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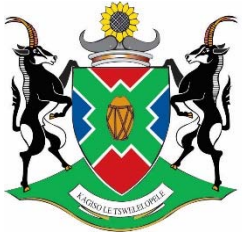
HIGH LEVEL BEST PRACTICE OF THE PROVINCIAL INFRASTRUCTURE IMPLEMENTATION WITHIN PROVINCIAL DEPARTMENTS CESA

DATE: 11TH APRIL 2019



Together moving Bokone Bophirima forward.

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PRESENTATION OUTLINE



- IDMS Concept – The base system for Public Sector Infrastructure Delivery
- IDMS Concept – Regulatory alignment regime for interlinked management processes.
- Governance Structures - Leadership Alignment of the Infrastructure
- Intergrated Planning and implementation - The North West Planning alignment Model
- Delivery Management Matrix aligned to IDMS and SIPDM
- SIPDM Control Gates and Framework
- Control Framework for Infrastructure Procurement
- Auditor General Compliance Requirements for SIPDM
- High Level Provincial Infrastructure Procurement Best Practice
- Performance Based System
- Recommendations



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2019 IDMS Concept Diagram



2017 IDMS Concept Diagram



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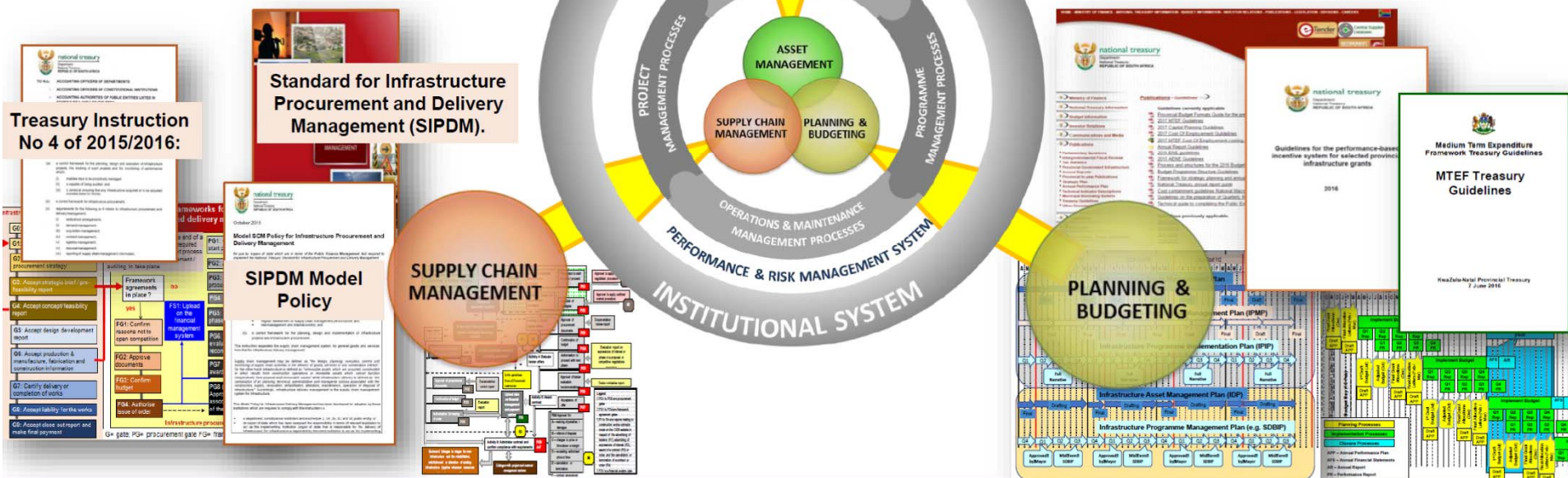
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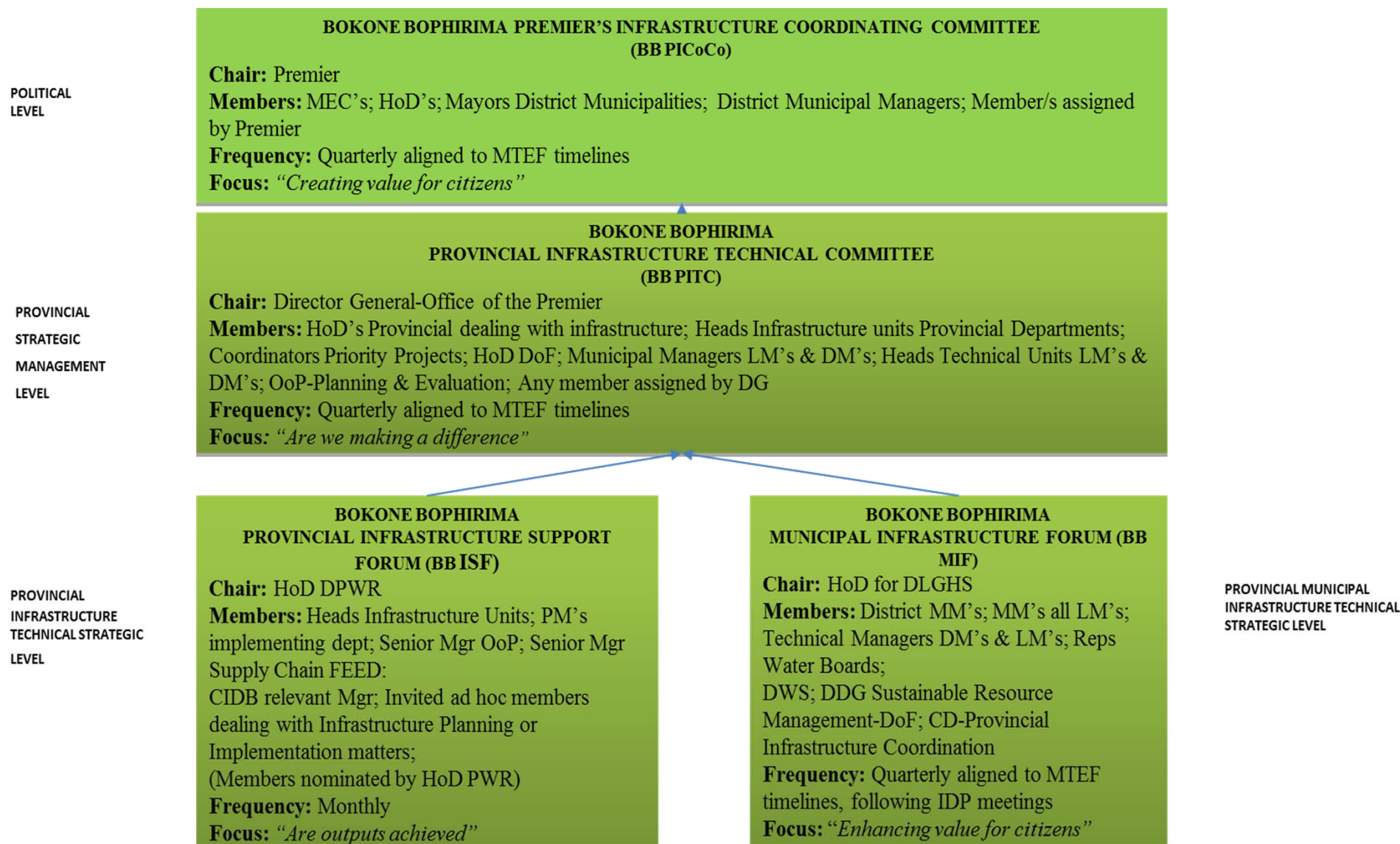
2019 IDMS Concept Diagram



Infrastructure Legislative Environment



Governance Structures & Leadership in Bokone Bophirima





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BENEFITS REALISED FROM Functional Governance



Through functional ISF interventions and Stakeholder engagements the following was realized:

