

Compliance Monitor

Register of Projects

Quarter

1
2013



CIDB iTENDER/ROP COMPLIANCE MONITOR; APRIL 2013

1.	Introduction	1
2.	Background and Analysis	2
2.1	Tender Notices	2
2.2	Tender Awards	2
2.3	Contract Completion	2
3.	Tender Notices	3
4.	Tender Awards	7

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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 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*.

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 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 2012Q2 to 2013Q1 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):

- Airports Company South Africa Limited (ACSA)
- Eskom Holdings Limited
- Department of Agriculture and Land Administration; Northern Cape
- Department of Health; KwaZulu-Natal
- Department of Public Works, Roads and Transport; Mpumalanga
- Department of Public Works; Eastern Cape
- Department of Roads and Transport; Limpopo
- Buffalo City Local Municipality (BCLM)
- City of Tshwane Metropolitan Municipality (CTMM)
- Department of Public Works, Roads and Transport; North West
- Department of Transport; KwaZulu-Natal
- Ekurhuleni Metropolitan Municipality (EMM)
- Johannesburg Development Agency

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

- Transnet Capital Projects
- Department of Health; Mmabatho
- Department of Rural Development and Agrarian Reform; Eastern Cape
- Department of Sport and Recreation; KwaZulu-Natal
- National Department of Public Works
- Department of Transport and Public Works; Western Cape

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

Number of Non-Compliant Tender Notices per Quarter

Client	201202	201203	201204	201301
Airports Company South Africa Limited (ACSA)	4	16	22	8
Department of Water Affairs	1	2		4
Eskom Holdings Limited	27	5	1	45
Independent Development Trust (IDT)	18	22	65	2
National Department of Public Works	1	2	2	2
The South African National Roads Agency Ltd	3	15	13	9
Transnet Rail Engineering	9	70	1	3
Department of Agriculture and Land Administration; Northern Cape	1	10	8	1
Department of Agriculture; Limpopo	9	6	7	1
Department of Health; Free State				1
Department of Health; KwaZulu-Natal	8	25	6	12
Department of Infrastructure Development; Gauteng	3	4	6	13
Department of Public Transport, Roads And Works; Johannesburg	1			
Department of Public Works, Roads and Transport; Mpumalanga	18	4	21	17
Department of Public Works, Roads and Transport; North West	3	4	37	6
Department of Public Works; Eastern Cape	3	1		2
Department of Public Works; Free State			2	1
Department of Public Works; KwaZulu-Natal	7	29	56	29
Department of Public Works; Limpopo			16	19
Department of Roads and Public Works; Eastern Cape	10	15	23	12
Department of Roads and Transport; Limpopo				12
Department of Rural Development and Land Reform; Free State			12	3
Department of Rural Development and Land Reform; KwaZulu-Natal		1		2
Department of Transport and Public Works; Western Cape	1	13	14	3
Department of Transport, Roads and Public Works; Northern Cape	1		13	10
Department of Transport; KwaZulu-Natal	147	146	5	95
Buffalo City Local Municipality (BCLM)	12	8	1	4
City of Cape Town Metropolitan Municipality (CCTMM)	3	9	8	15
City of Johannesburg Metropolitan Municipality (CJMM)				11
City of Tshwane Metropolitan Municipality (CTMM)	19	15	2	4
Coega Development Corporation (Coega)	13	22		21
Ekurhuleni Metropolitan Municipality (EMM)	4	12	34	20
Ethekewini Metropolitan Municipality (EMM)	7	8		27
Johannesburg Development Agency	3	2	11	10
Johannesburg Water	1	2	7	6
Mandela Bay Development Agency (MBDA)				1
Mangaung Local Municipality	1	1		2
Nelson Mandela Bay Municipality (NMBM)		1		

