

FACILITATING CONTRACTOR DEVELOPMENT

PROVINCIAL STAKEHOLDER WORKSHOP



CIDB : GERARD NAIDOO
Programme Manager:
Growth and Contractor
Development (GCD)



PRESENTATION OUTLINE

- **WHAT IS NCDP**
- **NCDP ROLLOUT**
 - **ROLES AND EXPECTATIONS**
 - **PROVINCIAL CD FORUM**
- **CIDB FACILITATED ENTERPRISE AND CONTRACTOR DEVELOPMENT INITIATIVES (ADDRESSING PROCURMENT, TRAINING AND FINANCE)**
- **WORK IN PROGRESS**
- **CHALLENGES**





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MANDATE

*...promote sustainable growth of the construction industry and the participation of the emerging sector...
(CIDB Act 38 of 2000)*

The DPW-cidb mandate is to design and drive the implementation of a Contractor Development **Framework** that must **uniformly apply** throughout South Africa in respect of registered contractors



PURPOSE

- **Improve the grading status** of contractors in targeted categories and grades;
- To increase the number of **black and women-owned companies** in targeted categories and grades;
- Create **sustainable contracting** enterprises by enabling continuous work to competitive suppliers; and
- **Improve the performance** of contractors in terms of quality, employment practices, skills development, safety, health and the environment.



NCDP – A Framework to implementation



Updated: January 2010



It addresses:

- Components of CD
- Key success factors for CD
- Enabling mechanisms for CD
- Principles for CD
- Role of participant stakeholders
- Monitoring and evaluation
- Communication Strategy

National Contractor Development Programme (NCDP)

Framework

2010 and beyond

This document provides the framework for programme leadership and implementation by Public Works and cidb under the mandate of the Public Works MINMEC

