



WINNERS OF THE SAACE GLENRAND MIB EXCELLENCE AWARDS

The South African Association of Consulting Engineers (SAACE) recently recognised the outstanding achievements of its members when it announced the winners of its annual SAACE Glenrand MIB Excellence Awards for 2004 at the Sandton Hilton in a glittering event attended by more than 400 guests.

Winners were named in seven categories and four commendations were presented in a year when total entries received amounted to an impressive 37.

Says Craig Clarke, president of SAACE: "This year saw the introduction of a new category aimed at the young professionals in our industry. This is in line with SAACE's initiatives to establish a Young Professionals Forum which aims to increase the involvement of under 35 year old engineers and technical staff in the affairs of the association.

"We recognise that these young professionals are the future of the industry and this focus is aimed at revitalizing the industry and ensuring that we are able to position consulting engineering as a profession of choice for this generation."

In the category of Business Excellence, for the second consecutive year, Bigen Africa was named as winner. This follows its



President of SAACE, Craig Clarke and his wife, Alsona, at the SAACE Glenrand MIB awards ceremony with Andile Sangqu of Kagiso Trust Investment, sponsor of the Young Engineer Award.

two previous commendations in this category in 2001 and 2002.

This year the most hotly contested category was for Engineering Excellence for projects exceeding R5-million with a total of 15 entries being received.

Due to the high quality of entries and the close results recorded by the adjudication panel, two commendations were made in this category in addition to the winner.

The winner for Engineering Excellence was the Chapman's Peak Engineering Group, consisting of Melis Du Plessis Consulting, Zietsman Lloyd and Hemsted, Stewart Scott and Vela VKE for The Rehabilitation of Chapman's Peak Drive in Cape Town for the Western Cape Provincial Administration and Entilini Concession.

This project was technically different to anything undertaken in this country before and dealt with the largely unpredictable natural phenomenon of rockfalls.

The first commendation was awarded to BKS, PD Naidoo & Ass and ARQ for the Nelson Mandela Bridge. Not only was the cable-stayed bridge project a South African first, the construction process involved innovative designs, economic empowerment, job creation, training and opportunities for small businesses.

The second commendation was awarded to the Mohale Consultants Group submitted by Stewart Scott for the Mohale Dam which is a 145m high concrete faced rockfill dam designed to store water from the Senqunyane River. It is the first dam of its height in Southern

Africa and establishes it as the highest on the continent and amongst the highest in the world.

In the sub-category for Engineering Excellence for projects with a value less than R5-million there was only one entry, but the innovation of the project earned Jeffares & Green a commendation from the adjudication panel for its Schools Play-pump Programme. This is a simple, sustainable, win-win development initiative undertaken by the Dept of Water Affairs and Forestry at primary schools in rural KwaZulu-Natal.

ILISO Consulting, which has grown from a staff complement of 50 to a current staff of 150, was named as Young Company of the Year. Its growth has been achieved largely organically, but this has been augmented by small strategic acquisitions.

The award for International Business Developer of the Year was given to Ingérop Africa. From a mere 5% of income being generated outside South African borders in 1995, this firm has by 2004 grown the proportion of turnover it generates beyond our borders for the first time to more than 50%.

In the category for Visionary Client of the Year, a total of six nominations were received. The

Continued on page 3



All the entrants for the Young Engineer of the Year. (Back from left) Johan van Schalkwyk, manager School of Consulting Engineering and member of the Young Professionals Forum Committee; Mathieu Du Plooy of WSP Consulting Engineers; Bruce Morton of Ninham Shand; Johan Kruger of Africon. (Front from left) Chris Wise of Jeffares & Green Consulting Engineers; Beate Scharfetter of Bigen Africa; Graham Pirie, executive director of SAACE; Clint Koopman of ILISO Consulting; Neresh Pather of PD Naidoo & Associates and Balibeng Dube of Asakheni Consulting. (Absent: Sunil Rupee of tpa Consulting)

Inside

Risk Management Committee Prepares Up-To-Date Guidelines	2
Proudly SA looks for profit in World Cup	3
SAACE Glenrand MIB Excellence Award Winners	4/5
Kagiso Trust Investment Aligns with Young Engineers	5
Getting Money Back for EPWP Training	6
Joint SAACE / SAFCEC Conference - PE	7

MEET LEON FURSTENBURG

- Chairman Risk Management Committee

Leon Furstenburg is a qualified civil engineer, having completed a BSc (Wits) in 1979 in water engineering, before completing his MSc (Wits) in 1983 and has worked in water during his entire career specialising in large dams, hydraulics, spillways, water resource planning and hydrology systems.