- The Infrastructure Delivery Improvement Programme (**IDIP**) and the Infrastructure Delivery Management System (**IDMS**) was institutionalized across the whole of Government despite National focus only on Health and Education;
- An **Provincial IDMS Protocol** approved by the Executive was Nationally adopted as a Best Practice Approach;
- **Integrated Infrastructure Planning** through the implementation of the Shared Services Model was implemented across all spheres of Government;
- Improved **coordination** of the infrastructure programme across the province;
- Average **Infrastructure spending** for the period 2014 to 2016 is 91% of the allocated R17.5 billion;
- As at end of **2017/18 an expenditure of 95%** of the allocated R6.145 billion was registered which an improvement from previous years.
- There is a general **improvement on spending** across all departments;
- **No withholding of funds** was realised for the period above with the exception of the Human Settlements Grant;
- The province **benefitted more than half billion** on performance incentives from Education and Health Conditional Grants;
- Initiatives for **capacitation of the Built Environment** was provided in Public Works, Health, Education and Finance although not enough to deal with the magnitude of projects across the province.





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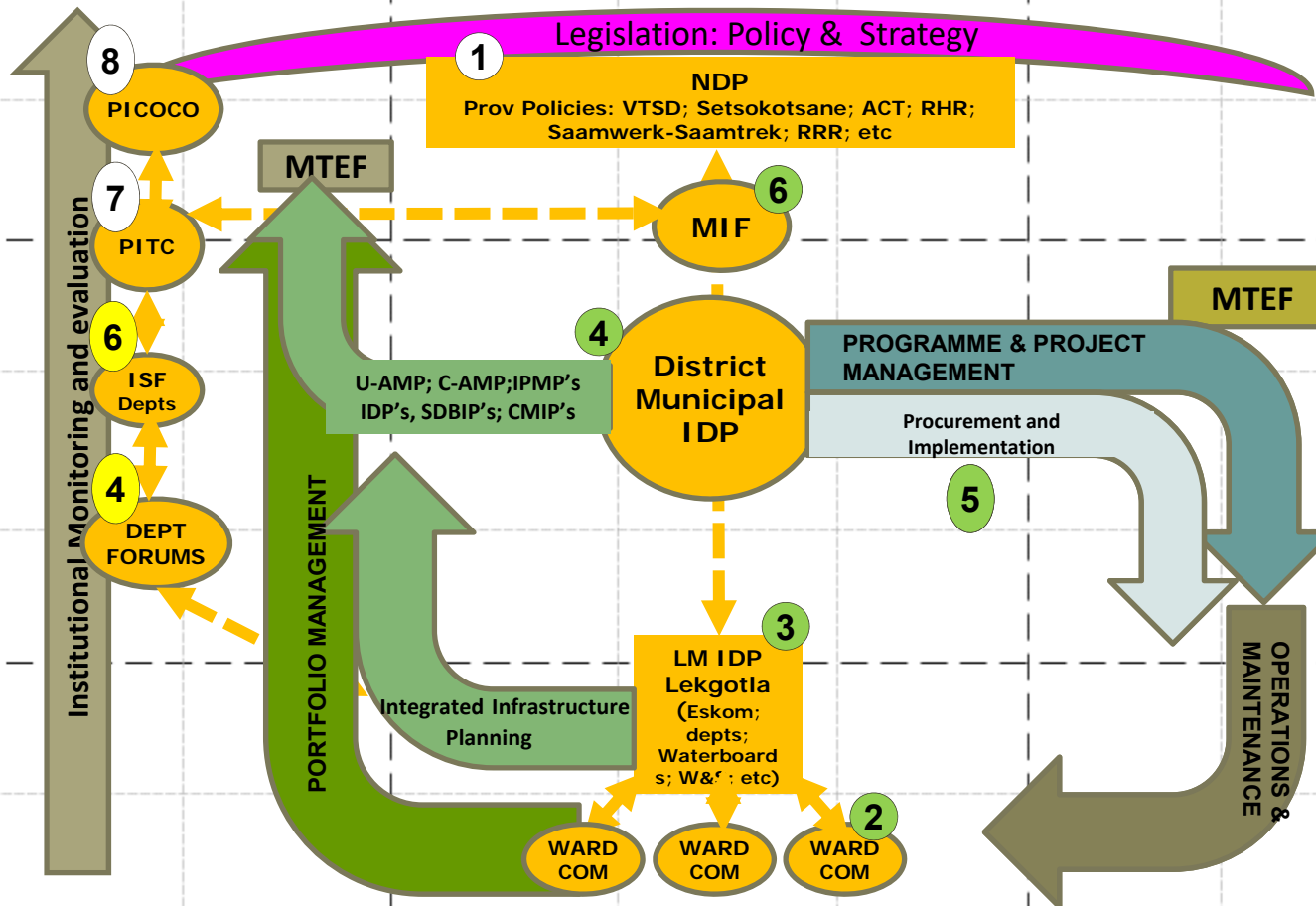


