



C E S A

Consulting Engineers South Africa



Your Partner in Enabling Consulting Engineering Excellence



PRESIDENTIAL THEME FOR 2018



KEY FOCUS AREAS

Effective
Ethical
Leadership

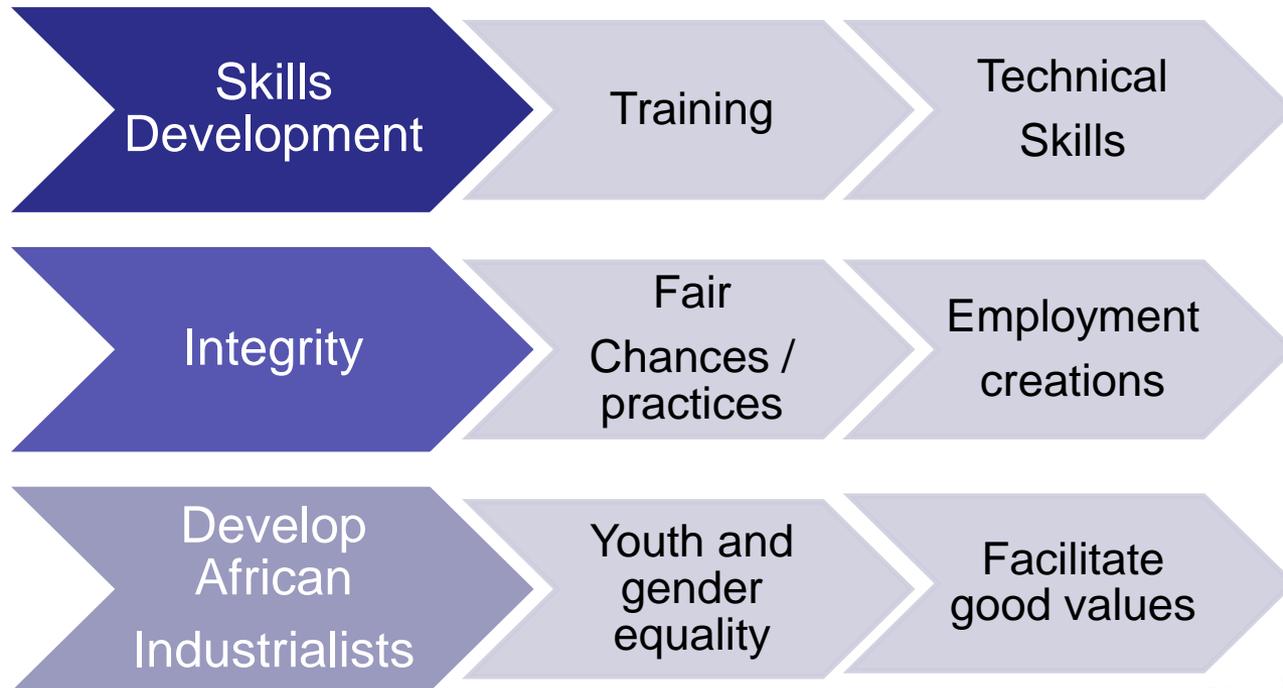
Transforming
the hearts and
minds of our
people

Embracing the
new world of
Digitisation

Industry
integration and
working
collaboratively

Working with
clients in
addressing
Corruption

FIGHTING CORRUPTION WITH LEADERSHIP



KEY 2018 OBJECTIVES

- Planning in Public Sector
- Move away from lowest Cost to Value for money procurement for consulting engineers
- Use of appropriate technical skills for infrastructure decision making
- Infrastructure Directorate at NT
- Full execution of SIPDM
- Acknowledgement of the role of the client – Client Team, Delivery Team, Assurance team
- Independent Presidential Infrastructure Advisory Team
- Understanding of Best Practice Fee calculations – previously published ECSA guidelines deemed Anti-competitive (benchmarking for client no longer exists)

CURRENT PROGRESS

- Have briefed Media on our theme and objectives
 - Have been featured in the Sunday Times
 - Have been Interviewed live on Power FM
 - Have started a concerted campaign in Infrastructure Journal and Engineering News
 - We entered into dialogue with Parliament and have been invited to meet with the Minister of Education and the MEC for Gauteng Public Works
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Breakdown of estimated infrastructure expenditure (2017/19, 2018/19 and 2019/20) – National Treasury

Organ of state	%	MTEF (3 year)
State-owned companies	46%	432.8
Provincial departments	21%	198.2b
Local government	19%	179.6b
Public entities	7%	72,3b
National Departments	5%	47.7 b
Public-private partnerships	2%	16.5b
Total	100%	947.2b

Organ of state	%	MTEF (3 year)
Transport and logistics	35%	327.7b
Energy	25%	234.5b
Water and sanitation	13%	125.4
Human settlements	7%	63.4b
Other social services	5%	50.2b
Education	5%	50.1b
Other economic services	4%	38.5b
Health	4%	36.6b
Administration services	2%	21.7b
Total	100%	947.2b

SONA 2018 - Infrastructure investment **is key to our efforts to grow the economy, create jobs, empower small businesses and provide services** to our people