Notably he was involved in the Tugela Vaal Planning Study and was part of the detail design team for Katsi Dam focusing on the hydraulic designs and spillway. Internationally, his experience includes being part of the technical review team for the Berg River Dam Project and part of the engineering construction team for the Ntimbali Dam in Botswana near Francistown. He is currently a member of the

design team and the executive committee for the consortium responsible for the Braamhoek Hydroelectric project for Eskom.

Having been awarded a bursary from the Johannesburg City Council he completed his studies before joining Binnie and Partners. Later he joined the former Watermeyer Legge Piesold Ullman, which later became Knight Piesold, as an engineer and where he has since progressed to the position of managing director of the Southern African operations with responsibility for South Africa, Swaziland, Botswana, Lesotho and Mocambique. He is also a member of the international board of Knight Piesold.

His commitment to the Association goes back to his involvement with the water com-



Leon Furstenburg, Chairman of SAACE's Risk Management Committee, dedicated to managing risk.

mittee which lasted almost five years. He recently became involved in the Association's affairs when he took over Chairmanship of the Risk Management Committee.

Leon has two major hobbies in life, one of which is cabinet making where he enjoys crafting furniture out of yellowwood, blackwood and teak. The other is

spending time on his back underneath his rebuilt Landrover which he uses for his frequent escapes to the bush in Central Mocambique or to the dunes of Namibia. Leon is married with three children, two girls and a boy, the eldest is now studying at RAU and the youngest daughter is in Grade 9.

Risk management committee prepares up-to-date guidelines

The risk management committee, of which Leon Furstenburg is chairman, is charged with considering issues and providing guidance to firms with respect to the management of risk.

Says Furstenburg: "The primary issue facing firms at the moment is that they are put under pressure to reduce fees, as a result they are put under time pressures and it is in situations such as this that the firms are exposed to increased risk, possibly to the point of increasing the chances of oversights or even to the point of inducing failures.

"As the legal environment becomes more sophisticated, an increasing number of clients are also trying to devolve more responsibility to consultants. The new occupational health and safety regulations (OHS) are a prime example of this where for a very small additional fee consultants are asked to take on the role of safety officer. Our feeling is that the risk associated with this is not in line with the fee and that this kind of work should be properly quantified and the fee should be in line with the

scope and risk.

"Firms must definitely not go into this blind, for this reason, the risk management committee has been reviewing all the guideline documents in light of the changes in legislation.

"The idea is to review all guideline documents and date stamp them, so that every firm is consulting the most up-to-date guidelines."

The review process was conducted by past president, Ivor Evans, and all guidelines have been vetted by Glenrand MIB. The reviewed guidelines are currently being circulated amongst committee members for comment. The intention is to publish the new guidelines, incorporating OHS as a new topic, in a bound document within the next two months.

Says Furstenburg: "Life is all about balance and there must be a balance between fees, work

and risk. The construction industry has been in a soft market since the late 1980s making it probably the longest soft market ever experienced. This has led to a situation where fees have not kept pace with increasing risk and responsibility.

"There are great expectations that with government's allocations for infrastructure investment that there will be an upturn, however, I believe that when the upturn happens firms need to be a bit more selective about what to tender for. Selective bidding will be healthy for the market.

"For too long clients have been able to insist on having things their way by cutting fees and devolving risk. Selective bidding will assist in restoring some balance between scope of work, risk and fees.

"Firms also need to diversify and start playing in the international market in a meaningful way. There are some local firms which have had success, but overall South African firms have not reached the stage which the

British and French firms have. Tied funding has had a lot to do with this and this is something which has worked against South African firms.

"For firms wanting to work in Africa, the risk scenario's are very different. I always say that there are three things to check: the banker, the banker and the banker.

