



Construction Industry Development Board

DEVELOPMENT THROUGH PARTNERSHIP

Compliance Monitor
Register of Projects



Quarter
2013

4

CIDB iTENDER/ROP COMPLIANCE MONITOR; JANUARY 2014

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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;
- Metropolitan Councils; and
- selected high capacity municipalities.

The *Compliance Monitor* will be extended to additional 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 provincial 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* (their support is gratefully acknowledged).

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*.

Note that in this regard, inconsistencies do arise in the indicators of non-compliance where differences occur in the tender numbers on the *cidb iTender/Register of Projects* and in the government gazette or other tender sources, such as:

- xxxx12/13(A) and xxxx12/13A
- xxxx:12/13 and xxxx-12/13

Such differences should be brought to the attention of the *cidb*, and the *cidb* will endeavour to make the necessary changes.

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; and
- iii tender notices recorded on sources other than *iTender/Register of Projects*, but not recorded in the *cidb iTender/Register of Projects* as tender awards.

Items (ii) and (iii) above are clearly only indicators of non-compliance, and do not take into account the non-award or cancelation 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 2013Q1 to 2013Q4 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* (*10% compliance or less*):

- Eskom Holdings Limited
- Airports Company South Africa Limited (ACSA)
- Department of Agriculture and Land Administration; Northern Cape
- City of Tshwane Metropolitan Municipality (CTMM)
- Department of Transport; KwaZulu-Natal
- Govan Mbeki Local Municipality
- Buffalo City Local Municipality (BCLM)

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

- Department of Rural Development and Land Reform; Limpopo
- Department of Sport and Recreation; KwaZulu-Natal
- Department of Transport, Roads and Public Works; Northern Cape
- Emnambithi Local Municipality
- George Local Municipality
- National Department of Public Works
- Mossel Bay Local Municipality
- Department of Public Works, Roads and Transport; North West
- Greater Tzaneen Local Municipality
- Department of Education; North-West
- Department of Rural Development and Land Reform; KwaZulu-Natal
- Department of Education; Free State
- Department of Transport and Public Works; Western Cape
- City of Johannesburg Metropolitan Municipality (CJMM)
- Department of Public Works; Free State
- Department of Public Works; Limpopo
- Department of Roads and Public Works; Eastern Cape
- Mangaung Local Municipality
- The South African National Roads Agency Ltd
- Department of Health; Free State
- Department of Roads and Transport; Limpopo
- Department of Public Transport, Roads And Works; Johannesburg
- Johannesburg Water
- Transnet Capital Projects
- Department of Rural Development and Land Reform; Free State
- Hibiscus Coast Local Municipality
- Umgeni Water
- Ekurhuleni Metropolitan Municipality (EMM)

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

Number of Non-Compliant Tender Notices per Quarter

Client	201301	201302	201303	201304
Department of Agriculture and Land Administration; Northern Cape	1	17	12	4
Department of Agriculture; Limpopo	1		2	1
Department of Education; Free State		1		7
Department of Education; Limpopo		1		
Department of Education; North-West			1	
Department of Health and Social Development; Limpopo				2
Department of Health; Free State	1			
Department of Health; KwaZulu-Natal	12	9	15	14
Department of Infrastructure Development; Gauteng	7		14	2
Department of Public Transport, Roads And Works; Johannesburg		6		
Department of Public Works, Roads and Transport; Mpumalanga	17		4	4
Department of Public Works, Roads and Transport; North West	1			1
Department of Public Works; Eastern Cape	1			
Department of Public Works; Free State		3		
Department of Public Works; KwaZulu-Natal	28	19	17	24
Department of Public Works; Limpopo	7		1	
Department of Roads and Public Works; Eastern Cape	2		11	5
Department of Roads and Transport; Limpopo		4	10	4
Department of Rural Development and Agrarian Reform; Eastern Cape		8	1	
Department of Rural Development and Land Reform; Free State	1			
Department of Rural Development and Land Reform; KwaZulu-Natal		1	1	
Department of Transport and Public Works; Western Cape		1	1	2
Department of Transport; KwaZulu-Natal	93	197	115	57
Buffalo City Local Municipality (BCLM)	4	7	14	3
City of Cape Town Metropolitan Municipality (CCTMM)	15	4	5	2
City of Johannesburg Metropolitan Municipality (CJMM)	1			
City of Tshwane Metropolitan Municipality (CTMM)	4	9	8	3
Coega Development Corporation (Coega)	20	11	2	1
Ekurhuleni Metropolitan Municipality (EMM)	4	3		4
Ethekewini Metropolitan Municipality (EMM)	17	28	37	31
Johannesburg Development Agency	1		3	11
Johannesburg Roads Agency (JRA)	9	7	2	
Johannesburg Water	3	1		
Nelson Mandela Bay Municipality (NMBM)		1	5	4
Rand Water	7	2	2	1
Umgeni Water	4	1		
Mangaung Local Municipality	1			4
Govan Mbeki Local Municipality	5	2	4	4
Greater Tzaneen Local Municipality	1			
Hibiscus Coast Local Municipality	2	3	1	
Mossel Bay Local Municipality		1		
Polokwane Local Municipality	2		1	8

