

23 November 2011

Minister P Gordhan  
Minister of Finance  
**PRETORIA**

Dear Minister

Re: **PROCUREMENT LEGISLATION : RE-INSTATEMENT OF QUALITY/FUNCTIONALITY AS A CRITERIA IN THE PROCUREMENT OF PROFESSIONAL SERVICES IN THE BUILT ENVIRONMENT**

Consulting Engineers South Africa (CESA), as one of the organisations serving the business interest of its member firms and their clients in the built environment, wishes to motivate the re-instatement of quality/functionality as a criteria in the procurement processes in regard to the provision of services in the construction sector.

As you are aware, there is considerable confusion in relation to this aspect because of various High Court judgments limiting quality to purely that of a threshold. This is compounded by what we see as discontinuity between the Act, the Regulations and the Standards for Uniformity promulgated by the Construction Industry Development Board. Procuring Professional services on the basis of price and preference alone is having a considerable negative impact on our sector and is seriously inhibiting the delivery of value added services to clients in the public sector. The fixation on allocating tenders to Service Providers on the basis of price alone for the 90/80 percentage component is seriously undermining our ability to deliver innovative solutions at optimal life cycle cost.

There are, if National Treasury is in agreement with the merits of the proposal, various options available to solve the dilemma which can be explored in a round table discussion.

CESA, together with its sister Built Environment Professional organisations serving the interests of Architects, Quantity Surveyors and Project Managers, amongst others, therefore request an interview with you and/or Senior Officials to explore solutions to this problem on the basis of a win/win for both public sector entities as well as Professional Service Providers.

In support of this request, attached is an Annexure A (Quality/Functionality Framework Report for National Treasury, Version 5) which seeks to motivate this request on the basis of local and international best practice. In addition, attached as Annexure B is the CESA profile should you wish to know more about our organisation.

Yours faithfully



**G S PIRIE PrEng**  
**CHIEF EXECUTIVE OFFICER**

Cc CESA PRESIDENT, Naren Bhojaram



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