"Also there are different levels of understanding when it comes to contracts and different expectations about the role of the consultant. Furthermore, a lot of firms also underestimate the impact of logistics and lack of support in even the small things such as difficulties associated with telecommunications and travel.

"Other risks to consider are the local fiscal arrangements which can be quite varied and often local legislative changes can materially affect the amount of tax to be paid. Exchange rate fluctuations on long-term projects can also negatively affect the profitability of projects."

PROUDLY SOUTH AFRICAN TO LOOK FOR LOCAL PROFIT IN SOCCER WORLD CUP PLANS

By Martin Feinstein, chief executive of Proudly South African

The Proudly South African campaign is undertaking a comprehensive investigation of the licensing, merchandising and procurement plans for the 2010 Soccer World Cup to identify where manufacturing opportunities are for local companies.

Decisions worth hundreds of millions of rands are going to be made in the next few years, and local companies who employ South Africans need to know who is making those decisions, how they will be made and where the opportunities are for local products.

We want to avoid a repeat of the Cricket World Cup, when we felt a kick in the guts when virtually every store or stand, often a stone's throw away from communities with enormous jobless populations, was selling memorabilia made in Asia when it could have been made locally.

The investigation will look at previous World Cup procurement and merchandising, and will then focus on the local opportunities as well as the likely contract and licensing processes to be followed by the organisers.

The Soccer World Cup is the second biggest sporting event after the Summer Olympics, and soccer is by far the world's most popular sport, with 204 FIFA member nations.

In addition, staging the event could bring some R3-billion into the country and create in excess

of 150 000 jobs.

However, companies globally are already planning on how to capitalise on the event, lobbying for contracts and preparing to pitch products, services and promotional ideas to the organisers.

We therefore aim to identify who will be deciding what to buy, and who will be deciding on the awarding of licensing rights. This will all lead to a detailed opportunity report, which will be circulated to Proudly South African member companies.

The correct identification of what business opportunities were available to local companies is critical to leveraging the job creating potential of the event.

As an example, we recently investigated the local manufacture of clothing for the South African Olympic team and found that of a budget of close to R2-million for competitive, casual and formal clothing, only around R800, 000 was spent with local manufacturers. Ironically, when we cheer our national team at the Olympics, they will be competing in sponsored clothing made by factory workers in other countries.

Proudly South African is an exciting campaign to promote South African companies, products and services which are helping to create jobs and economic growth in our country.

Supported by organised labour, organised business, government and community organisations, Proudly South African is the way for every South African to do something concrete to support job creation, and help build our young nation.

At the heart of the campaign is the Proudly South African logo. Companies who meet the standards set by Proudly South African can use the logo to identify themselves, their products and services.

The criteria which must be met before the logo can be used are:

1. The company's products or services must incur at least 50% of their production costs, including labour, in South Africa, and be "substantially transformed" (in other words a product that is merely imported and re-packaged would not be eligible).
2. The company and its products or services must meet high quality standards.
3. The company must be committed to fair labour and employment practices.
4. The company must be committed to sound environmental standards.

By meeting these standards, consumers can be re-assured that companies and their products carrying the Proudly South African symbol are of a high quality and socially responsible - not to mention supporting the local economy.

The campaign is not just for businesses and companies. Membership is open to a wide range of organisations that want to support South African companies and products. NGOs, sports organizations, education and health institutions, government departments at local, provincial and national level, publications, even individuals - all can join the campaign as members.

Editor's Note: The South African Association of Consulting Engineers (SAACE) is a Proudly South African member.

Proudly South African week is 19th - 26th September this year. And it's for everyone - members of the campaign, of course, but also for all South Africans, everywhere, to take part.

Continued from page 1

WINNERS OF THE SAACE GLENRAND MIB EXCELLENCE AWARDS

winner of the Visionary Client award was named as ERWAT, the East Rand Water Care Company, which was founded as a Section 21 company by the Eastern Gauteng Services Council to render a cost effective wastewater treatment service to local authorities on their behalf. This client was nominated by ARQ Consulting Engineers.

The newest category introduced for the first time this year, which is aimed at the young pro-

fessionals in the industry - Young Engineer of the Year - attracted nine nominations. These young engineers were required to compile a presentation which included their profiles, some projects and details of their community involvements. Each underwent an interview process with a fully representative panel of judges during which each nominee was assessed in terms how well they embody the spirit of consulting engineers of the future.