Strategy & Policy

Planning & Implementation

Operate & Maintain

Provincial Infrastructure Shared Services Model Process Flow

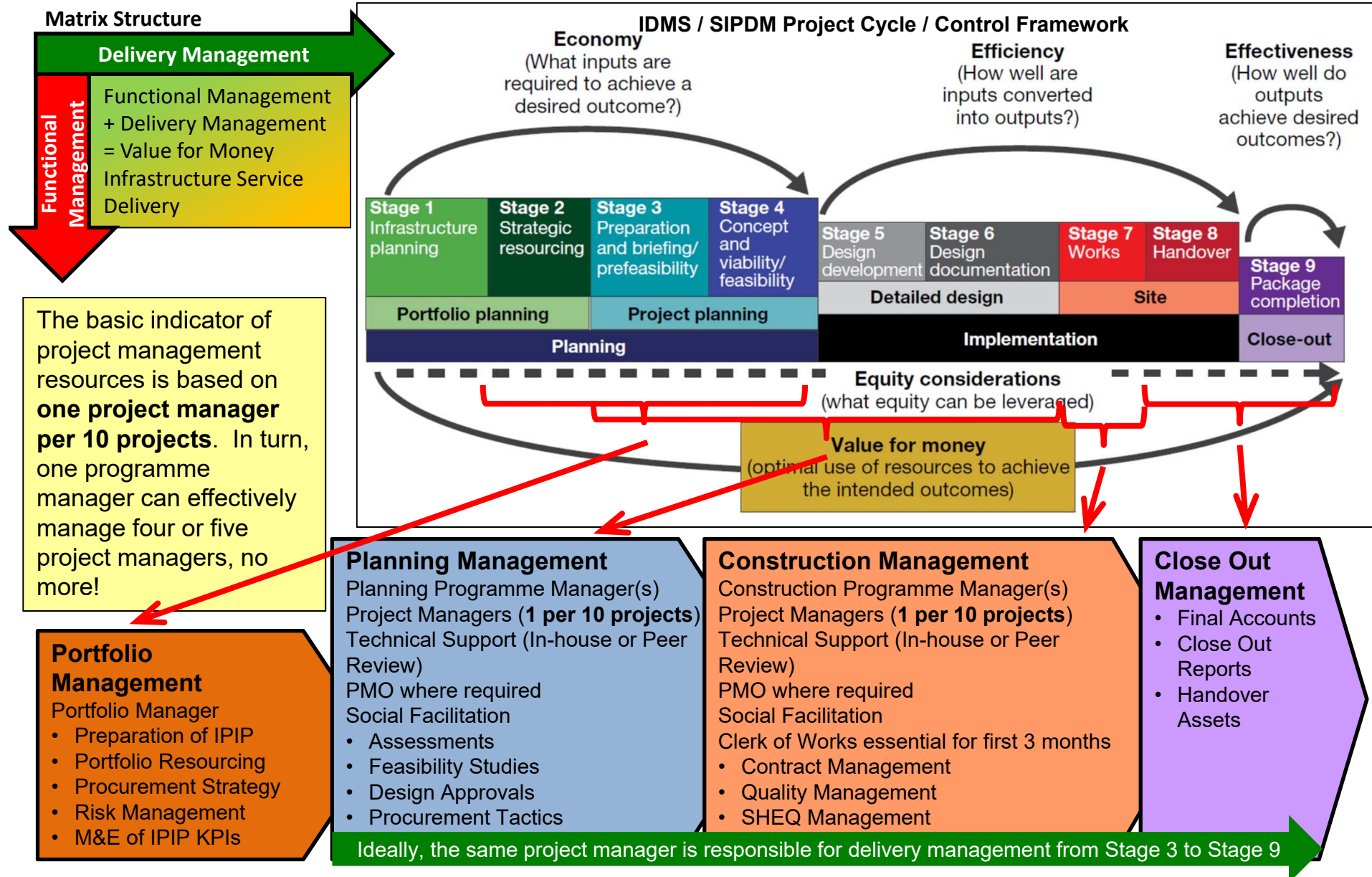


Strategic Functions

Planning Functions

Operational Functions

Example: Implementing Agent Resources





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LOCATION OF THE SIPDM WITHIN LEGISLATIVE FRAMEWORK



Standard for Infrastructure Procurement and Delivery Management

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Constitution of the Republic of South Africa

217. Procurement.-(1) When an organ of state in the national, provincial or local sphere of government, or any other institution identified in national legislation, contracts for goods or services, it must do so in accordance with a system which is fair, equitable, transparent, competitive and cost-effective.

Public Finance Management Act

38 (1)(a) The accounting officer for a department, trading entity or constitutional institution / 51(1)(a) An accounting authority for a public entity must ensure that

- (iii) an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost-effective;
- (iv) a system for properly evaluating all major capital projects prior to a final decision on the project;

SCM Regulations (Chapter 16A)

Issued as an instruction in terms of Section 76(4)(c) of the PFMA and is applicable to:

- a national or provincial department as defined in the PFMA
- a constitutional institution entity as listed in schedule 1 of the PFMA
- a public entity as listed in schedules 2 and 3 of the PFMA
- any organ of state which implements infrastructure delivery projects on behalf of another organ of state

Implementation date – 1 July 2016 or before

SIPDM does not require any change in
Regulations to be implemented

The location of SIPDM within the
legislative framework

Municipal Finance Management Act

112. (1) The supply chain management policy of a municipality or municipal entity must be fair, equitable, transparent, competitive and cost-effective and comply with a prescribed regulatory framework for municipal supply chain management, which must cover at least the following . . .

SCM Regulations 3(2)

The accounting officer may for purposes of subregulation (1)(a) make use of any Treasury guidelines determining standards for municipal supply chain management policies. The accounting officer must report any deviation from the guideline standard to the National Treasury and the relevant provincial treasury.

