



INSIDE TRACK

Keeping you informed

March 2006

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ENGINEERING AN IMPACT ON SERVICE DELIVERY THROUGH PARTNERING



Praise singer Kwezi Kwake introduced Webster.

The South African Association of Consulting Engineers' (SAACE) first African President, Webster Nnodana presented his presidential message and theme for the year at a function recently held in Johannesburg. The President's key focus for 2006 will be transformation of the consulting engineering industry to ensure that it remains relevant in the context of a transformed construction sector.

Nnodana, the 53rd president in the Association's history has taken on the role at a time when the impending Construction Charter is set to define the broader transforma-

tion of the industry with respect to the racial and gender composition of ownership, control and management.

Nnodana is intent on "Engineering an impact on Service Delivery through Partnering", which is his Presidential theme

for 2006. During his presidency Nnodana will be focusing on 3 key issues which he believes to be the cornerstones in the process of transformation: Capacity Building; Service Delivery; and Partnering.

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Felix Fongoga, Jana van der Merwe, Webster Nnodana, Althea Povey and Cecil Rose seen at the President's breakfast.

Construction industry signs MOU

A Memorandum of Understanding (MOU) between 4 major Construction Industry bodies was signed at a ceremony in Midrand on Wednesday 25th January 2006. The agreement was concluded in order for the bodies to speak with one voice on matters of best practice, standards, and approaches among members in matters affecting professional service providers in the marketplace.

The Construction Industry bodies involved are: The South African Black Technical and Allied Careers Organization (SABTACO) an organization committed to black advancement; The South African Association of Consulting Engineers (SAACE); the South African Institute of Architects (SAIA); and the Association of South African Quantity Surveyors (ASAQS) who all provide business support to member

firms in private practice. Each of these organisations plays a distinct and unique role in the Construction Industry.

Webster Nnodana, President of SAACE, believes that, "This agreement is a milestone in the life of the Association and will go a long way to contributing towards the unification of the industry and assist in addressing the governments increasing focus on infrastructure develop-

ment as a means to accelerate growth and development in the country".

The aim of the MOU is for each party to develop and foster communication, liaise and influence policy and to link their respective knowledge platforms in order to grow mutual business opportunities among members.

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ENGINEERING AN IMPACT ON SERVICE DELIVERY THROUGH PARTNERING

It has recently been reported that there are major Capacity problems in Municipalities resulting in the need to address Service Delivery issues caused partly by vacancies at a technical level. These vacancies impact on daily operations, maintenance and overall service delivery, but more importantly on the ability to spend Municipal Infrastructure Grants (MIG) funds appointed to deliver basic services. A number of factors have contributed towards the current crisis. These include poor salaries, re-grading, restructuring, lack of career development, early retirement, lack of experienced management and driving equity targets without taking cognizance of the availability of suitably qualified personnel.

Ndodana believes that it is essential that engineering capacity be rebuilt in local

government at all levels. In terms of Health and Safety Act and Regulations, "Engineers have a legal and moral responsibility and should advise clients accordingly. They must among other things:

- Carry out sufficient inspections at appropriate times to ensure compliance with the design.
- Keep a record of those inspections."

It is necessary for the public sector to require suitably registered professionals to be appointed to positions requiring a level of technical expertise. This will contribute to towards establishing an informed client base so essential to a process of successful partnering.

Partnering is becoming an increasingly popular mechanism for project delivery within the construction industry world wide.

Ndodana contends that in



Jana van der Merwe, Chairman of YPF and Webster Ndodana, President of SAACE.

the construction industry partnering should be structured through agreement between the following three parties, namely; the South African Association of Consulting Engineers (SAACE); the Department of Provincial and Local Government (DPLG); and the respective Municipality. This partnership would maintain a sustainable industry that will improve the living conditions

of all South Africans.

Ndodana believes that, "The Construction Industry Charter is the vehicle through which we will work to bring about sustainable transformation and it is vital that member firms have a thorough understanding of the Charter in order to achieve these goals".

"The issue of fronting needs to be eliminated. Companies that bring on board people just to add a face but who do not add value to the business and do not know the role and function of the business need to be challenged".

"It is incumbent on me as President to encourage the effective advancement of employment equity in the sector and to promote the principles of non-racism and non-sexism. Transformation is a national imperative and its achievement is essential," says Ndodana.

SMALL FIRM ACHIEVES ISO 9001:2000



Graham Pirie, CEO of SAACE with Sakhi Dumakude, MD of Usizo.

