



C E S A

Consulting Engineers South Africa

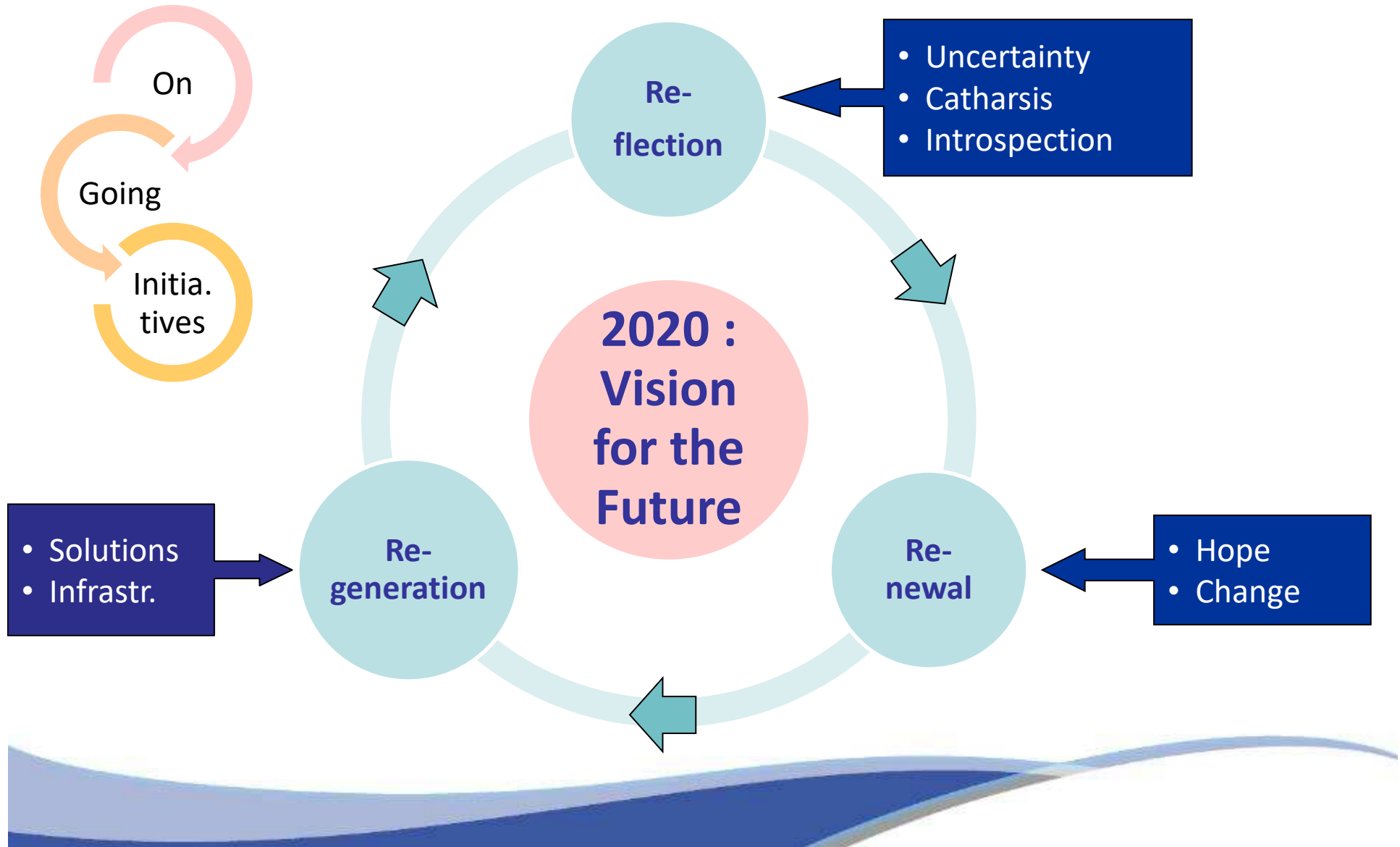


Your Partner in Enabling Consulting Engineering Excellence

2020 - A TIME FOR REFLECTION, RENEWAL & REGENERATION

Sugen Pillay PrEng
President

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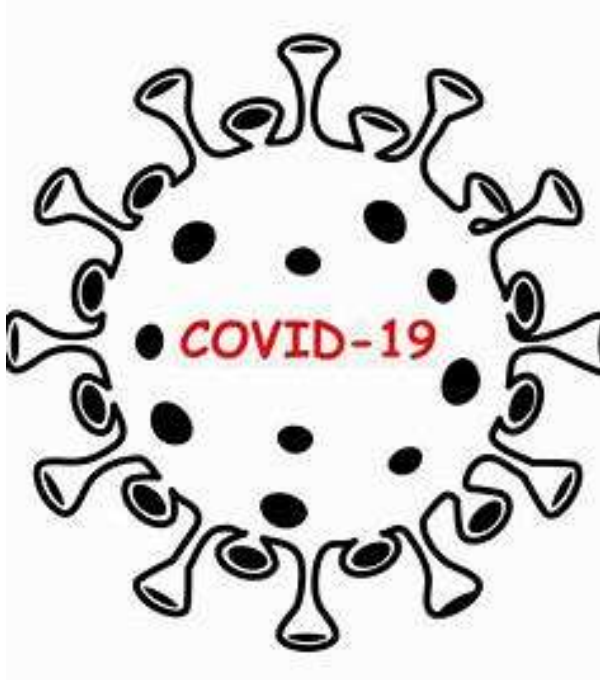


