

Nxesi prioritises late payment to contractors; CIDB to expand contractor register criteria



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Public Works Minister Thulas Nxesi

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Public Works Minister **Thulas Nxesi** will prioritise dealing with the issue of late payment to contractors and kickstart a process to draft payment legislation as a first priority for the construction industry.

The Minister on Friday also discussed improving the criteria for grading contractors on the Construction Industry Development Board (CIDB) register of contractors, as well as other issues contractors are currently facing, at the CIDB's National Stakeholder Forum.

The register of contractors is established to manage risk on behalf of public sector clients when procuring services from private sector

contractors, by categorising and grading them according to their capability to carry out construction projects.

There are more than 100 000 contractors on the CIDB register.

Nxesi, CIDB chairperson **Nonkululelo Sindane** and CIDB acting CEO **Ebrahim Moola** agreed that the criteria needed to be tightened and that more criteria should be added.

Nxesi suggested that the CIDB establish regional committees with both industry representatives from the private sector and government officials to monitor business practices around construction sites at an on-the-ground level.

On the part of government, Nxesi said the Department of Public Works would prioritise funds towards upgrading and maintaining public sector buildings and facilities, since most government buildings are aged and often neglected in terms of day-to-day maintenance.

The Minister added that government is more attentive to pricing when awarding contracts for its infrastructure. He said procurement officials take care in assessing pricing accordingly and realistically, as “the contractors with the cheapest tender is not necessarily the one that is going to be able to complete the job”.

On the other hand, contractors have also taken advantage of government, claiming unreasonably high amounts of money, and Nxesi assured the public and stakeholders that the department is zeroing in on pricing and understanding where government money is going.

Meanwhile, Sindane said the operations of the CIDB needed to become more streamlined to ensure efficiency, since it reached less than 40% of its performance targets for 2017/18 and, therefore, a new board of only 30 members was appointed effective January this year. The CIDB is also in the process of recruiting a permanent CEO.

The CIDB plans on systematically rising the performance of the organisation to an achievement level of above 80% of its performance targets, mainly through enhanced monitoring of activities and strong leadership.

IMPROVED REGISTER

The criteria improvement on the register of contractors will include downgrading – to address the practice of higher grades tendering and winning projects for work at lower grades, while lower graded contractors can not tender for work at the higher grades.

In terms of the transfer of records, the CIDB will tighten up certain regulations related to contractors providing documentation that is not in the name of the applicant contractors, for example, where a company has changed form or has been restructured.

The CIDB will consider introduction of Grade 1 entry requirements for contractors, since anyone, at the moment, can register as an entry-level contractor.

The organisation will also assess mandatory registration of subcontractors and joint venture requirements, while assessing registration categories for trade contractors.

Moola stated that the CIDB will endeavour to review and adjust tender value limits at least once every three years.

The CIDB has also taken note of concerns raised by contractors that corrupt contractors need to be deregistered and directors blacklisted, since it is a major problem in the construction industry. 🚧