

PRESS RELEASE

CESA OPPOSES SEXWALE CALL FOR STATE OWNED CONSTRUCTION COMPANY

Consulting Engineers South Africa (CESA), strongly opposes the call by Minister Tokyo Sexwale to create a state owned construction company.

Speaking on behalf of their 470 member firms, employing in excess of 22 000 employees, President of CESA, Naren Bhojaram states, "The budget for subsidised housing does not allow for adequate construction supervision by experienced people. Hence contractors take a chance and get away with poor workmanship either due to no supervision or supervision by inexperienced people". He goes on to explain, "The State should not set up structures in competition with the private sector. They should be creating a platform and a conducive environment for the private sector to excel." He contends that this is what will grow the economy and create jobs.

Contracts are being awarded to inexperienced contractors, some of whom may be politically connected and hence get the projects. CESA has no data supporting this but strongly recommends that ownership structures of contractors need to be carefully checked to ensure that politicians or their families are not involved. Bhojaram goes on to state, "We already have too much political interference in public tenders, whether direct or indirect." CESA also strongly disagrees with President Zuma's statements in a parliamentary debate where he lends support to politicians being involved in private companies. CESA finds this practice fundamentally compromising and lacking in transparency. Politicians should choose their careers well, either stick to politics and refrain from getting involved with the private sector doing business with the state or get out of politics and join the private sector in doing business with the state.

The solution is not a state owned construction company. We need better procurement of the service providers, proper budgets to do adequate construction supervision, and a realization by government that large scale construction of what may seem to be simple buildings, requires proper project management. Bhojaram believes that the State should focus on their priorities which include the following for the built environment sector:

- a. Ensuring that experienced technical staff is brought back into Government to manage infrastructure projects. This will enable the writing proper Terms of References for projects, effectively assessing tenders and monitoring deliverables provided by the private sector
- b. Sorting out corruption
- c. Sorting out the procurement process in the built environment sector generally, but specifically for the professional services providers, by recognising quality or functionality as essential in a single evaluation process for tenders alongside price and preference
- d. Inviting the private sector to come up with innovative ideas for infrastructure development by recognising and streamlining the unsolicited bid and PPP process

Bhojaram concludes "CESA invites government to engage with us to find solutions to these problems so that together we could make a better life for all".

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