Number of Compliant Tender Notices per Quarter

Client	201202	201203	201204	201301
Department of Water Affairs	3			
Independent Development Trust (IDT)		2	68	9
National Department of Public Works	34	62	14	19
The South African National Roads Agency Ltd	17	20	5	7
Transnet Capital Projects	6			3
Transnet Rail Engineering	8	12		
Department of Education; Western Cape	3			
Department of Health; Mmabatho	13			5
Department of Infrastructure Development; Gauteng	15	12	17	
Department of Public Transport, Roads And Works; Johannesburg	2			
Department of Public Works, Roads and Transport; North West			1	
Department of Public Works; Free State	1	1	5	1
Department of Public Works; KwaZulu-Natal	23	7	3	8
Department of Public Works; Limpopo			4	35
Department of Roads and Public Works; Eastern Cape	28	23	24	24
Department of Rural Development and Agrarian Reform; Eastern Cape	6			
Department of Rural Development and Land Reform; Free State			7	
Department of Rural Development and Land Reform; KwaZulu-Natal		1	2	1
Department of Rural Development and Land Reform; Limpopo	1	1		
Department of Sport and Recreation; KwaZulu-Natal				8
Department of Transport and Public Works; Western Cape	37	76	13	11
Department of Transport, Roads and Public Works; Northern Cape	13		2	1
Department of Transport; KwaZulu-Natal	8	13		
City of Cape Town Metropolitan Municipality (CCTMM)	18	26	26	24
City of Johannesburg Metropolitan Municipality (CJMM)		4	29	1
Coega Development Corporation (Coega)		6	1	4
Ekurhuleni Metropolitan Municipality (EMM)	3	1		
Ethekwini Metropolitan Municipality (EMM)		11	3	41
Johannesburg Development Agency	3			
Johannesburg Water	4	6	2	
Mangaung Local Municipality		2	7	2

Tender Notices Compliance Ratio (%)

Client	Number of Tenders	Compliance Ratio
Airports Company South Africa Limited (ACSA)	50	0%
Department of Water Affairs	10	30%
Eskom Holdings Limited	78	0%
Independent Development Trust (IDT)	186	42%
National Department of Public Works	136	95%
The South African National Roads Agency Ltd	89	55%
Transnet Capital Projects	9	100%
Transnet Rail Engineering	103	19%
Department of Agriculture and Land Administration; Northern Cape	20	0%
Department of Health; KwaZulu-Natal	51	0%
Department of Health; Mmabatho	18	100%
Department of Infrastructure Development; Gauteng	70	63%
Department of Public Works, Roads and Transport; Mpumalanga	60	0%
Department of Public Works, Roads and Transport; North West	51	2%
Department of Public Works; Eastern Cape	6	0%
Department of Public Works; Free State	11	73%
Department of Public Works; KwaZulu-Natal	162	25%
Department of Public Works; Limpopo	74	53%
Department of Roads and Public Works; Eastern Cape	159	62%
Department of Roads and Transport; Limpopo	12	0%
Department of Rural Development and Agrarian Reform; Eastern Cape	6	100%
Department of Rural Development and Land Reform; Free State	22	32%
Department of Rural Development and Land Reform; KwaZulu-Natal	7	57%
Department of Sport and Recreation; KwaZulu-Natal	8	100%
Department of Transport and Public Works; Western Cape	168	82%
Department of Transport, Roads and Public Works; Northern Cape	40	40%
Department of Transport; KwaZulu-Natal	414	5%
Buffalo City Local Municipality (BCLM)	25	0%
City of Cape Town Metropolitan Municipality (CCTMM)	129	73%
City of Johannesburg Metropolitan Municipality (CJMM)	45	76%
City of Tshwane Metropolitan Municipality (CTMM)	40	0%
Coega Development Corporation (Coega)	67	16%
Ekurhuleni Metropolitan Municipality (EMM)	74	5%
Ethekewini Metropolitan Municipality (EMM)	97	57%
Johannesburg Development Agency	29	10%
Johannesburg Water	28	43%
Mangaung Local Municipality	15	73%

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 2012Q2 to 2013Q1 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 Rural Development and Land Reform; KwaZulu-Natal
- Department of Water Affairs

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

- Department of Transport and Public Works; Western Cape
- National Department of Public Works
- Department of Public Transport, Roads and Works; Johannesburg

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

Number of Non-Compliant Tender Awards per Quarter

Client	201202	201203	201204	201301
Department of Environmental Affairs & Tourism	1	1		
Department of Rural Development and Land Reform		2		
Department of Water Affairs	2		4	1
National Department of Public Works	15	2	1	12
Department of Agriculture and Rural Development; Gauteng				1
Department of Education; Western Cape			4	
Department of Health; KwaZulu-Natal	4	46	9	1
Department of Health; Western Cape			1	
Department of Human Settlements; KwaZulu-Natal			1	
Department of Infrastructure Development; Gauteng		1		
Department of Public Transport, Roads And Works; Johannesburg				3
Department of Public Works; KwaZulu-Natal	11	6	8	5
Department of Rural Development and Land Reform; KwaZulu-Natal				9
Department of Transport and Public Works; Western Cape	4	1		
Department of Transport; KwaZulu-Natal	5	7	10	6