SAACE's Quality Management committee is in the process of investigating ways in which to assist smaller firms in achieving ISO 9001:2000 accreditation, with outcomes that are cost effective, fast and easy to implement without impacting on workload.

Johan van Schalkwyk believes that, "Most firms already have some form of Quality Management in place and it is just a matter of developing a solution that documents these processes and allows for review and improvement."

One firm that has jumped the gun and already achieved this goal is Usizo Engineering (Pty) Ltd. (Consulting Electrical Engineers), who achieved their ISO 9001: 2000 accreditation in October 2005 and are already coming up for review. Sakhi Dumakude, Managing Director of Usizo says, "The benefit to us has been that it gives us more confidence when we market our company to be able to say that we have been accredited by an International body in terms of our quality procedures." "We have already seen an improvement in obtaining work from Parastatals like Eskom, Public Works, ACSA, City Power, Ekurhuleni Metropolitan Council, etc... Usizo Engineering feels proud to have



Staff at Usizo Engineering.

achieved their ISO 9001 accreditation just five months (May - September) after their aggressive Management C

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Patrick Waterson (ASAQS); Paul Kgole (SABTACO); Patricia Emmett (SAIA); Webster Ndodana (SAACE) at the signing ceremony held in Midrand.

Construction industry signs MOU

Wherever possible they will undertake joint client liaison, particularly among public sector clients in all spheres of Government on matters of common interest. They will ensure the creation of a sustainable built environment professional services

industry which is relevant, vibrant and sought after by all. "Architecture is a key element in the creation of an appropriate and socially responsible infrastructure which supports the development of viable communities. The South African Institute of Architects looks forward to working with our partners in the MOU towards achieving the vision of a sustainable built environment in South Africa," says Patricia Emmett, President of SAIA.

Each organisation has committed their members to sustainable transformation processes which encompass true empowerment objectives thus avoiding the negative consequences of tokenism and fronting. They will ensure that best practice standards and procedures prevail among all client bodies in the selection and appointment procedure for professional service providers. Each organisation commits itself to promoting the use of realistic procure-

ment policies among all members and their clients ensuring that this sector of the construction industry becomes attractive to investors, students and all other stakeholders. They will ensure that the quality of services rendered will be such that the image of the Built Environment Consultant is always protected and enhanced. Mr Patrick Waterson, President of ASAQS, believes, "the MOU is about surfing the waves of transformation through partnerships and networks between the consultants within the Built Environment, as a mechanism towards a sustainable building industry where our mutual clients will ultimately reap the benefits of this synergy".

This MOU represents a synergy - a meeting of minds. "This MOU signals the dawn of a new era of trustworthiness, sincerity and confidence expected from white consulting companies to view and accept black consultants

as equal and very important partners in the development of the profession in South Africa, not only in the public sector, but also in the private sector, which still remains the preserve of white consultants in South Africa", is the view of Paul Kgole, President of SABTACO.

ON-LINE REGISTRATION FOR SCE

The School of Consulting Engineering (SCE) is proud to announce that course registration is now electronically driven.

Delegates can register on line and will receive an electronic confirmation as well as access to maps of how to get to venues. This applies to all courses countrywide.

For more information log onto www.saace.co.za/SCE



litiation within a record time of (er 2005). This was attributed to ommitment."

INDUSTRY IN GROWTH PHASE

JANA VAN DER MERWE

Jana van der Merwe, current Chairman of the South African Association of Consulting Engineers, (SAACE) Young Professional's Forum (YPF), believes that the field of engineering is wide and is currently in a growth phase with exciting potential both within South Africa as well as internationally. As current Chairman of the steering committee of the YPF her aim is to promote the engineering industry among the youth of South Africa and to find ways to retain engineers both in the industry and in South Africa.

Jana van der Merwe is a young engineer with a BEng Civil degree from the University of Pretoria and is currently working for Stewart Scott International situated in Pretoria. She was recently appointed as an associate at the company. She believes that she has

come into the industry at the right time and is very fortunate to be working for a company that promotes both the youth and woman in engineering. Stewart Scott started a youth development programme at about the same time that SAACE founded their YPF youth forum. As Stewart Scott is a member of SAACE it made sense for Jana to also join the YPF and joined their steering committee launched in 2004.

SAACE identified a need to introduce a YPF at a FIDIC conference in 2003, where they became excited about the concept as similar forums were already active in Japan, Australia, New Zealand and Sweden. The YPF consists of young professionals who are passionate about the engineering industry and are interested in ensuring the

sustainability and promotion of the profession in terms of the built environment. The forum is also involved in the training and development of young professionals and provides a platform for networking. Data from a recent study aimed at determining the actual status quo of the graduates and professionals in the industry shows that

there are two dominant groups in terms of size, within the civil engineering industry. One large, older and experienced group with an average age of 56 and another large, young and inexperienced group with an average age of 25.