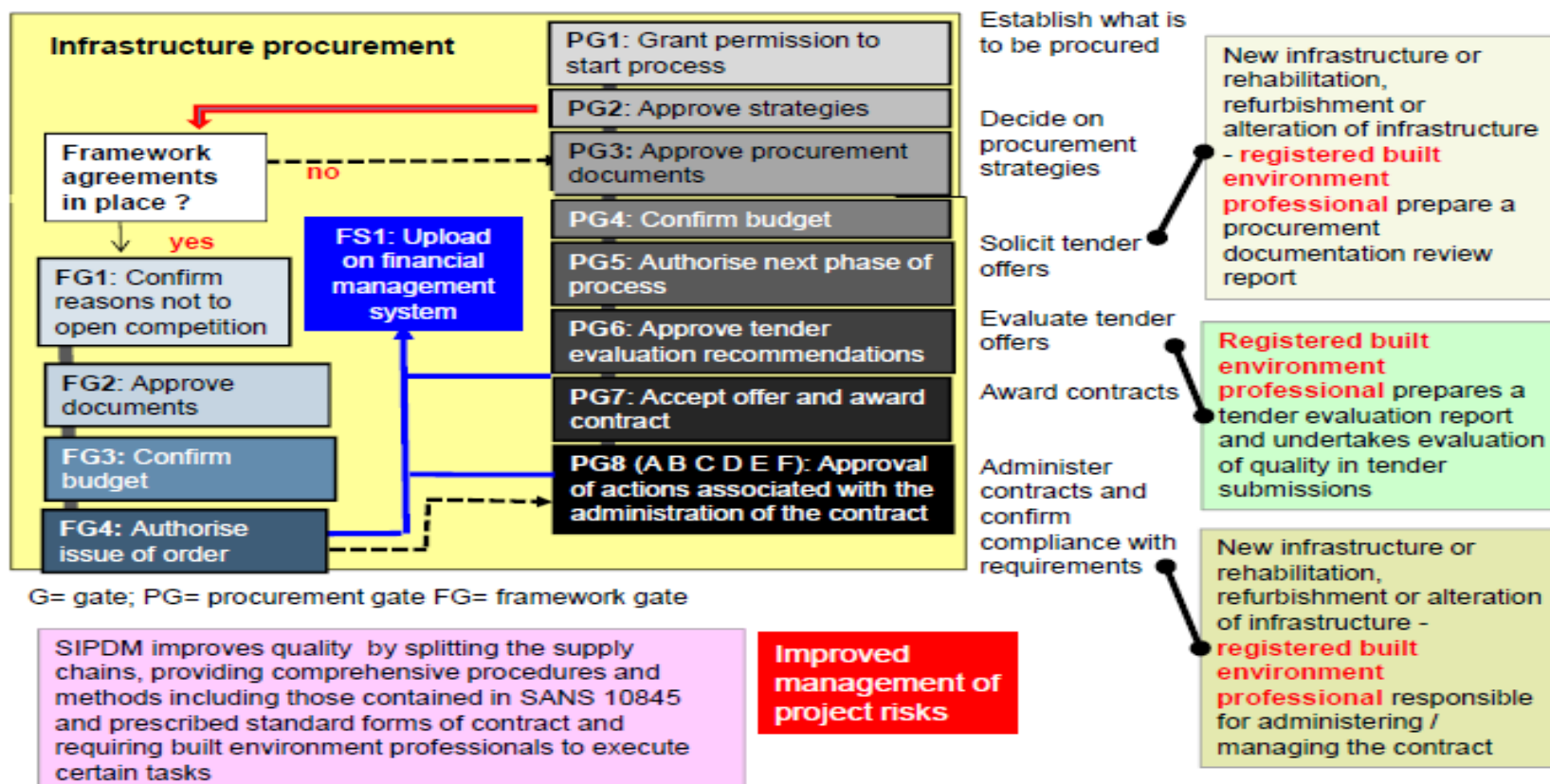
Standard also forms an integral part of the Model SCM Policy for Infrastructure Delivery Management which has been issued as a Treasury guideline determining a standard for municipal supply chain management policies in terms of Section 168 of the MFMA in support of Regulation 3(2) of the MFMA Supply Chain Management Regulations Applies to an municipality or a municipal entity whose council or board of directors adopts the guideline standard for SCM policies