Number of Compliant Tender Awards per Quarter

Client	201202	201203	201204	201301
Department of Water Affairs	3			
National Department of Public Works	73	6	3	11
Department of Agriculture and Rural Development; Gauteng			1	1
Department of Public Transport, Roads And Works; Johannesburg				8
Department of Public Works; KwaZulu-Natal	16	3	5	2
Department of Public Works; Nelspruit			1	
Department of Transport and Public Works; Western Cape	13	13		
Department of Transport; KwaZulu-Natal	11		2	2

Tender Awards Compliance Ratio (%)

Client Description	Number of Tenders	Compliance Ratio
Department of Water Affairs	10	30%
National Department of Public Works	123	76%
Department of Health; KwaZulu-Natal	60	0%
Department of Public Transport, Roads And Works; Johannesburg	11	73%
Department of Public Works; KwaZulu-Natal	56	46%
Department of Rural Development and Land Reform; KwaZulu-Natal	9	0%
Department of Transport and Public Works; Western Cape	31	84%
Department of Transport; KwaZulu-Natal	43	35%

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:

- City of Cape Town Metropolitan Municipality (CCTMM)
- National Department of Public Works
- Ekurhuleni Metropolitan Municipality (EMM)
- Department of Public Works; KwaZulu Natal
- Department of Public Works; Eastern Cape
- Transnet Capital Projects
- Department of Infrastructure Development; Gauteng

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

Client	200903	200904	201001	201002	201003	201004	201101	201102	201103	201104	201201
National Department of Public Works	29	17	4	10	17	55	14	14	96	95	51
Transnet Capital Projects	11	5	8	7	5	17	7	15	11	15	21
Transnet Rail Engineering									1	5	18
Department of Infrastructure Development; Gauteng									37	58	21
Department of Public Transport, Roads And Works; Johannesburg	4	3				4	3	20	1	12	12
Department of Public Works, Roads and Transport; Mpumalanga						6			5		
Department of Public Works; Eastern Cape	15	18	12	14	2	1	12	13	26	9	4
Department of Public Works; KwaZulu-Natal	6	4	1	1	11	18	28	15	47	15	4
Department of Roads and Public Works; Eastern Cape				3	5				5	11	1
Department of Transport, Roads and Public Works; Northern Cape	1	2	3	19	24	1	1	6	6	6	5
City of Cape Town Metropolitan Municipality (CCTMM)	36	42	60	32	20	60	41	37	30	62	44
City of Johannesburg Metropolitan Municipality (CJMM)	4	4		6	1	5	4	1		5	1
Ekurhuleni Metropolitan Municipality (EMM)	26	21	7	12	24	34	10	16	16	24	19
Ethekewini Metropolitan Municipality (EMM)	10	2	14	8	7	9	4	14	12		1
Johannesburg Development Agency	4	2	2	2	2	1			1	6	2
Johannesburg Water	3	6	8	6	6	5	12	4	3	3	2
Mangaung Local Municipality							9	1	4	1	22

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:

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

Number of Tender Notices in Tender Bulletins not Awarded per Quarter

Client	201104	201201	201202	201203	201204	201301
Independent Development Trust (IDT)	16	2		2	68	8
National Department of Public Works	30	18	34	62	14	19
The South African National Roads Agency Ltd	17	14	17	21	5	7
Transnet Capital Projects	10	12	5			3
Transnet Rail Engineering	5	7	8	12		
Department of Infrastructure Development; Gauteng	23	13	3	8	17	
Department of Public Works; KwaZulu-Natal	8	2	23	13	3	8
Department of Public Works; Limpopo	22				6	35
Department of Roads and Public Works; Eastern Cape	16	5	24	22	26	24
Department of Rural Development and Land Reform; Free State	1	24			7	
Department of Sport and Recreation; KwaZulu-Natal		14				8
Department of Transport and Public Works; Western Cape	93	8	42	88	12	10
Department of Transport, Roads and Public Works; Northern Cape	7	5	14		2	1
Department of Transport; KwaZulu-Natal	2	13	8	13		
City of Cape Town Metropolitan Municipality (CCTMM)	63	42	19	24	24	24
City of Johannesburg Metropolitan Municipality (CJMM)	5			4	29	1
Ekurhuleni Metropolitan Municipality (EMM)	16	15	3	1		
EtheKwini Metropolitan Municipality (EMM)		1		11	3	40
Mangaung Local Municipality	1	19		2	7	2

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