Number of Compliant Tender Notices per Quarter

Client	201301	201302	201303	201304
Department of Education; Free State		20	45	82
Department of Education; North-West		16	2	7
Department of Health; Free State		3	1	4
Department of Health; KwaZulu-Natal		2		4
Department of Health; Mmabatho	5			
Department of Infrastructure Development; Gauteng	6		35	40
Department of Public Transport, Roads And Works; Johannesburg	3	34	3	1
Department of Public Works, Roads and Transport; Mpumalanga			1	2
Department of Public Works, Roads and Transport; North West	8	57	12	8
Department of Public Works; Eastern Cape				1
Department of Public Works; Free State	1	2	12	16
Department of Public Works; KwaZulu-Natal	9	11	14	12
Department of Public Works; Limpopo	54		10	13
Department of Roads and Public Works; Eastern Cape	35	32	50	50
Department of Roads and Transport; Limpopo	16		22	94
Department of Rural Development and Agrarian Reform; Eastern Cape		4		
Department of Rural Development and Land Reform; Free State	2			3
Department of Rural Development and Land Reform; KwaZulu-Natal	3	4	41	2
Department of Rural Development and Land Reform; Limpopo		1	1	14
Department of Sport and Recreation; KwaZulu-Natal	16		11	1
Department of Transport and Public Works; Western Cape	14	25	18	13
Department of Transport, Roads and Public Works; Northern Cape	11	18	5	2
Department of Transport; KwaZulu-Natal	1		7	18
Buffalo City Local Municipality (BCLM)			1	2
City of Cape Town Metropolitan Municipality (CCTMM)	24	19	13	6
City of Johannesburg Metropolitan Municipality (CJMM)	11			
Coega Development Corporation (Coega)	5	11	16	9
Ekurhuleni Metropolitan Municipality (EMM)	16	10	9	11
Ethekewini Metropolitan Municipality (EMM)	48	27	2	25
Johannesburg Development Agency	9	3	5	2
Johannesburg Roads Agency (JRA)	2	5	2	
Johannesburg Water	3	11	6	6
Nelson Mandela Bay Municipality (NMBM)		2		
Rand Water		3	10	4
Umgenti Water		8	12	1
Mangaung Local Municipality	4	16	15	8
Emnambithi Local Municipality	2	6	9	4
George Local Municipality		2	4	5
Govan Mbeki Local Municipality	1			
Greater Tzaneen Local Municipality	4	5	3	14
Hibiscus Coast Local Municipality		1	21	6
Mossel Bay Local Municipality	8	4	7	26
Polokwane Local Municipality	1	11	16	4

Tender Notices Compliance Ratio (%)

Client	Number of Tenders	Compliance Ratio
Airports Company South Africa Limited (ACSA)	23	0%
Department of Water Affairs	13	77%
Eskom Holdings Limited	42	2%
Independent Development Trust (IDT)	356	62%
National Department of Public Works	117	98%
The South African National Roads Agency Ltd	93	89%
Transnet Capital Projects	20	85%
Transnet National Ports Authority	9	56%
Department of Agriculture and Land Administration; Northern Cape	34	0%
Department of Education; Free State	155	95%
Department of Education; North-West	26	96%
Department of Health; Free State	9	89%
Department of Health; KwaZulu-Natal	56	11%
Department of Infrastructure Development; Gauteng	104	78%
Department of Public Transport, Roads And Works; Johannesburg	47	87%
Department of Public Works, Roads and Transport; Mpumalanga	28	11%
Department of Public Works, Roads and Transport; North West	87	98%
Department of Public Works; Free State	34	91%
Department of Public Works; KwaZulu-Natal	134	34%
Department of Public Works; Limpopo	85	91%
Department of Roads and Public Works; Eastern Cape	185	90%
Department of Roads and Transport; Limpopo	150	88%
Department of Rural Development and Land Reform; Free State	6	83%
Department of Rural Development and Land Reform; KwaZulu-Natal	52	96%
Department of Rural Development and Land Reform; Limpopo	16	100%
Department of Sport and Recreation; KwaZulu-Natal	28	100%
Department of Transport and Public Works; Western Cape	74	95%
Department of Transport, Roads and Public Works; Northern Cape	36	100%
Department of Transport; KwaZulu-Natal	488	5%
Buffalo City Local Municipality (BCLM)	31	10%
City of Cape Town Metropolitan Municipality (CCTMM)	88	70%
City of Johannesburg Metropolitan Municipality (CJMM)	12	92%
City of Tshwane Metropolitan Municipality (CTMM)	24	0%
Coega Development Corporation (Coega)	75	55%
Ekurhuleni Metropolitan Municipality (EMM)	57	81%
Ethekwini Metropolitan Municipality (EMM)	215	47%
Johannesburg Development Agency	34	56%
Johannesburg Roads Agency (JRA)	27	33%
Johannesburg Water	30	87%
Nelson Mandela Bay Municipality (NMBM)	12	17%
Rand Water	29	59%
Umgeni Water	26	81%
Mangaung Local Municipality	48	90%
Emnambithi Local Municipality	21	100%
George Local Municipality	11	100%
Govan Mbeki Local Municipality	16	6%
Greater Tzaneen Local Municipality	27	96%
Hibiscus Coast Local Municipality	34	82%
Mossel Bay Local Municipality	46	98%
Polokwane Local Municipality	43	74%

