26	9
Department of Public Works; KwaZulu-Natal	11	6	4	1	1	11	18	28	15	47	15
Department of Roads and Public Works; Eastern Cape					3	5				6	13
Department of Transport and Public Works; Western Cape (Roads)	11	3	8	4	6	16	12	5	3	13	4
Department of Transport and Public Works; Western Cape (SCM)	46	76	77	14	29	142	69	16	12	97	94
Department of Transport, Roads and Public Works; Northern Cape		1	2	3	19	24	1	1	6	6	6
City of Cape Town Metropolitan Municipality (CCTMM)	48	36	42	60	32	20	60	41	37	30	62
City of Johannesburg Metropolitan Municipality (CJMM)	1	4	4		6	1	5	4	1		5
Ekurhuleni Metropolitan Municipality (EMM)	28	26	21	7	12	24	34	10	16	16	24
eThekweni Metropolitan Municipality (EMM)	1	10	2	14	8	7	9	4	14	12	
Johannesburg Development Agency		4	2	2	2	2	1			1	6
Johannesburg Water	1	3	6	8	6	6	5	12	4	3	3

Further indicators of non-compliance with the requirements for the award of tenders is given on the following page, in which the number of tender notices obtained in the *Government Tender Bulletins* and which have not been recorded as being awarded within the last 90 days on iTender/RoP are given (other than those recorded as being cancelled, etc.).

High levels of non-compliance with requirements of the registration of tender awards is suggested for:

- National Department of Public Works
- Department of Transport and Public Works; Western Cape (SCM)
- City of Cape Town Metropolitan Municipality (CCTMM)
- Independent Development Trust (IDT)
- The South African National Roads Agency Ltd
- Department of Transport; KwaZulu-Natal
- Department of Public Works; KwaZulu-Natal

Number of Tender Notices in Tender Bulletins not Awarded per Quarter

Client	201103	201104	201201	201202	201203	201204
Independent Development Trust (IDT)	3	16	2	2	2	68
National Department of Public Works	492	336	216	384	576	120
The South African National Roads Agency Ltd	19	17	14	17	19	5
Transnet Capital Projects	7	10	12	5		
Transnet Rail Engineering	1	5	7	8	10	
Department of Health and Social Development; Limpopo	34	10				
Department of Infrastructure Development; Gauteng	3	23	13	3		
Department of Public Transport, Roads And Works; Johannesburg		6	14			
Department of Public Works; Eastern Cape	14	3	3	7	17	4
Department of Public Works; KwaZulu-Natal	61	3	2	5		
Department of Public Works; Limpopo	12	22				
Department of Roads and Public Works; Eastern Cape	6	15	2			
Department of Rural Development and Land Reform; Free State		1	24			
Department of Rural Development and Land Reform; KwaZulu-Natal	10	7	1		1	2
Department of Transport and Public Works; Western Cape (SCM)	60	30	10	48	148	16
Department of Transport, Roads and Public Works; Northern Cape	6	4	5	12		
Department of Transport; KwaZulu-Natal	2	4	26	16	26	
City of Cape Town Metropolitan Municipality (CCTMM)	26	61	42	17	25	24
Ekurhuleni Metropolitan Municipality (EMM)	12	16	15	3	1	
Ethekewini Metropolitan Municipality (EMM)	5		1		11	3
Johannesburg Water	3	3	2	4	6	2
Mangaung Local Municipality	4	1	19			

Notes

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