

Press Release

CESA POSITION STATEMENT ON THE NEED TO ENHANCE PUBLIC SECTOR CAPACITY TO FACILITATE EFFECTIVE SERVICE DELIVERY : WORKING TOGETHER TOWARDS A SUSTAINABLE FUTURE

Consulting Engineers South Africa (CESA) is leading the call for a collaborative and sustainable approach in which the private sector supports government in enhancing service delivery at all levels so as to ensure the economic wellbeing of all business enterprises and to improve the quality of life for all.

Over the past decade and in keeping with international trends, the public sector has experienced a considerable **migration of engineering capacity** to the private sector. This has resulted in a loss of corporate memory and the ability to plan and execute programmes and projects of a developmental nature, particularly at local authority level severely hampering service delivery. For example, in 1990, 40% of professional engineers worked in the public sector which has declined to only 25% in 2010. Investigation also reveals that in 1990 there was one government technical professional per 2 700 of population which has declined tenfold to only one government professional per 27 000 in 2010. During this 20 year period CESA's collective number of employees has increased from 12 000 to 21 000.

As a consequence, the public sector has, in general, become an **uninformed client** which poses challenges for CESA member firms and has resulted in inadequate and ineffective service delivery to citizens. This is represented by **deterioration in engineering infrastructure** particularly at local and regional level as reflected in poorly maintained and inadequate water and sanitation systems as well as roads. An examination by CESA of existing status quo reports indicates that the situation is indeed dire and that the country could be facing an "ESKOM" type crisis within these sectors. Whilst the creation of new infrastructure is important for the ongoing wellbeing of the economy, it is far more of a priority to refocus attention on the **operations and maintenance** of existing infrastructure since the country simply cannot afford to replace such assets at more often than not, in excess of 10 times the cost of regular maintenance.

From a CESA perspective, and confirmed by the Department of Co-operative Governance (DCOG), the main issue stems from an inadequate technically qualified core of public sector officials with the necessary experience to engage effectively with private sector service providers. CESA is appreciative of steps being taken by various government departments to address these concerns, but these interventions have, thus far, been rather fragmented and lacking in sustainability. A positive intervention by the Minister of Co-operative Governance and Traditional Affairs, is the amendment to the Municipal Systems Act requiring public officials to be technically qualified and removed from the political arena. This is a commendable step towards recreating a public sector core of career orientated officials with long term

commitments to these institutions and not be bedeviled by short term 5 year contracts. The DCOG Turn Around Strategy is also a positive step in the right direction, however, CESA considers that there is an urgent need for an “At Scale” approach – a form of a **“World Cup” intervention** in which the public sector partners with the private sector (construction industry), on a medium to long term basis, to enhance service delivery and recreate effective capacity. There is a critical need for provincial governments as well as district and local councils to create the capacity to embark on short, medium and long term planning in order to ascertain their priorities in regard to infrastructure provision, operation and maintenance which can only effectively be undertaken in-house. This activity needs to be addressed in such a way as to inform infrastructure development programmes and budgets spanning multi-year terms. This recreation of internal technical management capacity is envisaged to take considerable time as reflected in the diagram attached as Annexure A.

At the moment effective service delivery is hampered by **poor procurement practices** resulting from deviations from the Construction Industry Development Board’s (CIDB) Best Practice Standards for Uniformity. In an endeavour to overcome the problem CESA has embarked on a yearlong roll out programme through our School of Consulting Engineering focused on our “Procurement Guideline for Consulting Engineering Services”, an endeavour supported by the CIDB. Improved internal capacity will, however, go a long way towards eliminating this barrier.

This proposed CESA intervention, by member firms, could take the form of Partnering, Alliancing or Framework Agreements etc., carried out in accordance within existing procurement legislation and policy. There may however, have to be modifications to such legislation to streamline these approaches, particularly in allowing and encouraging the creation of long term contractual relationships.

There is thus a need for engagement at the highest level with all stakeholders in the public and private sectors to initiate and create the necessary frameworks for such interventions to take place. To this end, CESA has commenced discussions at a senior level within the public sector as well as Business Unity South Africa (BUSA) and other key institutions such as South African Local Government Association (SALGA) and Development Bank of South Africa (DBSA). It also seeks to understand and put forward proposals concerning compliant long term contracts which will allow long term support by private sector consulting and contracting entities. A good example of such an approach would be the **recent call for proposals** from the private sector in Ethekweni to establish 3 year, as and when required contracts, in a number of disciplines to support and span their multiyear project budgets. In essence, these agreements seek to reduce the number of relationships to be managed by public sector entities whilst not detracting from the need to foster the empowerment of emerging companies as well as embarking on project execution with an Expanded Public Works Programme (EPWP) mindset.

CESA stands ready to promote and support such an intervention, through the collective capacity of its 460 member firms, and is encouraging firms to constructively engage with client entities.

Local government is where democracy touches the lives of ordinary citizens and must operate effectively and efficiently. This can only be achieved through in-house public sector staff with long term commitment and experience. CESA and its members stand ready to fill the gap and assist in creating or recreating the necessary competence to allow for this to take place.

In conclusion ...

- We call upon our members to engage with public sector to establish contractual relationships aimed at building sustainable capacity within these organisations with a view to recreating the “informed client” so important to our industry.
- We call upon our clients and request that they recognise the considerable expertise and experience residing within our sector and facilitate contact in order to address the serious challenges confronting public sector with service delivery in regard to water, sanitation and roads.
- We call upon our Branch Chairmen and Liaison Committees to constructively engage with all client entities at local and regional level to commence discussion and debate on specific needs and challenges they have with a view to giving the necessary support as envisaged in this CESA Position Statement.

CESA, in the interim, will continue with its advocacy efforts to create an awareness of the issues and to create an environment where these support initiatives can take place in a sustainable manner.

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CESA is a voluntary organisation representing the business needs of some 460 firms of all engineering disciplines and which employ in excess of 21000 staff. Annual fee income approximates R17b, it therefore represents considerable capacity and probably accounts for 80 – 90% of the consulting engineering sector in South Africa. Visit www.cesa.co.za for further information.

Annexure A