National Planning Commission

National Planning Commission (NPC) identified a number of shortcomings in the SCM system, namely:

- the “**emphasis on compliance by box-ticking makes the system costly, burdensome, ineffective and prone to fraud**”, and
- “procurement systems tend to focus **on procedural compliance rather than value for money**, and place **an excessive burden on weak support functions.**”

National Treasury Standard for Infrastructure Procurement and Delivery Management designed around these principles

The National Planning Commission’s National Development Plan 2030: *Our future – make it work* suggests that the design of a procurement system that is better able to **deliver value for money, while minimising the scope for corruption** needs:

- **differentiate between the different types of procurement** which pose different challenges and require different skills sets
- **adopt a strategic approach to procurement above the project level** to balance competing objectives and priorities rather than viewing each project in isolation
- **build relationships of trust and understanding** with the private sector
- **develop professional supply chain management capacity** through training and accreditation
- **incorporate oversight functions** to assess value for money

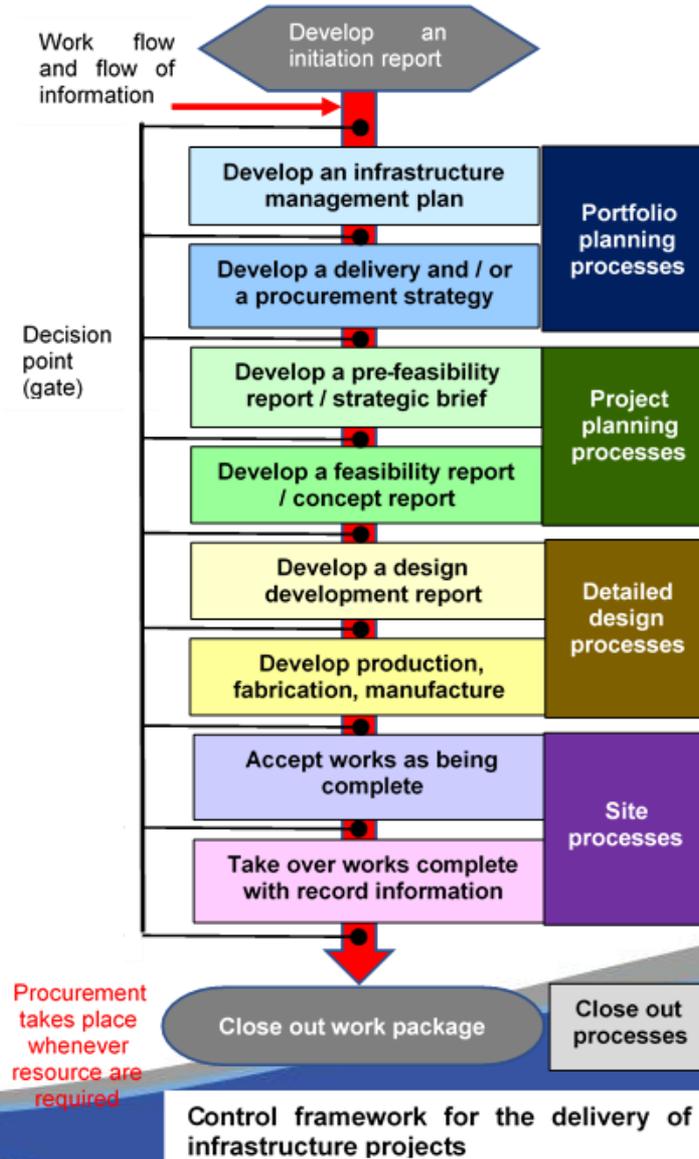
Infrastructure Assets

FIGURE 1: LIFE CYCLE COSTS



Does it make sense to procure the smallest cost component on a lowest cost basis, when you expect such professionals to provide solutions that save you money on the larger two cost components ?

INFRASTRUCTURE DELIVERY MANAGEMENT



“ROLE OF THE CLIENT”



Roles and responsibilities

Good news storey – new Universities project

September 2011	Final Report on the Establishment of the New Universities in the Northern Cape and Mpumalanga Provinces submitted to the Minister
5 July 2012	President announces the seats of the new universities as the inner-city of Kimberley and the Lowveld College of Agriculture in Nelspruit
August 2013	Minister established the two public universities as per the Act
February 2014	Both universities commenced their first academic year (505 students at UMP and 124 at SPU)
February 2016	Project had delivered 16 new buildings within budget and below cost norms , as well as a range of renovated buildings, providing academic and residence space for the 2016 enrolment of 1255 students at UMP and 700 students at SPU.

Budget

2011/2012	R 50.0 m
2012/2013	R 81.3 m
2013/14	R 117.1 m
2014/15	R 383.0 m
2015/16	R 1.32 b

Wits University implementing agent for DHET (Piloted the implementation of the National Treasury Standard for Infrastructure Procurement and Delivery Management)

2016/2017 R 1,3 b

New universities take over responsibility for budget execution

Consulting Engineers South Africa (CESA)

www.cesa.co.za



Voluntary Industry Association 65 years in existence

560 Member Companies

Consulting Engineers, not Building Contractors

Consulting Engineers not Management Consultants

IN CONCLUSION

