

ADDRESS TO CIDB PROVINCIAL STAKEHOLDER WORKSHOP

MORNING TO YOU ALL PRESENT

The HOD

The CEO and Board members of CIDB

SENIOR MANAGERS

INVITED GUESTS

BUSINESS PEOPLE

LADIES AND GENTLEMEN

ALL STAKEHOLDERS

We are gathered here at this workshop to share information and strategise on how best to utilise the services of the CIDB.

I am here to witness and hear your comments, inputs and constructive criticism on the way forward in terms of the CIDB mandate.

As government we are an important role player in this workshop. I have a personal interest to see the development and growth of the construction industry in our Province. The Construction Industry Development Board (cidb) is a tool used by government to assist all business stakeholders to access government procurement process.

The CIDB Act 38 of 2000 was passed in October 2000 establishing the CIDB mandate to stake-holders development. This CIDB Act 38 of 2000 mandates the board to establish a stake-holders forum to inform the board on matters that affects the construction industry.

Construction plays a role in South Africa's economic and social development. It provides the physical infrastructure and backbone for economic activities. It is also a large-scale provider of employment. Government is aware that you are faced with some serious challenges that impedes on your growth and development. It is imperative that the management of public finance is used effectively to contribute to economic development and in particular to support SMME development. As he tabled the Province 2010-2011 budget the honourable J BLOCK , Economic, Tourism and Finance MEC is quoted as saying :” Through our interaction with SMME's in the Province , we have noted with concern the adverse impact that late payments from government departments has on the operations of small businesses. It is

contravention of the law not to pay service providers within 30 days, and punitive measures will be taken against those who fail to comply.”

The officials of the Department of Roads and Public Works your mandate is to pay service providers within 30 days. Once you are satisfied with the completed work done, don't waste any time in paying service providers.

Our contractor development programme must start to produce results. As a department we have step up our efforts to assist emerging contractor. At least our roads maintenance and upgrading programme has involved learner contractors.

As roads and public works department we have used small contractors in the Soebatfontein road project. We will continue to contribute towards development of learner contractors.

The Garries cycle road project was also completed by learner contractors. We must be honest about the assessment of work done by learner contractors or historically disadvantaged contractors.

The objective of the Northern Cape Contractor Development Strategy is to develop the technical and entrepreneurial skills of small contractors in a project environment, so as to improve their access to opportunities created by government's procurement policies, and to consolidate their growth and development into sustainable contractors.

The Department of Roads and Public Works contractor development strategy seeks to;

- Improve the grading status of contractors in targeted categories and grades, effectively increasing the supply side available to public and private sector clients;
- Increase the number of previously disadvantaged individuals, women, youth and the disabled in targeted categories and grades so that all categories and grades are represented.
- Create sustainable contracting enterprise by enabling continuous work through competitive process and thus creating the platform for sustainable employment and skills development.

Contractor Development strategy will focus on contractors with CIDB grade 1-7 in Civil Engineering and General Building. This is informed by the facts that, CIDB Register of Contractor shows a high proliferation of entry level contractors, i.e. Grade1 and Grade2 contractors. This results in huge contracts of above R40m being awarded to contractors from outside the Province. This state of affairs negatively affects the Province economic development.

As stakeholders you are faced with the following challenges;

- Large projects exclude small contractors

- Unfriendly/ complicated tender documents;
- Surety requirement
- Procurement procedure and tender deposits
- Monthly progress payment cycles/quick payment cycles or bridging financing arrangement;
- Lack of appropriate training
- Inadequate technical management support services
- Inappropriate monitoring systems to improve development and participation, by other stakeholder such as client departments for their own projects.

These are some of the challenges facing you as contractors and CIDB is working to minimise these challenges.

The department is much more concern about the quality of work done and the completion on schedule of all projects.

I must warn you that the CIDB has a Code of Conduct for the Parties engaged in Construction Procurement.

The Construction Industry Development Board requires that the parties in any public or private construction-related procurement in their dealings with each other must:

1. Behave equitable, honestly and transparently.
2. Discharge duties and obligations timeously and with integrity.
3. Satisfy all relevant requirement established in procurement documents.
4. Avoid conflicts of interest.
5. Not maliciously or recklessly injure or attempt to injure the reputation of another party.

The Mission of the Construction Industry Development Board is to;

Direct and drive integrated construction development strategy that transform the role of industry and stakeholders for sustainable growth, improved delivery, performance and value to public and private sector clients, and investors through strategic partnerships; to strategically and deliberately promote the empowerment of small, medium, and micro enterprise to improve their capability and grow the economy to develop employees to be meaningful participants in the organization.

Thank you all for attending this workshop.

I wish you all the best in your business endeavours.

I thank you all.