This data indicates that there is indeed a shortage of experienced engineers but mainly in the 35 to 45 years age group. Preliminary indi-

cations show that with annual growth expectations in the region of 3 to 5 percent, the construction industry will have to double its capacity within 10 years. For consulting engineering, this means a further 10 000 professional engineers will be required in order to meet future industry requirements. It therefore becomes more vital than ever, that young engineers are fast-tracked and this requires companies to invest time and effort in preparing them to fill the skills gap.

Jana believes, "Employment of the youth is good but we must not compromise on quality", "We must not put people into positions that they are not ready for, we must empower these engineers to take the industry forward". She personally likes the challenge, "We constantly operate outside of our comfort zone and work under a lot of pressure due to the lack of available skills".



E-LEARNING WIN FOR SCE

SAACE's School of Consulting Engineering's (SCE) first broadcast on their Engineering and Construction Channel (ECTV) via DSTV on the 1st Feb this year was a huge success.

"We have been pleasantly surprised with the feedback we have received to date", says Johan van Schalkwyk, Manager of the SCE.

The broadcast is the first in a series of 10 programmes that are aired at 20h30 on the first Wednesday of every month. Johan van Schalkwyk believes that, "Our training method proves convenient and cost effective for engi-

neers and smaller firms situated in remote areas." If a subscriber misses a programme for any reason they will receive a copy of the programme on a VCD that they can view at their leisure and thereafter complete the sms validation test. This medium of training is also open to rest of Africa as well as internationally as all results are logged electronically. Says van Schalkwyk, "Our aim is to keep engineers up to date and fully accredited without impacting on their productivity levels."

Subscribers get a lot more value out of this form of

training in that it is a 3 dimensional visual medium and will give a holistic 360° view of a project, for example the Extreme Project Management module will be focusing on the Cradle of Humankind Project and will include the following sections:

- Project challenges
- Success stories
- Lessons learnt
- Interviews with specialists

Apart from ease of access the most exciting element of this method of training is how cost effective it is compared to a training workshop taking into account the cost of the training session plus

the time out of the office resulting in the loss of professional fees and the travel involved to get to the training venue. If you compare this to the cost per delegate of R1000 (payment can be structured over a 10 month period) as well as the benefit of receiving all your material in an electronic format that includes hyperlinks to relevant information it can be seen that this is a far more convenient, efficient and cost effective solution.

To learn more about the programme log onto www.saace.co.za/SCE or www.ills.co.za

AFRICAN DEVELOPMENT BANK SEMINAR SUCCESS

The African Development Bank (AfDB) and the South African Association of Consulting Engineers (SAACE) in collaboration with Team Export South Africa successfully hosted 2 day business opportunity seminars in both Johannesburg and Cape Town at the beginning of February this year. The theme of the conference was, "What Africa has to Offer" and included cross-cutting, cost-effective sustainable business solutions from Africa to meet the requirements of Africa.

The seminar provided the business community with easy access to business opportunities, information on how to market themselves to the bank, what is available and how to access funds. It also provided the business community with a summary of the loans that the AfDB plan to disburse.

Feedback from both bank officials and participants has been very positive so far. About 100 firms attended the two seminars in Johannesburg and Cape Town comprising a wide spectrum of private and public business practitioners and development agencies; government officials; and bank staff. The seminar was a major success in that it provided the first step to creating a strategic relationship between the Bank and the Consulting Engineering fraternity in South Africa. The profile of International Business Development Section (IBDS) members as high quality service providers to the Bank received a major boost.

The Bank sent a very large and senior delegation that

included a Director of the Bank and the Executive Director for Southern Africa, Mr Ginindza, who in his speech to the seminar in Cape Town stated that, "To date the Bank Group has 77 member states and comprises the AfDB, which is the non concessional window of the group, with an authorised capital base of over 32 billion US Dollars; the African Development Fund (AFD) which is our concessional window and has total contributions of over 18 billion US Dollars; and the Nigerian trust Fund (NTF), with the contribution of the Nigerian Government of over 558 million US Dollars." He also reported that, "The Board has approved a programme to decentralise its operations by opening 25 country and regional offices." He also mentioned that, "This is an ongoing exercise which will be completed next year and these offices will provide local governments and business with better access to



Roelof van Tonder, International Development Manager, SAACE
Alice Hamer, Director, AfDB. A Orraca-Ndiaye, Division Manager, AfDB
Phiwavinkosi E Ginindza, Executive Director, AfDB

the Bank and give the Bank a better platform."