Produced by:
Department of Public Works
Construction Industry Development Board

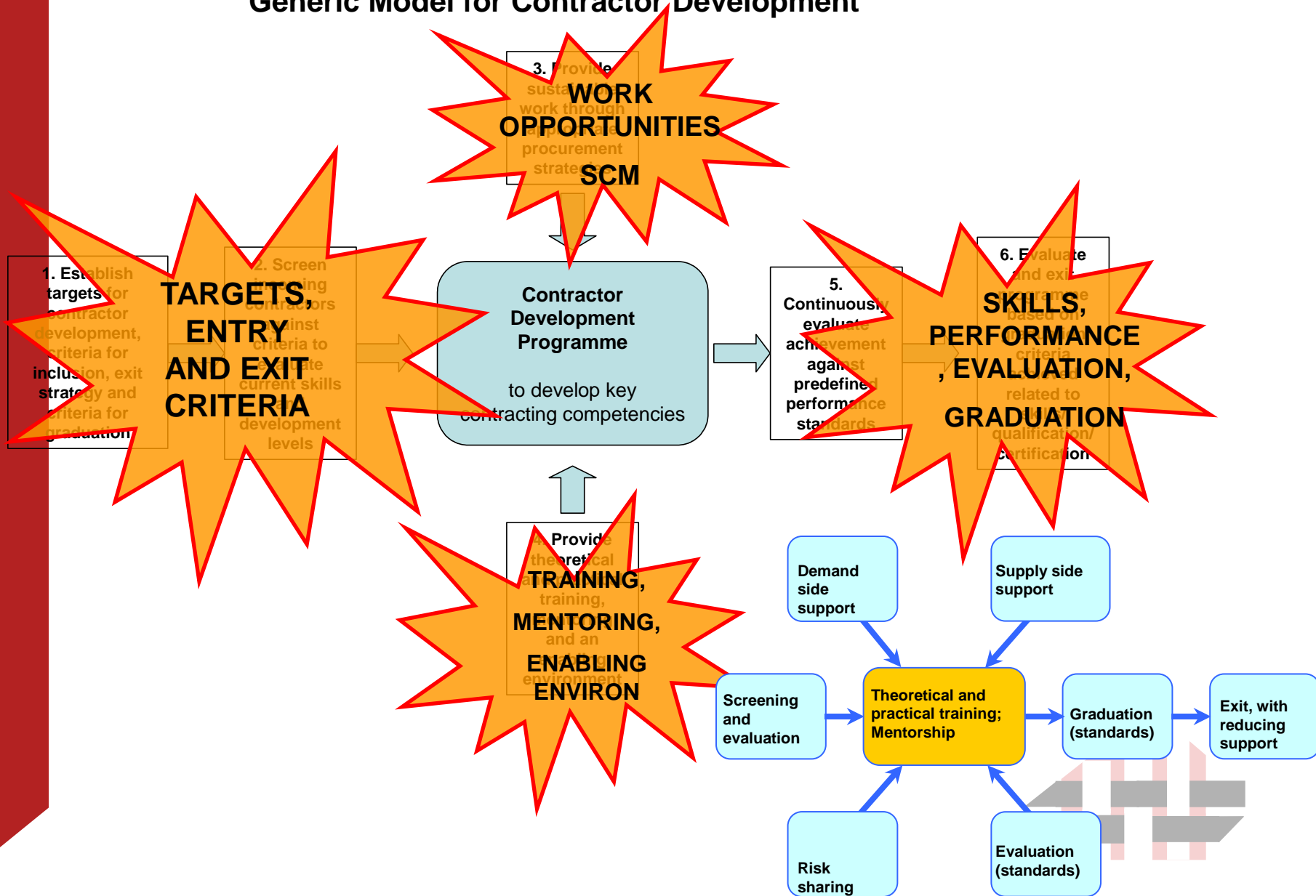
Updated: January 2010



ESTABLISHING A PROGRAMME FRAMEWORK

NCDP Contractor Development proposed model

Generic Model for Contractor Development



**Component 3: Contractor Entity
Performance Enhancement**

- Component 3.1: Performance Enhancement



Grade 8 - 9

Component 2: Contractor Development

- Component 2.2: Performance Improvement
- Component 2.1: Contracting Enterprise



Grade 3 – 7

Component 1: Construction Workforce

- Component 1.2: Learner Contractor
 - Component 1.1: Construction Workforce –
Artisan & Supervisor



Grade 1 – 3
and
Construction
Workforce

ANALYSIS OF SA CDP'S - STATUS REPORT

cidb carried out a review of major public sector sponsored CDP's to:

- identify challenges faced and lessons learned from these Programmes
- identify good practices for promotion across all CDP's





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CIDB INITIATIVES and PROGRESS TO DATE

Contractor

Success Factors

- Access to Finances
- Continuity of profitable work
- Access to Information/ Knowledge
- Outreach
- CDP's
- Performance Improvement

Registers & PDM

Interventions

- Contractor Access to Financing (MOUs with the Banks)
- Procurement models, Procurement Best Practice
- Status Reports (NIMS, Skills, Material Sector); Quarterly Monitor, Practice Guides
- CCCs in all provinces
- Provincial CD forums, Targeting strategy
- Practice guides, Contractor Recognition Scheme, Competency Assessment

WHAT IS ROLE OF cidb IN IMPLEMENTING THE ncdp?

- Ensuring **clients adhere to practice guidelines and regulations**
- Ensuring **SCM processes** are in support of contractor development
- Ensuring clients implement and use **PE Status**
- **Support & Guidance** to DPW/client on their CDP's
- **Facilitated links** of clients to other stakeholders and partners
- **Sharing of experiences** from international and local CDP's and other provincial successes and areas of challenges
- Working with clients to **establish benchmarks/ starting targets** and then measuring against these (refer to template)
- Receiving **report's** from Premiers and DPW/ MEC's and reporting to MINMEC and HoD's meetings on challenges within provinces
- Linking to **PDM and CIP** eg. Procurement processes and targeting + Best Performance/ recognition



*ROLE OF GOVERNMENT
DEPARTMENTS AND
ASSOCIATIONS,
ESTABLISHED INDUSTRY
AND STAKEHOLDERS?*

(PARTNERSHIPS)





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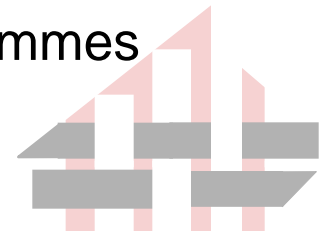
- **CHALLENGES**



IMPLEMENTATION THROUGH PROVINCIAL CD FORUMS

The CD Forum provides added value to the participating organisations in the following areas:

- Provides opportunity for participants to increase **awareness and visibility** to their services
- Launching **joint projects**
- **Knowledge transfer & Sharing information**
- **Standardised services**
- Facilitate the **exchange of best practices and expertise**
- Joint **assessment of effectiveness** of enterprise development policies
- Request CIDB/ other stakeholders **assistance**
- **Reporting on, and analysing** statistics from programmes
- Way forward on **provincial 'priority/ focus areas'**