The Young Engineer of the Year was named as Clint Koopman of ILISO Consulting.

In the category of Journalist of the Year, the winner was named as Gerald Garner of Civil Engineering Contractor for his series of profiles and in-depth interviews with leading consulting engineers and a commendation was awarded to Helene le Roux of Engineering News for her series of topical articles on issues facing the industry.

Says Graham Pirie, executive director: "We are pleased that this year's competition attracted such interest from our member firms and it demonstrates that the prestige attached to the event has grown substantially over the years. We continue to believe that the recognition that results from the awards goes a long way to building a positive reputation for the consulting engineering industry in South Africa."

SAACE GLENRAND MIB EX

WINNERS

**Business Excellence:**

Bigen Africa has grown from being a regional consulting engineering practice to being a market leader in the provision of engineering solutions in Southern and West Africa. (From left) Francois Swart, CEO of Bigen Africa; Nolitha Fakude, non-executive board member of Bigen; David Campbell, divisional director of Construction Indemnity Consultants - a division of Glenrand MIB and Craig Clarke, president of SAACE.

**Engineering Excellence:**

The Chapman's Peak Engineering Group for The Rehabilitation of Chapman's Peak Drive which incorporated high-energy rockfall catch fences and an undercut-cliff rockfall half tunnel structure. (From left) Louis Melis, managing director of Melis du Plessis Consulting Engineers; Arthur Taute, CEO of Vela VKE; Theo Adams, regional managing director of Stewart Scott Western Cape; Rufus Maruma, chairman of Stewart Scott; David Campbell, divisional director of Construction Indemnity Consultants - a division of Glenrand MIB; Tom Hemsted, structural engineer of Zietsman Lloyd and Hemsted and Craig Clarke, president of SAACE.

**Young Company of the**

ILISO Consulting was named Young Company of the Year for its growth over the last year. This makes it one of the larger consulting engineering practices in the country. (From left) Felix Fongoqa, managing director of ILISO Consulting and David Campbell, divisional director of Construction Indemnity Consultants - a division of Glenrand MIB and Craig Clarke, president of SAACE.

COMMENDATIONS

**Engineering Excellence Commendation:**

BKS, PD Naidoo & Ass and ARQ for the Nelson Mandela Bridge which was a South African first. (From left) Frans Kromhout, director of BKS; Pankaj Bhulla, engineer at PD Naidoo & Ass.; Aligasen Naidu, CEO of PD Naidoo & Ass.; Raimund Miller, director of ARQ; David Campbell, divisional director of Construction Indemnity Consultants - a division of Glenrand MIB and Craig Clarke, president of SAACE.

**Journalism Commendation:**

Helene le Roux of Engineering News for her series of topical articles on issues facing the industry. (From left) David Campbell, divisional director of Construction Indemnity Consultants - a division of Glenrand MIB; and Helene le Roux of Engineering News.

**Engineering Excellence Commendation:**

Stewart Scott and the Mohale Consultants Group for the Mohale Dam - the first dam of its height in Southern Africa, the highest on the continent and amongst the highest in the world. (From left) Junior Potloane, CEO of the Lesotho Highlands Development Authority; Vic Prince, CEO of Stewart Scott; David Campbell, divisional director of Construction Indemnity Consultants - a division of Glenrand MIB and Craig Clarke, president of SAACE.

**Engineering Excellence Commendation:**

Jeffares & Green for its Schools Play-pump Programme. This is a simple, sustainable, a win-win development initiative undertaken by the Dept of Water Affairs and Forestry. (From left) Trevor Field of Roundabout Outdoor; Peter Waldron of Jeffares & Green; David Campbell, divisional director of Construction Indemnity Consultants - a division of Glenrand MIB and Craig Clarke, president of SAACE.



XCELLENCE AWARDS



Young Company of the Year:
ILISO Consulting as Young Company of the Year for the past few years which now is 100% black-owned and managed completely in the country. (From left) David Campbell, divisional director of Construction Indemnity Consultants - a division of Glenrand MIB and Gerald Garner, divisional director of Construction Indemnity Consultants - a division of Glenrand MIB.