The Mr. Ginindza was supported by a 10 member delegation that gave detailed presentations on Infrastructure; NEPAD; Private Sector Department; Procurement; Country Strategy Paper for South Africa; Corporate Communications; and Treasury / Disbursements. Presentations on procurement, financial instruments and business opportunities in Infrastructure were all well received. A special feature of

the event was the fact that participants in the Seminar had the opportunity to meet individually with members of the AfDB delegation.

The Seminar confirmed that the IBDS' objective of establishing a long term strategic relationship with the Bank is well paced and will be to the direct benefit of members of the IBDS. South Africa is a prominent shareholder in the bank and currently this shareholding is not reflected in the level of business that South Africa obtains.



Ahmed Benbarker, Procurement, AfDB; Alice Hamer, Director AfDB; and Graham Pirie, CEO, SAACE.

CONSTRUCTION CHARTER

- The Way Forward

GRAHAM PIRIE

Although the Construction Charter is at quite an advanced stage it is taking longer than anticipated. I am going to try and give you a sense of the way forward for our Charter in order to alleviate any confusion that you may have. For the moment, and until further notice, the existing PPPFA Regulations apply as far as procurement is concerned.

Only after Phases 1 and 2 of the DTI Codes are concluded and gazetted in terms of Section 9 of the BEE legislation can the amended PPPFA Regulations come into play which will harmonize all the legislation relating to procurement in so far as Black Economic Empowerment is concerned. Once the DTI Codes are gazetted, a

12month transitional period using the formula (Ownership + Control) x 1,92 comes into play.

In the meantime our sector Charter for the construction industry progresses in parallel in terms of which a Section 12 approval followed by gazetting in terms of Section 9 of the BBBEE Act takes place, but this can only happen once the DTI codes above have been finalised. In between the Section 9 and Section 12 processes, an industry funded fully independent audit of our Charter also has to take place. This audit makes a comparison and determines whether any deviations from the DTI Codes are justified. Once this process is complete the Construction Charter then has the same status as the DTI codes.

However, once our code is gazetted its transitional period then comes into play for the first year when the above formula will probably also apply. The trick here is to keep the gap between the DTI process and our process as small as possible.

The good news is that the Minister of Public Works has finally agreed to our Code, in terms of which there will only be a series of interim targets (roll out) for employment equity (management) where a 30% target will apply for the first 3 years jumping to 40% for the remaining 4 years. The Minister was not prepared to contemplate a roll-out in respect of the element for procurement as per our request.

Once in place, the Charter will be the vehicle through which we aim to transform



the industry with respect to the racial and gender composition of ownership and management. The Charter also aims to grow the industry through education and training so that the required skills become available to handle the infrastructure challenges facing us. We need to allocate more funds to training, create bursaries to address skills shortages and attract females into the industry. By dealing with these issues we will create an environment in which transformation can be successfully executed.

As you will appreciate our Charter is unlikely to see the light of day until the last quarter of the year - I hope that this explanation has clarified matters.

EVENTS CALENDAR

DATE	EVENT	VENUE
14 Mar	Northern Cape Presidential visit (Kimberley)	TBA
15 Mar	Free State Presidential visit (Bloemfontein)	TBA
2-6 April	GAMA Conference	Tanzania
5 April at 20:30	Extreme Project Management	DSTV
20 April	Kwa Zulu Natal Presidential visit, Durban	TBA
3 May	Transformation	DSTV
17-19 May	SAPOA Conference	Durban
31 May	Gauteng North & South combined Presidential visit	TBA
7 June	Risky Business	DSTV
20 June	Southern Cape Presidential visit (George)	TBA
21 June	Eastern Cape Presidential visit (Port Elizabeth)	TBA
22 June	Border Kei Presidential visit (East London)	TBA
26 July	Limpopo Presidential visit (Pholokwane)	TBA
27 July	Mpumalanga Presidential visit (Nelspruit)	TBA
02 August	SAACE Glenrand MIB Excellence Awards	Sandton Sun
17 August	North West Presidential visit (Mafikeng)	TBA
September	SAACE Golf Day	TBA
09 September	Consultants Relay	TBA
24-28 September	FIDIC	Budapest
10-13 October	IMESA Conference	Soweto
29-31 October	Construction Industry Conference	ICC Durban



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