LESSONS FROM PROVINCIAL CD FORUMS

- Limit the number of core members
- Targets, reporting, role clarity as focus
- Development of a integrated database of contractors on CDP - EC
- The large contractor model in the KZN
- COEGA Small Enterprise Development Programme – EC
- Recent Forum launches:
FS, NC, Limpopo, & Mpum.
(only NW still to launch)



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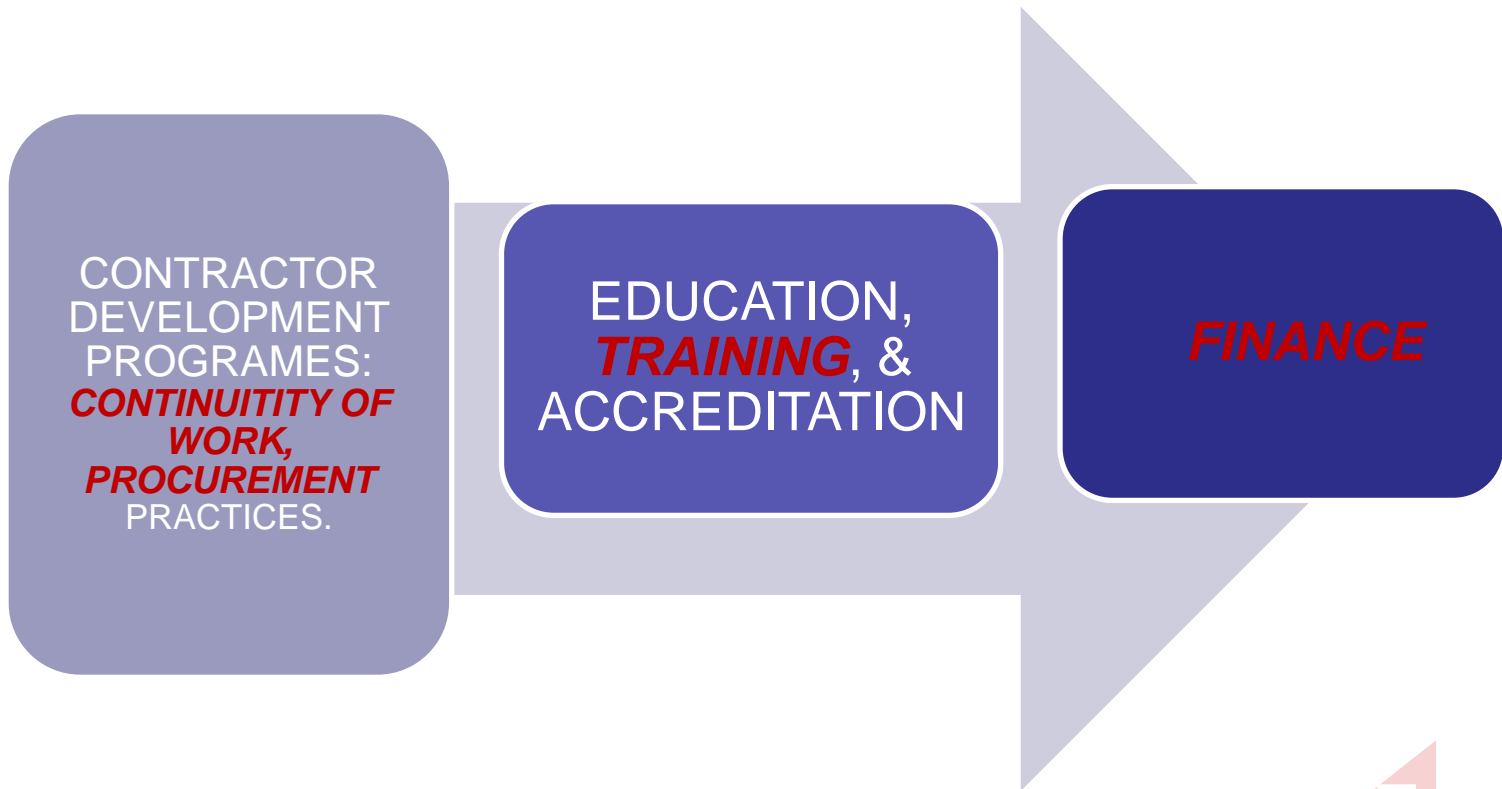
**CIDB FACILITATED ENTERPRISE AND
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SOME CRITICAL SUCCESS FACTORS...