International Business Developer of the Year:
Ingérop Africa has grown the proportion of turnover it generates beyond our borders for the first time to more than 50%. (From left) Carlos Bonete of Ara-Sul; David Campbell, divisional director of Construction Indemnity Consultants - a division of Glenrand MIB; Ivor Evans, chairman Ingérop Africa and Danisa Zulu, managing director of Ingérop Africa.



Visionary Client:
ERWAT manages and operates 20 wastewater treatment works, servicing the needs of three metropolitan municipalities, more than 2000 industries and some 3,5-million people. (From left) Patrick Twala, group managing director of ERWAT; Alan Parrock, Pr Eng at ARQ and David Campbell, divisional director of Construction Indemnity Consultants - a division of Glenrand MIB.



Journalist of the Year:
Gerald Garner of Civil Engineering Contractor for his series of profiles and in-depth interviews with leading consulting engineers. (From left) Gerald Garner of Brooke Patrick; David Campbell, divisional director of Construction Indemnity Consultants - a division of Glenrand MIB and Craig Clarke, president of SAACE.



Young Engineer of the Year:
Clint Koopman of ILISO Consulting is a 33 year old professional engineer who is currently a shareholder and director of ILISO Consulting with responsibility for the management of the Bloemfontein office.

YPF - KAGISO TRUST INVESTMENT ALIGNS WITH YOUNG ENGINEERS

The South African Association of Consulting Engineers is pleased to announce that Kagiso Trust Investment Company (KTI), part of the Kagiso Trust (KT), has aligned itself with the Young Professionals' Forum (YPF) through its sponsorship of the Young Engineer of the Year Award for 2004.

Due to the involvement of KTI, the Young Engineer of the Year will be able to attend the FIDIC Conference in Copenhagen, Denmark in September this year.

Kagiso Trust was established in 1986 as a non-profit agency to work with people to achieve a society which would offer liberty, justice and freedom from poverty. The Trust soon became the largest black-led development agency in South Africa and by the mid 1990's KT was handling funds in the region of R300-million a year.

Says Eric Molobi, chairman Kagiso Trust: "KTI was formed in 1993, as a subsidiary of KT, after the Kagiso trustees concluded that donor funding would be significantly reduced once there was a new dispensation. The business was set up with US\$15-m from J.P. Morgan in the United States with an objective to expand its capital through strategic investment in new or existing businesses.



Clint Koopman, winner of the Young Engineer of the Year award and Andile Sangqu of Kagiso Trust Investment, sponsor of the prize for the young engineer.

SCE - GETTING MONEY BACK FOR EPWP TRAINING

The EPWP is an initiative to create temporary work opportunities for the unemployed, using public sector expenditure, building on existing government infrastructure and social programmes that are known to be successful and with an emphasis on relatively unskilled work opportunities combined with training or skills development, says Johan van Schalkwyk, manager: School of Consulting Engineering.

"Funds for EPWP programmes will be allocated to national departments, provinces and municipalities through the normal budgeting process, with infrastructure allocations amounting to R15-billion over five years. Hence, the Department of Public Works (DPW) does not have a fund for funding EPWP projects.

"The EPWP infrastructure projects will be funded through the Municipal Infrastructure Grant (MIG) that the municipalities will be allocated by Treasury through DPLG. Municipalities



**Johan van Schalkwyk, manager:
School of Consulting Engineering**

will identify infrastructure projects through the IDP process and use that to identify projects that are suitable for labour intensive methods.

"Business plans do not need to be submitted to the National DPW as funds come directly to municipalities. The MIG will have conditions attached that activities such as low volume roads, trenching, stormwater

drains and side walks should be done using labour intensive construction (LIC) methods."

In order for the labour-intensive infrastructure programmes to be implemented, contractors will need to be trained in the use of LIC.

Says Van Schalkwyk: "The Department of Public Works has also put in place guidelines for appropriate designs and tender documentation for LIC infrastructure programmes. Municipalities are to select sections of the guidelines and insert them in the tender documentation for labour intensive projects.

"In order to develop the capacity of the construction industry to manage labour-intensive projects, the additional conditions mentioned above also include an eligibility requirement for the appointment of contractors and consulting engineers, i.e. that key staff involved in the project must undergo special NQF-accredited training programmes in LIC.