!!!CRISIS!!!

Humanity

Business

Employees



Inequality

Access to
Basic Services



REFLECTION



REFLECTION *(cont.)*



Upward trend 2006 – 2011. Downward trend 2011 – 2017



REFLECTION *(cont.)*

➤ Ratings downgrade

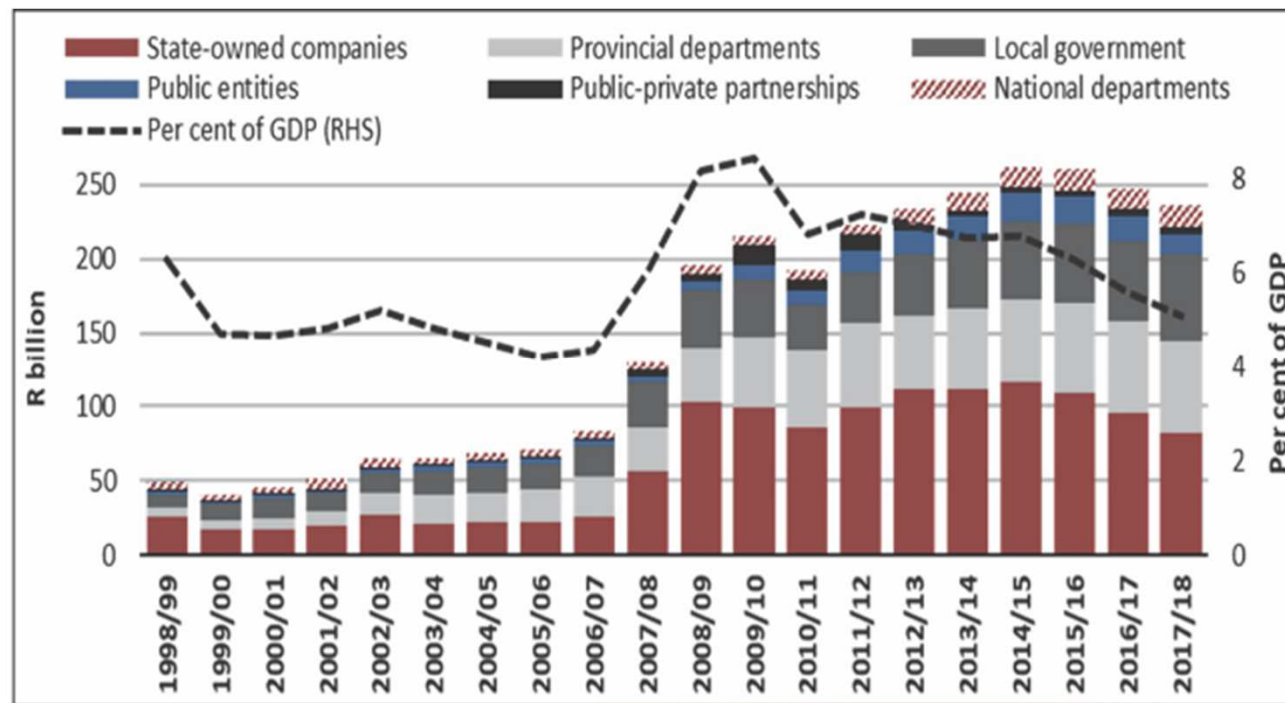
- State's (in)ability to fund infrastructure development