BUT CIDB DOES NOT OFFER

CONTRACTS

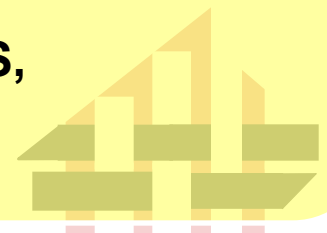
TRAINING

FINANCE

CIDB DOES:



- CREATE ENABLING ENVIRONMENT EG. FRAMEWORKS
- SET DEVELOPMENTAL PLATFORM
- PROVIDE TOOLS, ADVICE, INFORMATION & SUPPORT
- PROVIDE REGULATORY PLATFORM
- FACILITATE LINKS BETWEEN CLIENT DEPARTMENTS, OTHER GOVERNMENT ENTITIES AND TRAINING AUTHORITIES AND STRATEGIC PARTNERS AND ESTABLISHED AND INDUSTRY PLAYERS



Procurement Reform supporting Contractor Development using Practice Notes

Practice notes:

9 – Attaining Social and Economic Deliverables

10 – Targeted Development Programmes (PE Contractor Development)

11 – Programme Management approach to Delivery

construction industry development inform practice note

Issued by the Construction Industry Development Board



construction procurement and delivery

SCALING UP DELIVERY AND ACCELERATING EMPOWERMENT

Practice Note # 1
May 2006
(Version 1 - May 2006)

construction industry development inform practice note

Issued by the Construction Industry Development Board



construction procurement and delivery

CORRECTING ARITHMETICAL ERRORS IN TENDERS

Practice Note # 2
August 2006
(Version 2 - September 2006)

construction industry development inform practice note

Issued by the Construction Industry Development Board



construction procurement and delivery

Applying the register of contractors in construction works contracts

Practice Note # 3
September 2006
(Version 1 - September 2006)

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3.5 Procedure in relation to the invitation, evaluation and award of quotations	8
3.6 Procedure in relation to the invitation, evaluation and award of tenders	9
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I would like to receive the **inform practice notes** together with **Infooue** newsletter and the **information** bulletins of the **cidb**
[subscribe](#)

I do not wish to receive the publications
[cancel](#)

cidb's inform practice notes provide guidance and clarity in achieving client objectives in construction procurement and delivery. Practice notes inform clients and practitioners on how to embrace best practice and to deal with issues that may arise. They are aligned with, but do not replace regulation.

Synopsis:

construction industry development
inform practice note

Issued by the Construction Industry Development Board

Development through partnership

construction procurement and delivery

Practice Note # 19
May 2009
(Version 1 - May 2009)

STREAMLINING PAYMENT PROCESSES

Content

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Synopsis:

The legislative framework for public administration requires that organs of state pay their contractors promptly and certainty within the period agreed to in contracts. Many organs of state are failing to do so.

This practice note reviews the three phases of the payment cycle, namely certification, authorisation and processing, and examines the flow of funds between the client departments and the implementing agents. It suggests how organs of state can streamline the certification, authorisation and payment

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Fair payment

Payment is remuneration for work or services properly carried out. Fair Payment is concerned with whether the contractual terms relating to the discharge of the payment obligation and the payment process are fair and adhered to. (Office of Government Commerce (OGC))

The guiding principles for fair payment include:

- Payment process should be transparent
- Contractors should have access to procedures for certification and payment as well as the duration of the

Issuing of **practice notes** to support clients and consultants

TRAINING: REACHING AND GROWING CONTRACTORS

Towards a sustainable industry



Construction Contracts

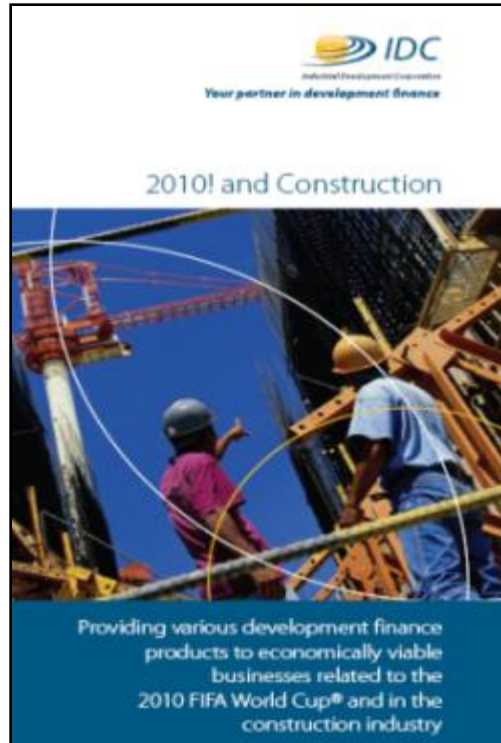
Understanding the
General Conditions of
Contract (GCC 2004)