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 2013Q1 to 2013Q4 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 Tender Bulletins*.

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

- Department of Water Affairs
- Department of Education; Free State
- Department of Health; KwaZulu-Natal
- Department of Public Transport, Roads And Works; Johannesburg
- Department of Roads and Transport; Limpopo
- Department of Rural Development and Land Reform; KwaZulu-Natal
- Department of Transport; KwaZulu-Natal
- Department of Agriculture and Land Administration; Northern Cape

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

- Department of Public Works; Free State
- Department of Transport and Public Works; Western Cape
- Department of Public Works, Roads and Transport; Mpumalanga
- Department of Roads and Public Works; Eastern Cape

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

Number of Non-Compliant Tender Awards per Quarter

Client	201301	201302	201303	201304
Department of Water Affairs	1	11		3
National Department of Public Works	13	3	15	1
Department of Agriculture and Land Administration; Northern Cape			9	
Department of Education; Free State			1	13
Department of Health; KwaZulu-Natal	1	1		4
Department of Public Transport, Roads And Works; Johannesburg	11		4	
Department of Public Works, Roads and Transport; Mpumalanga			11	
Department of Public Works; KwaZulu-Natal	5	9	4	7
Department of Public Works; Limpopo		4		
Department of Roads and Public Works; Eastern Cape	9	4	7	7
Department of Roads and Transport; Limpopo		24		18
Department of Rural Development and Land Reform; KwaZulu-Natal	9			
Department of Transport and Public Works; Western Cape		4		
Department of Transport; KwaZulu-Natal	8	31	27	27

Number of Compliant Tender Awards per Quarter

Client	201301	201302	201303	201304
Department of Agriculture and Rural Development				2
National Department of Public Works	10	8	1	9
Department of Agriculture and Land Administration; Northern Cape			2	
Department of Education; Gauteng		5		
Department of Public Works, Roads and Transport; Mpumalanga			94	
Department of Public Works; Free State			1	7
Department of Public Works; KwaZulu-Natal	2	7	10	2
Department of Public Works; Limpopo		7		
Department of Roads and Public Works; Eastern Cape	6		38	33
Department of Transport and Public Works; Western Cape		150	36	
Department of Transport; KwaZulu-Natal		4	7	3

Tender Awards Compliance Ratio (%)

Client Description	Number of Tenders	Compliance Ratio
Department of Water Affairs	15	0%
National Department of Public Works	60	47%
Department of Agriculture and Land Administration; Northern Cape	11	18%
Department of Education; Free State	14	0%
Department of Health; KwaZulu-Natal	6	0%
Department of Public Transport, Roads And Works; Johannesburg	15	0%
Department of Public Works, Roads and Transport; Mpumalanga	105	90%
Department of Public Works; Free State	8	100%
Department of Public Works; KwaZulu-Natal	46	46%
Department of Public Works; Limpopo	11	64%
Department of Roads and Public Works; Eastern Cape	104	74%
Department of Roads and Transport; Limpopo	42	0%
Department of Rural Development and Land Reform; KwaZulu-Natal	9	0%
Department of Transport and Public Works; Western Cape	190	98%
Department of Transport; KwaZulu-Natal	107	13%

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 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 Infrastructure Development; Gauteng
- Independent Development Trust (IDT)
- Ekurhuleni Metropolitan Municipality (EMM)
- Ethekewini Metropolitan Municipality (EMM)