REFLECTION *(cont.)*

General lack of confidence

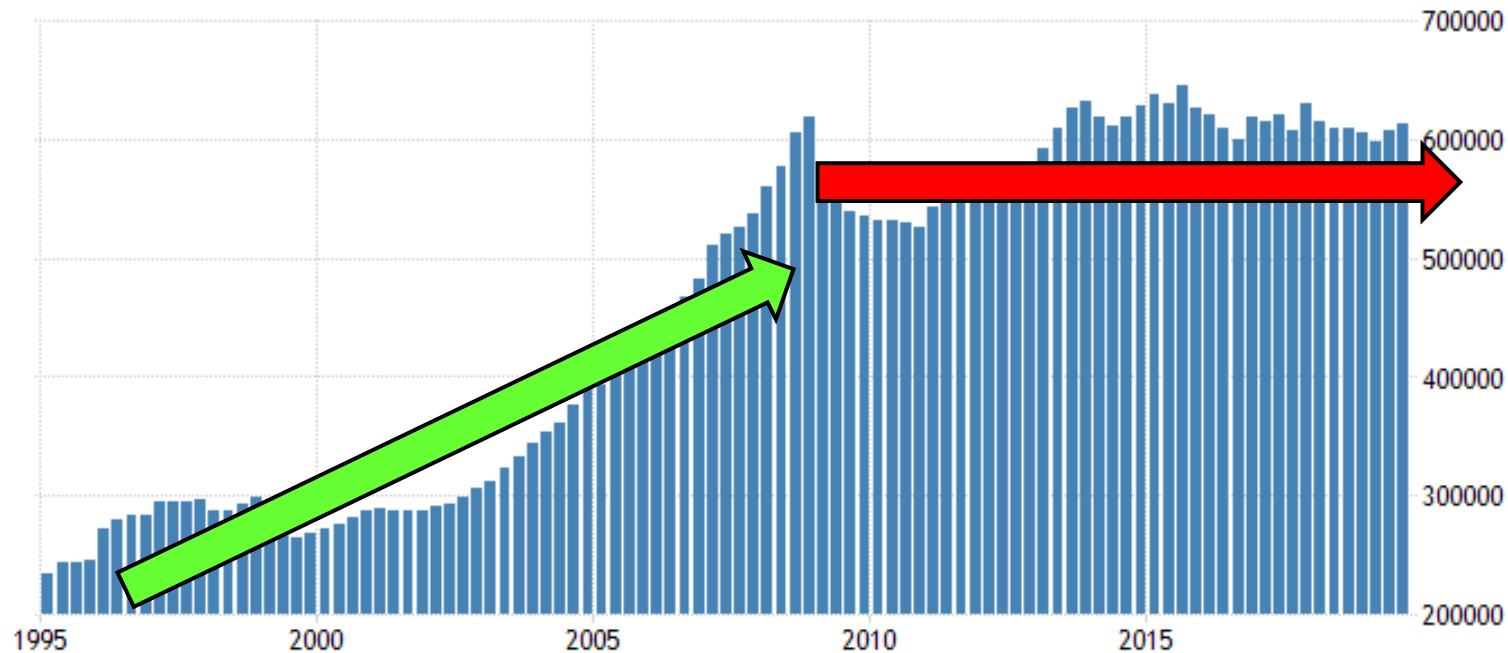
- Private sector - has assisted in development
- Low levels of investment in infrastructure



REFLECTION *(cont.)*

➤ Gross Fixed Capital Formation






- Exploded in the early 2000's
- Stagnant over the last few years



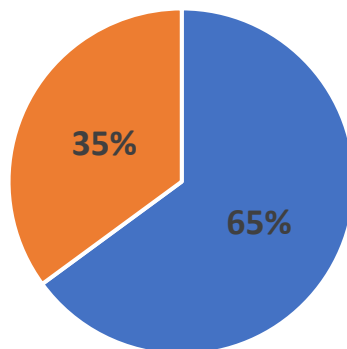
SOURCE: TRADINGECONOMICS.COM | SOUTH AFRICAN RESERVE BANK

REFLECTION *(cont.)*

BBBEE

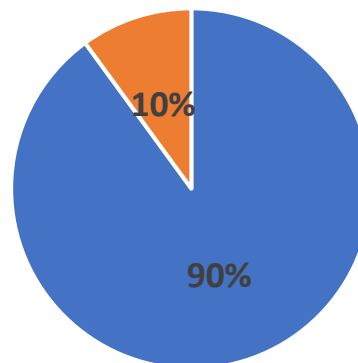
-  Has resulted in opportunities for a large number of firms
-  CESA membership (approx.)
 -  65% majority Black Owned
 -  10% Black Women Owned greater than 30%
 -  66% Level 1 and 2

