

To: Mr Derek Burger (email: burgerd@velavke.co.za)

29 May 2009

cc : Mr Dawie Botha / Mr Willie Claasen / Mr Malcolm Pautz

General Conditions of Contract for Construction Works (GCC 2009, 4th Draft)

Dear Sir,

Our conversation on 21 May 2009 at the SAICE AGM Meeting has reference.

The CIDB has circulated the 4th draft of the GCC 2009 to a grouping of individuals, which closed for comment on 22 May 2009. Not all responses were received on time, and some requests for extension of time were permitted, eg, National Dept of Public Works.

I have prepared the attached Annexure titled: CIDB Comments on the 4th draft of the GCC 2009 for your perusal, without the inclusion of those that I have permitted extension of time on. The Annexure is therefore not a full condensation of CIDB comment, but given the undertaking that was made to you at the above mentioned meeting, I decided to send the attachment to you, with the understanding that I will be reviewing this shortly for further amendments / changes to be included. I hope to send the revised Annexure within the next week, permitting the timely receipt of outstanding responses.

It is apparent that several of the comments raised by the client forum have not been addressed and the fundamentals of the Dispute Resolution Board, which was of great concern to clients, have in the main remained unchanged. This is an area of concern as clients decide on which form of contract to use.

My advice, as shared with you, is that you consider the removal of the Dispute Board mechanism from the GCC 2009 and the requirement for the Engineer to rule on disagreements. You could then proceed with the issuing of a revision to GCC 2004, should you wish to meet the time-frame for the planned road-show. The Dispute Board issue remains contentious and will require wider consultation from the CIDB Client base and all other affected stakeholders. Preliminary discussions with certain contractor forums have also indicated a total lack of information and exposure to the revisions to the GCC 2004. My belief is that the next Focus Group meeting will have to be moved out to a further date to accommodate the required review and consultation on this draft, if the Dispute Board mechanism is retained.

Kind regards



Ms I Thumbiran
Programme Manager: Procurement & Delivery