"The DPW's EPWP LIC training has been developed into

a skills programme by the CETA. What this means is that the programme/material has been registered with SAQA and accredited by the CETA's ETQA.

"The course therefore translates into unit standards and credits contributing to a qualification. Therefore, the CETA has committed to pay R 250.00 per credit per learner who completes the programme successfully. The NQF 5 is equivalent to 8 credits and the NQF 7 equal to 20 credits.

"This means the CETA will reimburse R2000 per NQF 5 qualification and R5000 per NQF 7 qualification. Firms with successful candidates merely need to complete the necessary forms and submit it to the CETA."

There are currently at least three accredited training service providers.

For further information, contact:

CETA ETQA - Gerhard Smith (011) 265 5912.

Learnerships and Skills programmes - Christoph Heil (011) 265 5906.

IBDS - upcoming missions to Angola

The IBDS is in the middle of planning its first government-supported mission to Angola, which is planned for September/October. Says Roelof van Tonder, IBDS: "In addition, there is also government support for a mission to another African country and/or the African Development Bank envisaged for early in the 2005. In order to make sure that it adds value to the mission, the IBDS has interacted with the NEPAD Secretariat, Foreign Affairs, Development Bank of Southern Africa and other private and government entities.

"In addition, the IBDS has recently successfully facilitated contact between IBDS members and Saudi Arabia, the Mocambican Roads Agency, China, Japan and Iraq."

The IBDS is also finalizing the content of a workshop, complementing the Country Risk Seminar staged earlier in this

year. These workshops will focus on where the opportunities in those markets are, how new entrants should introduce and market their services in that country and finally, how to influence and deal with the key decision makers that allocate work.

Cooperation with DTI has reached an advanced stage, and there have been a number of major changes in government policy that the IBDS will continue to use to enhance business opportunities for its members. These changes came about because of continued lobbying by SAACE, SAFCEC, and other services industries.

These selected services industries are now accommodated in the new organisational structure (effective 01 May 2004) of the Department of Trade and Industry.

Says Van Tonder: "The most recent change in government policy was to provide access to

the offerings of the Export Marketing and Investment Assistance Scheme. Previously access to these offerings required mountains of motivations and some fancy footwork. This, for example, has allowed the IBDS and some of its members to participate in a mission to the World Bank.

"The effect of these policy changes means direct financial support for certain business development activities of our industry internationally. Lobbying government in this regard has become easier as they realise the critical role that our industry can play in the development of Africa, if supported by



The Nova Vida Housing Development near Luanda in Angola. Picture courtesy of Africon.

government.

"Our cause has been helped by the fact that government departments' response to NEPAD, and its objectives related to infrastructure, has been very weak at a practical level. It can be argued that these changes in policy are only the beginning and will start showing practical benefits to our industry over the next year or two."

JOINT SAACE/SAFCEC CONFERENCE

- Port Elizabeth 17-19 October

For the first time the annual conference will be a joint effort between SAACE and SAFCEC - making it a much larger event and an excellent opportunity for networking between consulting engineers and contractors. Set for 17 - 19 October at the Tsitsikamma Conference Centre, in the friendly city of Port Elizabeth, it promises to be a highlight on this year's calendar.

With a population comprising over one million, Port Elizabeth is South Africa's fifth largest city in terms of population and the second largest in terms of area. The city is an important centre for the automobile industry and a major transport hub. It was incorporated into the Nelson Mandela Metropolitan Municipality in 2001.

The programme kicks off on Sunday 17 October with the Barloworld Equipment-

sponsored SAFCEC Golf Day at Humewood Golf Club - which is consistently ranked as one of South Africa's Top 10 golf courses. The late Bobby Locke considered the course to be the best in South Africa and said that it compared favourably with the top links courses in the British Isles.

For the non-golfers, a site visit to the Industrial Development Zone of Coega is planned, with buses departing at around midday. The Coega IDZ is integral to realizing South Africa's vision to be a manufacturing centre for the world. It was the first IDZ to be established in South Africa and consists of 11 000 hectares of industrial land situated 20 km east of the city. It is located adjacent to the Port of Ngqura - the new deepwater port on the Coega River, which is the largest gov-

ernment-sponsored infrastructure development currently underway in the country. The day concludes with a Welcome Reception and Golf Prizegiving.