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

Client	201001	201002	201003	201004	201101	201102	201103	201104	201201	201202	201203	201204
Independent Development Trust (IDT)				7		1	3	8	2		2	114
National Department of Public Works								5	2	11	14	3
Transnet Capital Projects	1						4	1	4	2		19
Transnet Property	16	8	1	2	15	4	1	10	1		2	4
Transnet Rail Engineering							1	5	18	1	6	1
Department of Infrastructure Development; Gauteng							36	58	21	3	25	17
Department of Public Transport, Roads And Works; Johannesburg				4	3	20	1	11	11	1	11	3
Department of Public Works; Eastern Cape	9	5	1	1	5	5	10	7	2	4	6	12
Department of Public Works; KwaZulu-Natal	1		4	3	3	3	5	2	2	12	18	1
Department of Rural Development and Land Reform; Free State							1	13	45	2	3	25
Department of Rural Development and Land Reform; KwaZulu-Natal							10	7	1		4	11
Department of Rural Development and Land Reform; Limpopo							1	13	45	2	3	25
Department of Transport and Public Works; Western Cape	4	7	6	14		2	8	3	1	2	6	1
Department of Transport, Roads and Public Works; Northern Cape		1				1	5	6	2	1	2	10
Department of Transport; KwaZulu-Natal							1	2	13	8	15	16
City of Cape Town Metropolitan Municipality (CCTMM)		1	1	3	1	1	1	2	3	2	8	7
City of Johannesburg Metropolitan Municipality (CJMM)				2		1		5	1		3	21
Ekurhuleni Metropolitan Municipality (EMM)	4	2	5	13	6	14	10	23	18	5	7	17
Ethekwini Metropolitan Municipality (EMM)	3	3	4	3	4	14	8		1		22	43
Rand Water							4	2	6	12	9	

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 from *Government Tender Bulletins* and other sources and which have not been recorded as being awarded on iTender/RoP are given. (Note that some tenders may have been cancelled or delayed – but this is not reflected here.)

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

- Department of Transport; KwaZulu-Natal
- Department of Infrastructure Development; Gauteng
- Department of Roads and Public Works; Eastern Cape
- Department of Public Works; KwaZulu-Natal
- National Department of Public Works
- Coega Development Corporation (Coega)
- Independent Development Trust (IDT)
- Ekurhuleni Metropolitan Municipality (EMM)
- The South African National Roads Agency Ltd
- Department of Public Works, Roads and Transport; North West
- Department of Transport and Public Works; Western Cape
- Ethekwini Metropolitan Municipality (EMM)
- City of Tshwane Metropolitan Municipality (CTMM)

Number of Tender Notices from Tender Bulletins and Other Sources not Awarded per Quarter

Client	201104	201201	201202	201203	201204
Independent Development Trust (IDT)					87
National Department of Public Works	25	25	29	45	9
The South African National Roads Agency Ltd	6	8	7	26	12
Department of Agriculture and Land Administration; Northern Cape	12	4	1	10	8
Department of Agriculture; Limpopo	1		9	6	7
Department of Education; North-West	5	2			23
Department of Health and Social Development; Limpopo	10				30
Department of Health; KwaZulu-Natal	15			12	
Department of Infrastructure Development; Gauteng	49	75	18	17	20
Department of Public Works, Roads and Transport; Mpumalanga	12	4	13		5
Department of Public Works, Roads and Transport; North West	3	7	1	2	44
Department of Public Works; KwaZulu-Natal	32	7	16	30	56
Department of Public Works; Limpopo	21				19
Department of Roads and Public Works; Eastern Cape	42	37	18	18	30
Department of Rural Development and Agrarian Reform; Eastern Cape	7		11	20	3
Department of Transport and Public Works; Western Cape	20	3	4	13	17
Department of Transport, Roads and Public Works; Northern Cape	6	2	1		14
Department of Transport; KwaZulu-Natal	23	55	146	156	5
Buffalo City Local Municipality (BCLM)	1	5	9	7	1
City of Cape Town Metropolitan Municipality (CCTMM)	6	7	4	13	9
City of Johannesburg Metropolitan Municipality (CJMM)	7	2		3	20
City of Tshwane Metropolitan Municipality (CTMM)	11	9	17	15	2
Coega Development Corporation (Coega)	47	15	13	23	
Ekurhuleni Metropolitan Municipality (EMM)	19	16	2	9	34
Ethekewini Metropolitan Municipality (EMM)	20	20	4	9	3
Johannesburg Development Agency	4	7	5	2	12

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