A cidb Training Course

Supporting Contractor Development
in South Africa

ACCESS TO FINANCIERS AND INFORMATION

Towards a sustainable industry



Empowering Emerging Entrepreneurs



CCC's

(CIDB & PARTNER/S)

Registrations

Help Desk
and
Advice

**ANONYMOUS
FRAUD
REPORTING
HOTLINE**

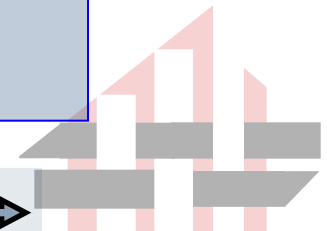
Support
Services eg.
IT + Training

Enterprise
Development &
Business
Development

Supporting
Provincial
Contractor
Development
Implementation

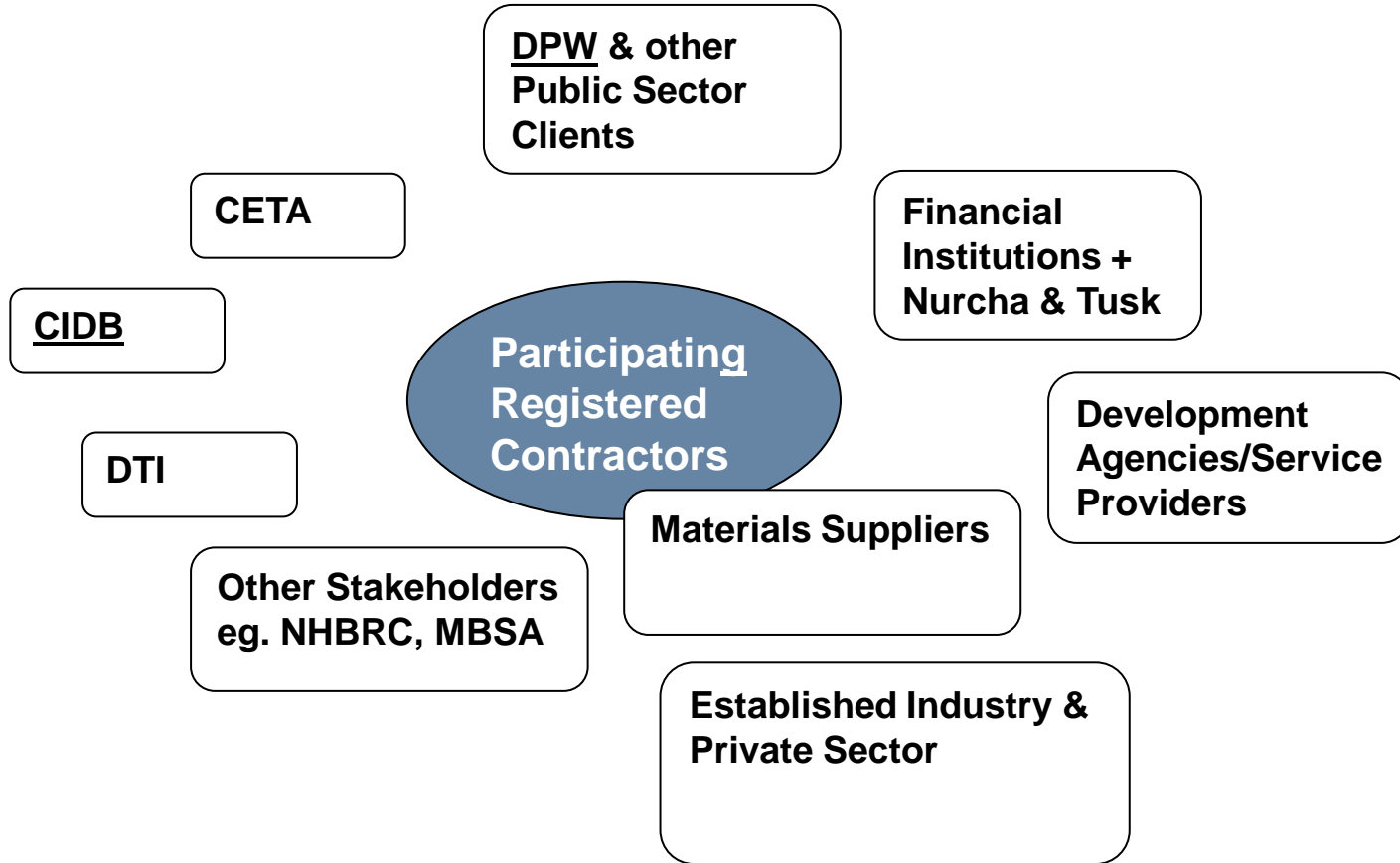
SERVICE DELIVERY

REGISTRATION – DEVELOPMENT - FACILITATION



CIDB Promotes continued stakeholder input

Towards a sustainable industry



- SEDA
- Std Bank
- ABSA
- FNB
- Nedbank
- RBEB
- CETA
- WIH
- SAWIC
- NHBRC
- Meeg Bank
- BFPA
- MBSA
- NAFBY
- NAFCOC
- Status Credit Circle
- GEDA)
- SAFCEC
- GCIS
- Coega
- ECDC
- IDC



2010! and Construction

Providing various development finance products to economically viable businesses related to the 2010 FIFA World Cup® and in the construction industry



AMATHOLE ECONOMIC DEVELOPMENT AGENCY

development through partnership
Partners for development



Partners for development

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PROGRESS

NCDP Implementation and Provincial Roll-out

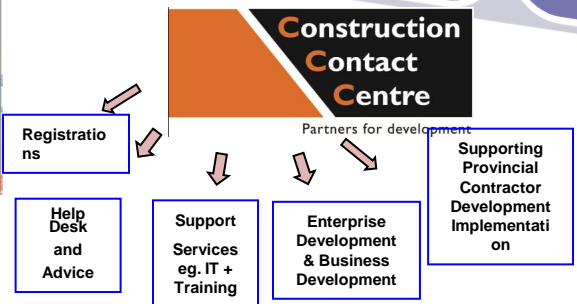


SA Contractor Development Programmes Status Quo assessment & Targeting strategy

CCC roll-out and support functions eg. registration, training, access to finance, etc.

Procurement Toolbox and practice notes and contractor recognition scheme

Formalising partnerships and ...clarifying roles



cidb inform practice notes

Grade	Management	People	Process	Management				Performance / Results
				Control	Quality	Financial	Strategic	
1								Performance reporting
2								
3								
4	Competence Requirements							
5								
6	Management System Requirements							
7								
8								
9								



Provincial CD Forums

WORK IN PROGRESS

- Implementing recommendations: Status quo report
- Communicating NCDP - Forums 