Black Ownership



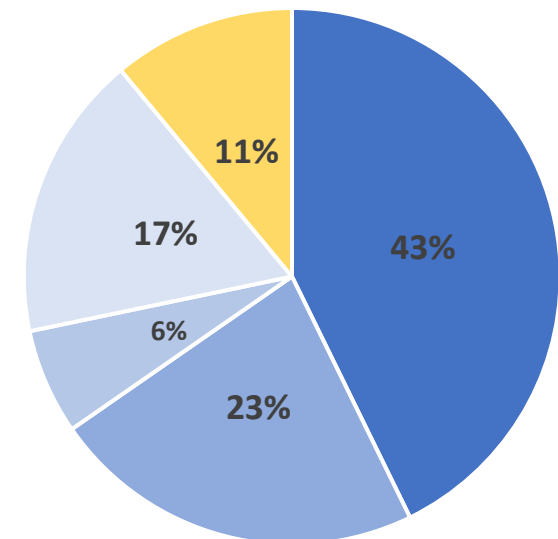
■ BO ■ <51% BO or Unknown

Black Women Owned



■ BWO < 30% ■ BWO >= 30%

BBBEE Level

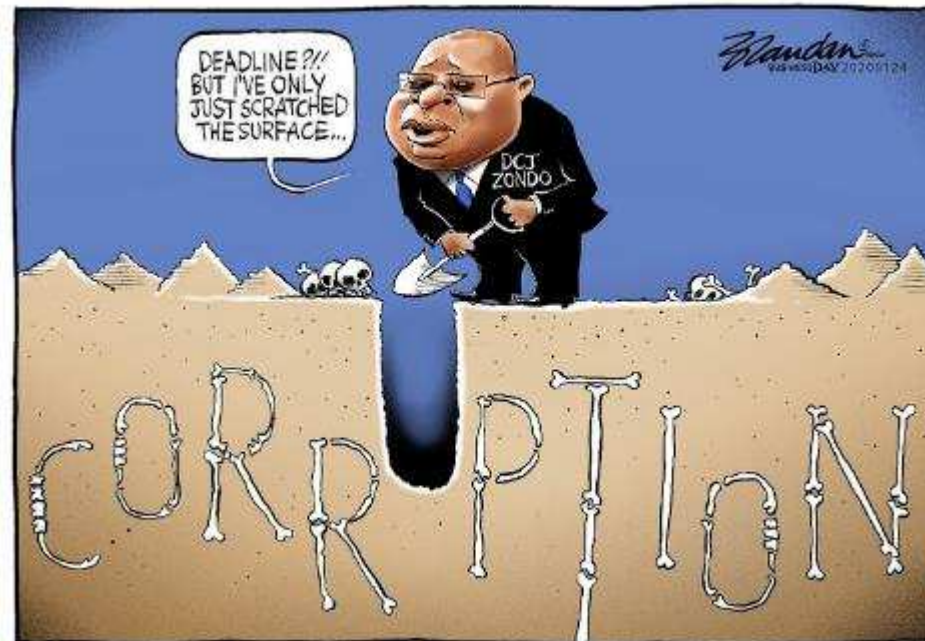


■ Level 1 ■ Level 2 ■ Level 3 ■ Level 4 ■ > Level 4

RENEWAL

➤ Zondo Commission

- Scale of the problem – “broad based corruption”
- Painfully and frustratingly slow
- Excellent work that is being done
- CESA’s core principles – ethics and integrity



RENEWAL *(cont.)*

AG's office – Added powers

- Recommendations must be implemented
- Audit outcomes will start to improve – longer term results
- Unintended consequences – personal liability
- Balance – officials must be empowered to make decisions
- Improve communication – AG, National Treasury, etc.