The Conference Programme will be officially opened on Monday, October 18 by a local politician and speakers will include: Danny Jordaan of the South African Football Association's 2010 bid committee reviewing infrastructure requirements and opportunities around 2010; Rudolf Gouws covering an economic overview of fixed investment; Pepi Silinga of Coega providing insight into IDZ's and in particular the Coega IDZ; Andrea Brown addressing developments in the Construction Industry BEE Charter process and Len Dekker who will unpack the procurement legislation. In addition, Anthony Pascoe will offer a mentoring case study and the motivational talk of the day will



be the experiences of Sibusiso Vilane, who was the first black South African to summit Mt Everest.

This will be followed by the SAFCEC AGM and thereafter the evening's proceedings will be drinks and a themed dinner dance with entertainment.

Tuesday October 19 will be dedicated to the SAACE AGM and SAFCEC Council meetings. For those who are not required to participate in these proceedings, it has been proposed that the SAACE School of Consulting Engineering should present a 3-in-1 workshop with speakers covering Quality Management, Occupational Health and Safety Regulations and Risk Management. It is hoped that the relevance of this workshop will encourage more young professionals to participate in the conference.

continued from page 5

YPF - KAGISO TRUST INVESTMENT ALIGNS WITH YOUNG ENGINEERS

Says Graham Pirie, executive director of SAACE: "We are pleased to have the support of KTI, particularly with its focus on the young professionals in our industry. KTI's endorsement of the association's efforts to promote engineering as a profession amongst young people will add a great deal of weight to our initiatives such as the YPF.

"As part of the sponsorship, KTI has been invited to join the YPF committee and we trust that it will bring both its sound business and investment knowledge, as well as its experience in social development to this forum, thereby ensuring that the engineers of the future are cognisant of poverty alleviation, community development and sustainability in the design of infrastructure."

Cooperation for international initiatives

The IBDS initiated a meeting between SAFCEC, ECSA, SAICE and the IBDS with a view to initiating a coordinated approach to engaging government agencies and relevant counterparts in Africa. It has been agreed that all four parties would, in the spirit of the objectives of NEPAD, from now on cooperate when engaging with counterparts in Africa - starting with Mozambique and Angola.

The starting point of cooperation will be the compilation of a template of individually produced documents that will list the contributions that the respective organisations can make to the development of the engineering profession in African countries.

The basic premise of this cooperation is that it will allow the IBDS (and its partners) to make contact with all the pre-eminent engineering related decision makers in Africa, and offer them assistance that will help them with the development of our profession. All four organisations have already started the process of engaging Africa and all the parties are, therefore, well placed to start coordinating their activities.

FEEDBACK FROM PRESIDENTIAL VISITS

Unfortunately, during the past few weeks the association has received a number of reports from client bodies, as well as members, regarding instances of persons without the necessary competences being appointed to undertake work of an engineering nature, says Craig Clarke, president of SAACE.

"The reports are so numerous and widespread that they can no longer be dismissed as unsubstantiated rumours and it is becoming an increasing concern for the association.

"We have had reports of school teachers and medical practitioners appointed as "consultants" to carry out the duties of a consulting engineer. We have also heard of university or technikon drop-outs, with incomplete qualifications, being appointed as consulting engineers.

"Most of these reports have emanated from the Eastern Cape, Mpumalanga and Limpopo and seem to occur particularly in small rural district councils where we suspect that the local politicians and officials lack the necessary experience to assess the capabilities of candidates or are unaware of the qualification requirements of a consulting engineer.

"It also appears that they do not understand that they have a responsibility to ensure that only competent persons with appropriate qualifications are appointed as consulting engineers.

"We therefore appeal to our members to come forward with factual information concerning these allegations, in order to assist the association in taking this up at a departmental level with the relevant authorities."



THE DANGERS OF FEE DISCOUNTING

Internationally the trend in consulting engineering in developed countries is to move away from fixed fee scales and to promote Quality Based Selection (QBS) processes based on qualifications, technical merit and expertise. The United States has laws which require engineering services to be procured based on qualification and which outlaw competitive bidding based on price alone.