Implementation by 1 July 2017

CONTROL FRAMEWORK FOR INFRASTRUCTURE PROCUREMENT

Control framework for procurement

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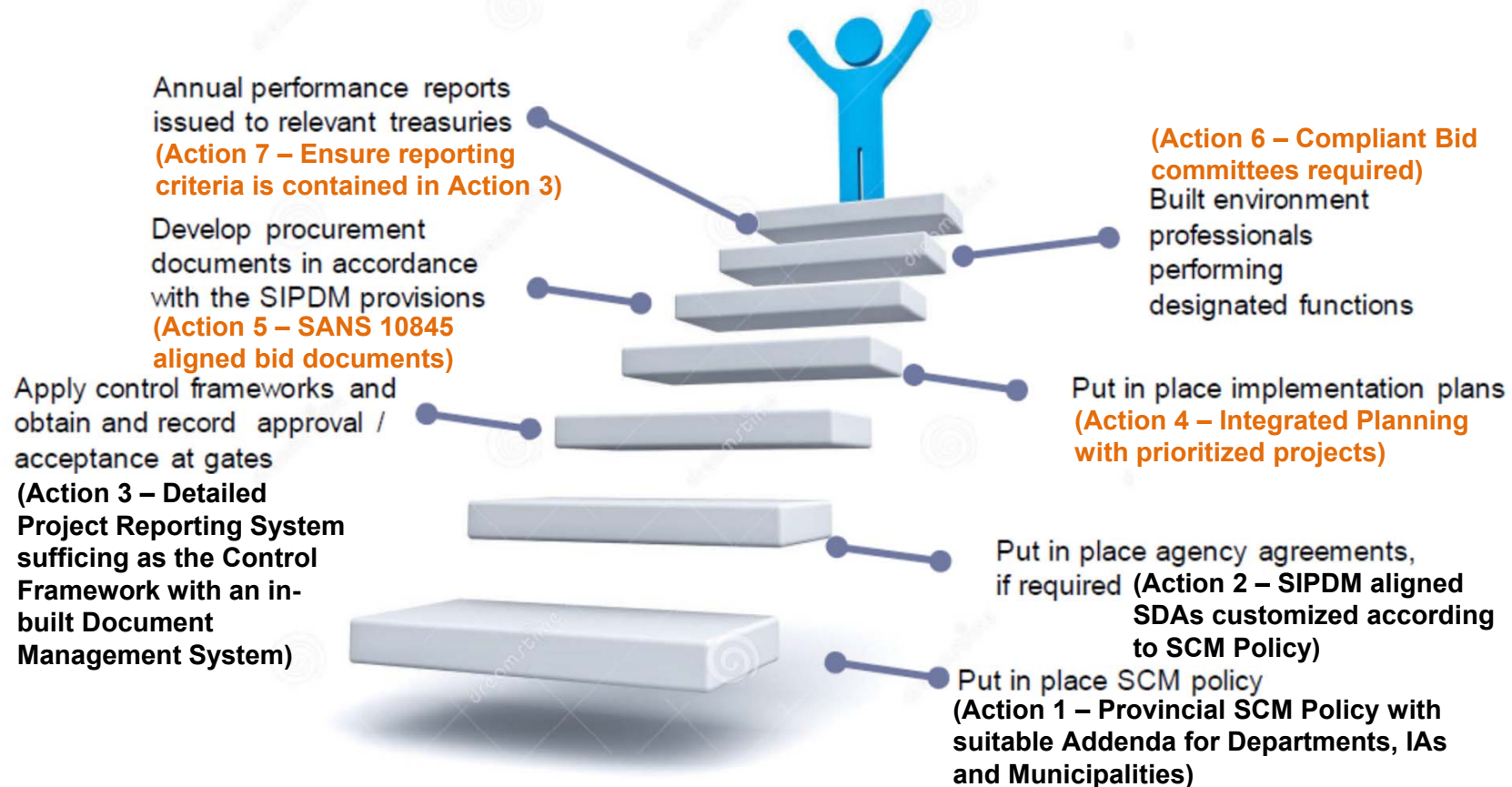
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The Auditor General compliance requirements for the SIPDM



Have in place an auditable and compliant system which should deliver value for money!



PFMA:- Actions 1, 2 & 3 completed by 1st April 2017, and all other Actions except Action 7 by 1st April 2018
MFMA:- Actions 1, 2 & 3 completed by 1st July 2017, and all other Actions except Action 7 by 1st July 2018



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SCM BEST PRACTICE

To give effect to efficient infrastructure procurement for creation of value to the citizens of the country the province issued the following :