RENEWAL *(cont.)*

P,M&E Directorate

- More visible and vocal
- Identifying challenges to implementation

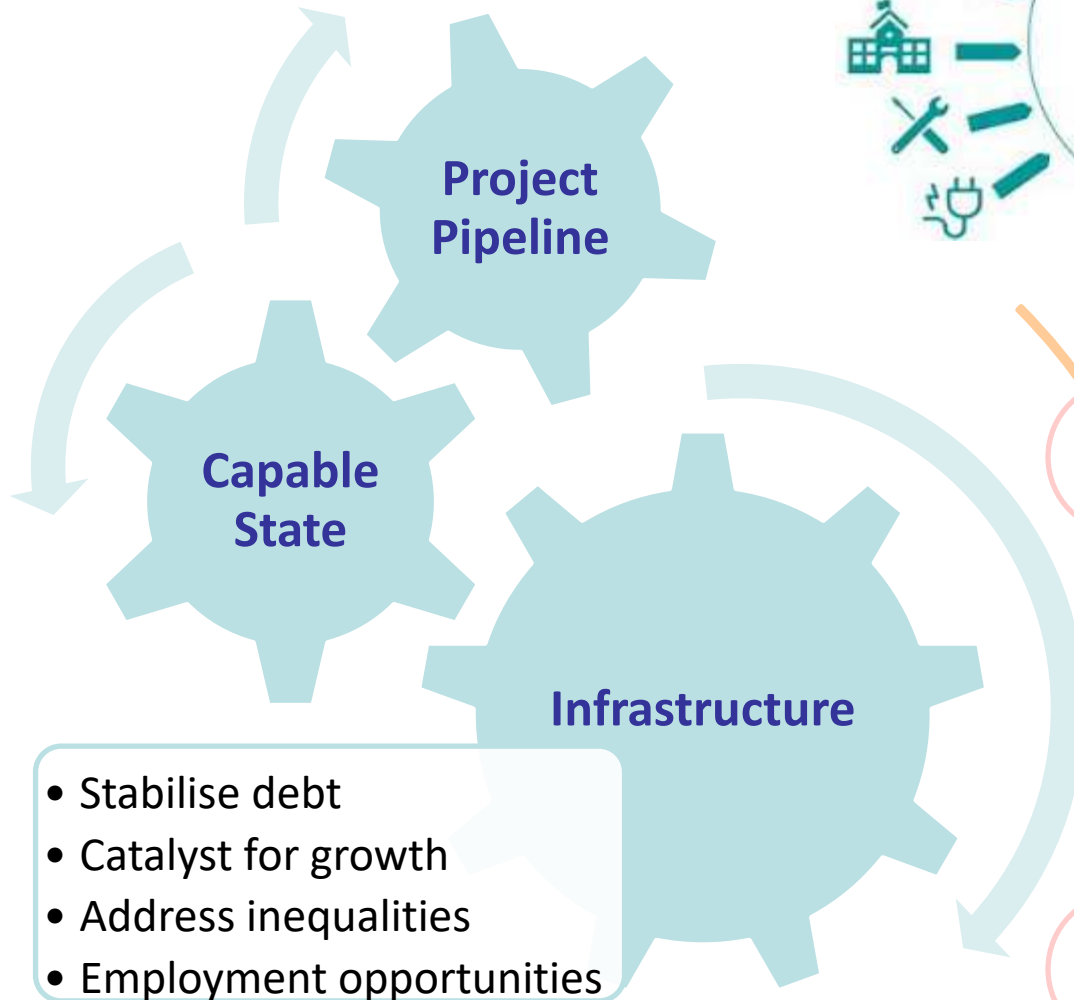
State Capacity

- Criminal Justice sector
- Large infrastructure dept's. – DPWI, DHSWS, Eskom, etc.
- Concern – ability to attract professional staff