Nevertheless, in developing countries such as South Africa there is room for a parallel system with published fee scales, coupled with a roster system, being applied on routine small projects, while a competitive quality based selection process is more applicable to large and complex projects.

In South Africa, consulting engineers find themselves operating in an increasingly competitive environment. This is characterised by many uncompromising clients pursuing cost-based selection (CBS) rather than quality and cost-based selection (QCBS). As a result, the consulting firm is pressured to reduce fees leading to fee discounting which invariably compromises quality.

The status quo is that consultants and clients both regard published fee scales as the maximum from which to negotiate downward which means that appropriate cost accounting is almost non-existent. The only way this can be remedied is to gradually relinquish fee scales and hourly tariffs in a phased approach over a period of time and at the same time institute QBS systems of procuring services.

The challenge remains to educate clients through an industry wide approach on understanding the price vs risk/reward relationship and the consultant's ability to add value.

The selection of the correct consulting engineer, together with the other members of the professional team, is probably the single most important decision that a client will make during the course of any project and the success of the project depends on obtaining the most appropriate quality of professional service.

The best project results will only be achieved where there is complete mutual confidence and trust between the consulting engineer and the client, while the client has every right to

expect the highest possible standard of service from his consulting engineer.

However, the nature of the assignment must determine service, deliverables and fees and professional services must be profitable for firms in order to ensure sustainability. To do this firms must "sell" value added, be realistic about risk and realise that fee discounting is self-defeating.

There is a debate that centres on whether or not consultants know when to say no to a client or whether, in a market which has long been in decline, they have become so desperate for work that they would accept it at a loss or a risk.

There is no doubt that fee discounting compromises quality and when quality is compromised risk is increased.

Successful professional services depend on adequate time spent by staff with appropriate expertise. Forcing the fees down unreasonably compromises quality, so the solution lies in a fair price for a fair service.

For the foreseeable future, the current guideline fees will remain a basis for negotiation between the consultant and client, howev-

er, the consultants must become more skillful negotiators.

Consultants should compile proper costing systems and recognise and walk away from deals where the risk outweighs the reward. It is all about applying sound business principles.

SAACE has been advocating thorough risk management and promoting the implementation of professional quality management systems in order to assist with managing risk. As a result, the only way to reduce fees safely is also to reduce the scope of work. We understand that consultants are often pressed to come within a certain budget, but it is vital that in doing so they review the scope of work in order to meet the client's request.

Reducing the scope of work may also increase risk and consultants have a responsibility to inform the client of all the implications of reduced scope.

Adhering to fee guidelines and being more selective about accepting discounted fees, will be the first step in moving from a position where professionals are selling time to one where they are selling value.

For more information contact: Graham Pirie on (011) 463-2022

Editor's note

Dear readers,

In this bumper issue we are proud to announce the winners of the annual SAACE Glenrand MIB Excellence Awards. This glittering event on the SAACE calendar was one of the best attended yet and the winners in all categories are to be commended on their willingness to participate and have their projects or companies placed under scrutiny by the adjudication panel.

We are also pleased to have as our guest contributor in this issue, Martin Feinstein, CEO of Proudly South Africa, commenting on the World Cup 2010 and highlighting the need for South African companies to benefit out of events of this nature. He shares with us what he believes can and should be done to ensure that SA companies and not foreign companies benefit.

Once again I hope that this issue of Inside Track meets your expectations. Please submit articles, letters of request to lorraine@primaryfocus.co.za

The Editor

CALENDAR OF EVENTS

Important dates to diarise

Date	Event	Venue
September	*Risk Management Seminar	TBC
12-15 September	FIDIC	Copenhagen, Denmark
15-16 September	*Quality Management Workshop	Cape Town
October (TBC)	*Client Consultant Relationship Seminar	TBC
13-14 October	*Quality Management Workshop	Durban
17 - 19 October	Joint SAACE / SAFCEC Conference	Port Elizabeth
19 October	*3-in-1 Workshop - Quality Management, Occupational Health and Safety, Risk Management	Port Elizabeth
November	*Occupational Health and Safety	TBC
6 November	Annual Consultants' Relay	Pretoria

*School of Consulting Engineering - for more information call Johan van Schaalkwyk (011) 463-2022