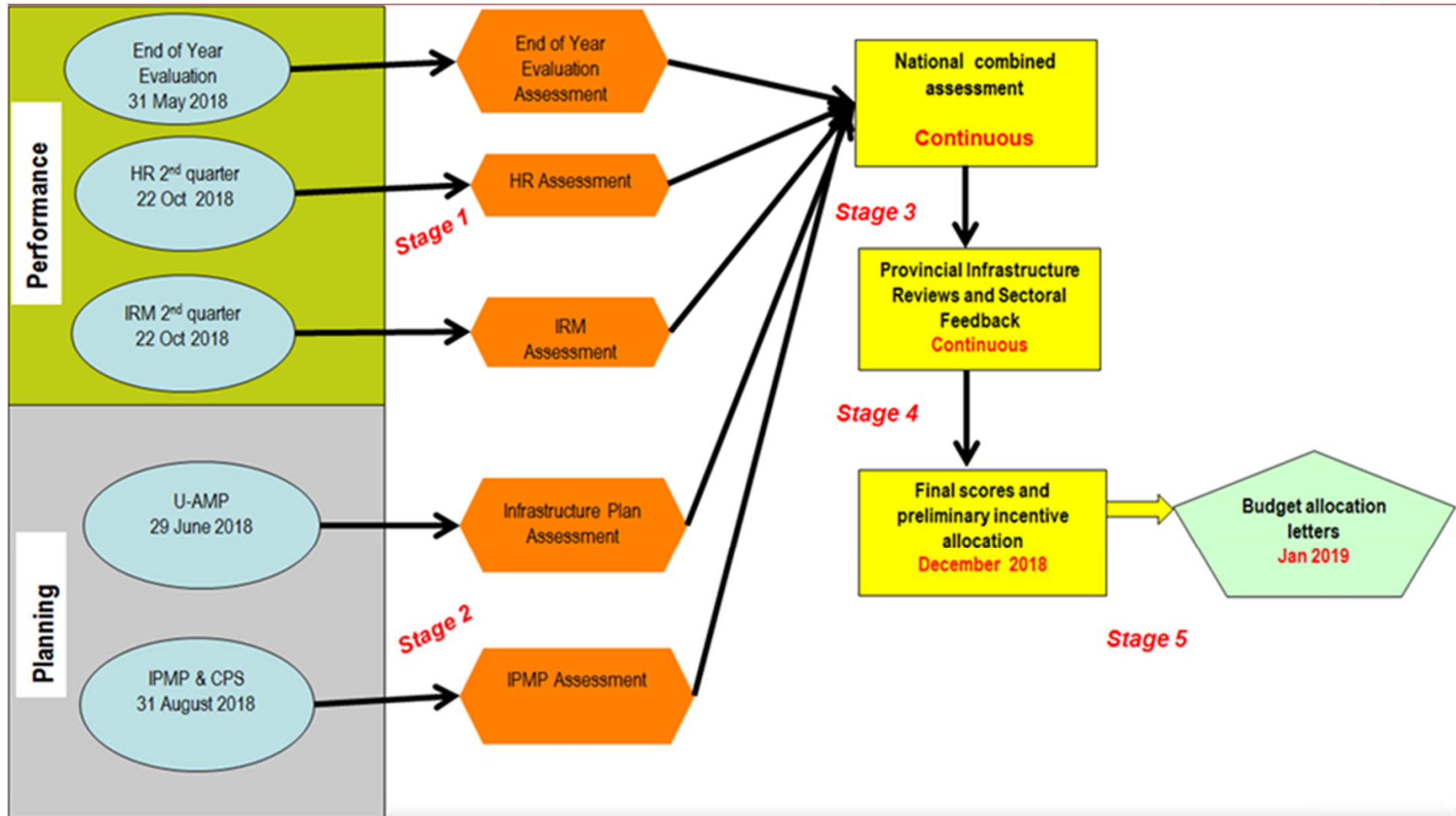
1. Instruction Note on pre Auditing of tenders above R10 million which will be effective from 1st April 2019
2. Validation of scope variations through site visits by the Provincial Treasury
3. Moratorium on appointment of PMU
4. Introduction of Tender Monitoring Tool linked to procurement plans
5. Publication of projects to be implemented by the provincial Government on the annual EPRE (Budget Books) which approved by the legislatures
6. Annual Endorsement and Approval by the Executive Authority of the IDMS protocol prescribing how will the province deliver their infrastructure as well as roles and responsibilities of various provincial stakeholders



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2019 PBS TIMEFRAMES



CONTINUING EDUCATION
UNIVERSITY OF PRETORIA



national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



Executive Course
Infrastructure Delivery
Management Programme

MODULE 1(a) 13



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RECOMMENDATION



To note the following Interventions through the ISF:

- Sourcing of a **project management system** for effective management and reporting of infrastructure projects as well as immovable assets;
- Driving and **monitoring compliance** to the Conditional Grant Frameworks requirements, Government Immovable Asset Management Act (GIAMA); Construction Industry Development Act (CIDB) and the Standard for Infrastructure Procurement and Delivery Management (SIPDM);
- Facilitation of the **capacitation** through the sourcing of Built Environment professionals;
- Alignment of **Infrastructure Planning with the APP** as well as enhanced reporting of infrastructure targets;
- Continues monitoring and intervening on infrastructure **performance for socio economic benefits**
- Review of **projects stages and close out of projects processes**.





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Thank you



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