Successful Programmes

- IPP Programme
- Address electricity crisis, project pipeline

REGENERATION



IIO - Sustainable Infrastructure Development Symposium

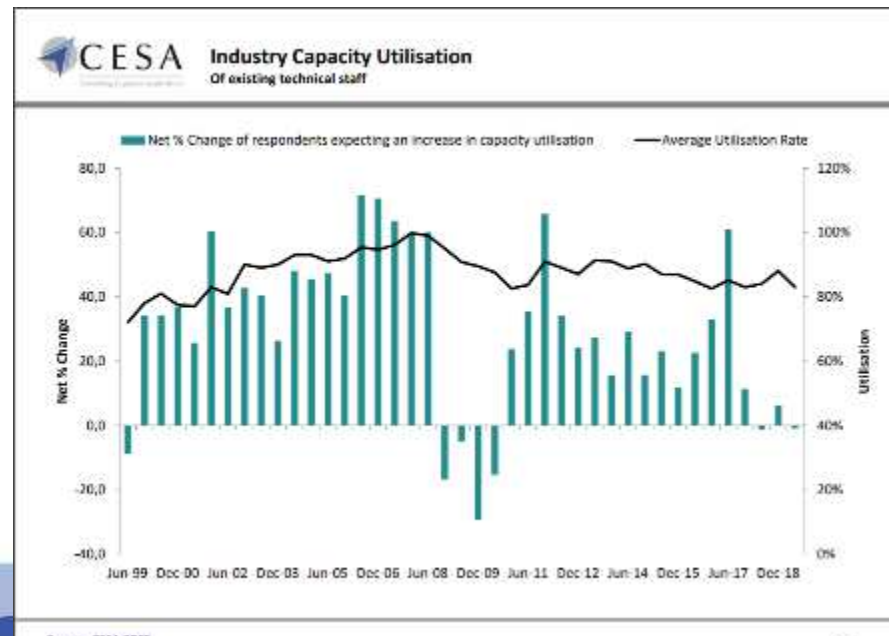
Infrastructure = Flywheel of the Economy

Investment Ready Projects - "Network Industries"

REGENERATION

➤ Enabling a capable state

- Leadership at large public infrastructure departments
- Guidelines for appropriate skills in government
- Long standing dichotomy – public vs private capacity
- Building a capable state – long term project
- Utilise capacity from consulting engineering firms



REGENERATION (*cont.*)

➤ Enabling a capable state

- Owner's Engineer Concept
- Separate delivery team independent of the Owner's Engineer – accountability!
- Volunteer services – within a structured framework
- Slowly build capacity within the state
- Develop systems and processes
- Mentorship of young engineers

Implement = Confidence = Investment = Growth




REGENERATION *(cont.)*

➤ Infrastructure & Investment Office / DPWI

- Catalytic Projects anchored in the NDP
- Lack of capacity is a MYTH!
- Enhanced process to assess/ensure bankability
- Ongoing engagement with DPWI

➤ Khawulesa District Development Model


- Welcome intervention
 - Many challenges at local government level
 - Similar programmes in the past have not yielded results
 - Must implement! And on a wide scale
- 

REGENERATION *(cont.)*

➤ Wider debate regarding Implementation Models

- IPP Programme, SANRAL Concessions, BOTT, DBOT, etc.
- Replicate for general maintenance, water, sanitation, waste management

➤ Continental Free Trade Agreement

- Long been working in rest of Africa – more opportunities
 - Afro-centric approach required
 - SA Chair of the AU
 - Support our export councils
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REGENERATION *(cont.)*

➤ **CIDB – Register of Professional Service Providers**

- All PSP's must be registered with CIDB before contracting with state
- Ensure screening of PSP's
- Nature of Register to be discussed – cannot be like the Contractor's Register
- Must cater for small firms, start-up's, etc.
- Accountability!




REGENERATION *(cont.)*

Collaboration with ECSA

- Publishing of the Fee Guidelines - Fees Committee
- Will assist buyers of professional services to gauge fair compensation
- Scope of Services – comprehensive list of deliverables

Quality Cost Based Selection

- Committed to competitive sourcing of professional services
 - Professional Services cannot be sourced on price alone
 - Must include quality/functionality – international best practice. Encourages innovation.
 - Must include other imperatives – BBBEE, SMME development, etc.
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REGENERATION

➤ **New Normal – “Adapt or Die”**

- Client interaction
- Working remotely – employee relations
- Outcomes based – increased management effort
- Empower our people – counter the “trust deficit”

➤ **Embrace technology**

- Private sector are early adopters – technology is available
- Develop solutions to empower the state



CONTINUING CESA INITIATIVES

- Transformation
- Management Development Programme
- YP Leadership Seminars
- Graduate and Retired Professionals database
- Greater engagement with all Stakeholders
- Recognising and celebrating Excellence in Engineering



CONCLUSION

- Embrace the change, and contribute positively
- Highlighted some of the key industry concerns
- CESA ready to assist in developing a Capable State –
People are the heartbeat of any org.
- Rally around a common vision!
- Make SA one big construction site!

**‘CESA – THE APEX ORGANISATION FOR CONSULTING
ENGINEERS IN SOUTH AFRICA’**





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Thank you!