- Targeting strategy



- Contractor recognition scheme

Grade	Process Management	Process Management				Performance / Results
		Technical Management	Contract Management	Quality Management	Site Management	
1	Competence Requirements					Performance reporting
2						
3						
4						
5						
6	Management System Requirements					
7						
8						
9						

Grade	Exhibits; Business, HSE, Quality, Environment, etc	Performance Reports
9	Supply Chain Development	
8	Simplified Management Systems	
7	Technical Qualifications & Experience	

- Partnership with Productivity SA (Technical / advisory services and turnaround solutions + M&E)
- Jobs (Green) in Small and Medium Scale Enterprises (SME) operating in the building & construction sector – Partnership with ILO (performance gaps identified and employment opportunities)
- Fact finding missions eg. Germany/ EPIN



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CHALLENGES



CHALLENGES / EXPECTATIONS

Some typical questions from contractors/ industry:

- WHY DO WE PAY CIDB AND THEN GET NO JOBS?
- WHY ARE CLIENTS NOT DEVELOPING CONTRACTORS?
- WHY DOES CIDB NOT HAVE INFO ON CLIENT PROGRAMMES?
- WHY IS CIDB NOT TRAINING US?
- WHY DOES CIDB NOT GIVE US FINANCE?

cidb is a barrier and not allowing us to grow - do away with registers!

- ✓ Registration *criteria* eg. grade 1 upgrades (8 contracts @ R100k)
- ✓ *Procurement* eg. PE status not used by clients
- ✓ *Unfunded mandate: Role of cidb* in financing/ training (role clarity / extension of mandate and resources/ budget?)
- ✓ Rely on Goodwill and support from provinces/ officials on CD info-resistance to provide info based on gaps and 'perceived' CD programmes (industry, officials and political *support*)

LIKELY BREAKAWAY ISSUES

Growth and Contractor Development:

- Registers/ Grading, procurement, Stats and NCDP to support CD
- Training and Mentorship
- Finance
- Role of Partners



Growth and Contractor Development Programme

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