

**Minister of Public Works
Ms Stella Sigcau
14 October 1999**

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**Launch of the New Consultants Roster
Department of Public Works**

Mr Chairperson,
Ladies and Gentlemen,

Today's gathering is to launch a New Roster System, which is an outcome of a process of reform, which was initiated several years ago within the Department. The New Consultants Roster is a product of a process of engagement with industry stakeholders and takes the Department yet another step forward in its transformation. The Director General has outlined the background to and the intent of the new Roster. I think that it is important to locate this new roster in a broader context.

The Department of Public Works actively participated in the work of the Procurement Forum and piloted the implementation of the 10 Point Plan, an interim procurement strategy which was developed by that Forum during January 1996. In August 1996 the Department was granted permission by the State Tender Board to pilot the implementation of an Affirmative Procurement Policy on all its construction work contracts. I am very pleased to say that this intervention increased the value of work executed by Affirmable Business Enterprises i.e. small businesses owned, managed and controlled by Previously Disadvantaged Individuals, from a mere 0,5% in 1993 to 24% in its first year of operation at a direct financial premium of less than 1%. Critics at the time had been sceptical of what the policy would achieve and had predicted cost premiums in excess of 10%. The policy not only proved the critics wrong, but also contributed significantly to black economic empowerment in the construction sector.

The Affirmative Procurement Policy has proved to be an extremely effective tool in promoting new industry capacity and the emerging sector. The white paper on Creating an Enabling Environment for Reconstruction, Growth and Development in the Construction Industry recognises this and, requires its systematic roll out within the public sector.

The New Consultants Roster represents yet another milestone in the roll out of the policy, this time in the field of professional services. The New Consultants Roster in harmony with the Green Paper on Public Sector Procurement Reform in South Africa integrates good governance with socio-economic imperatives. Good governance is effected through the computer software which has been developed for this initiative. Socio-economic imperatives are dealt with through the rotation of Affirmable Professional Services Providers at a faster rate on the roster than those firms which do not enjoy such status. The provision of accelerated work opportunities to small firms which are owned, managed and controlled by Previously Disadvantaged Persons is designed to address the skewed nature of business ownership patterns in this sector and will as such make a contribution to black economic empowerment.

I think that it is appropriate, before commenting on some of the aspects of the consultants roster, to pause and to consider the services which consultants appointed from this roster will provide to the department. The roster makes appointments of professionals who have skills in the fields of architecture, quantity surveyors and engineers. These professionals, insofar as the department is concerned, provide for the accommodation needs of the state on behalf of South Africa's people.

These consultants, in addition to designing buildings and associated structures, administer construction contracts, supervise repairs and maintenance activities and oversee refurbishments, renovations and additions. They are very much in tune with the built environment and all the associated activities i.e. with the technical requirements. But are they in tune with the people environment within which they find themselves? Are they in tune with development and empowerment issues? Are they sensitive to the role of women in the construction industry? Are they in tune with the needs of the disabled? Can they feel the hurt, pain and devastation associated with HIV and AIDS? It is pleasing to see how many consultants have taken the trouble to sit the examination on targeted procurement, a system which enables procurement to be used as an instrument of social policy, and in so doing familiarise themselves with certain socio-economic imperatives. Their response towards meeting the challenges facing the department in implementing its Affirmative Procurement Policy is appreciated. My challenge, however, to all consultants is for them to take government's message on HIV and AIDS into the work place. They must spread the message not only amongst their own members but also amongst the staff members of contractors on projects which they execute for the department and other public sector bodies. We in government need their support and commitment to the challenge facing government in this regard.

I also want to stress that government, and Public Works in Particular, play a significant role in Black Economic Empowerment in our country. From our side we will ensure that we exploit all available opportunities to ascertain that the government socio-economic objectives are met.

However, it is also important that we are not only talking about government creating space for Black professionals. Black professionals must contribute in at least two significant ways.

1. Contributing intellectual capital to the ongoing debate of Black Economic Empowerment as well as being actively involved, not always for payment, in government's transformation agenda. The President's African Renaissance objectives will only be achieved if professionals on the ground seriously identify niches for themselves. It is time that through a structured approach professionals get together and chart a way forward as part of their contribution to this most important initiative.
2. The other issue I want to address is that of highly competent professionals. It is imperative that professionals, black or white, must render a truly first class service to government. In the end it is not the colour of your skin that will get you the job if on a previous occasion your work did not pass the test of excellence. However I know that you are all committed to this very critical issue and therefore I will not over-emphasize it.

I am pleased to note that the Roster System is linked to a code of conduct. All firms on the roster have agreed to abide by this code. This code of conduct permits the department to deal with those firms who misrepresent themselves or engage in fronting activities in order to secure work from the department. This code alongside the code of conduct for parties involved in procurement which was prepared by the Construction Industry Development Focus Group on Procurement Reform, reinforces the measures already put in place in the Department of Public Works to deal with corrupt practices.

Another pleasing feature of the roster system is its capability to gather and collate data, which can then be interrogated and evaluated. Its important to have data which can be used to defend a policy position and equally important to have a mechanism to monitor and evaluate the effectiveness of a policy. I think that it is important to stress that in the current policy environment there has to be a notion that policies do not simply appear as wish lists but rather there has to be a mechanism by which objectives are set; there has to be a mechanism to monitor and evaluate which then provides policy makers with an instrument to re-access the policy, modify where necessary or have the policy changed if it is inappropriate. Our president has recently made it quite clear that we are to be held accountable for what we do and not what we wish to do.

Our economy has been through a very testing period and I am aware that the construction industry has suffered in the process. This has had a major impact on the consulting industry. Many small companies have closed down. Larger companies have retrenched staff. Skills and jobs have been lost.

There are, however, positive indications of a growth period ahead. The Minister of Finance has recently expressed concern at the level of infrastructure investment in relation to Gross Domestic Product.

The entry requirement for non-Affirmable Professional Service Providers (ASPS) firms on the roster is to have a minimum level of Professional Indemnity of not less than R2, 0 million. The Department included this requirement in the policy on advice from the Alliance of Development Professionals. In the current economic climate many of the smaller firms have simply not been able to satisfy this requirement. I am happy to announce that my Department, in an effort to relieve this financial burden placed on smaller firms, will approach the State Tender Board with a view to lowering this amount to enable smaller firms to more readily access the new roster system.

I would like to thank the South African Black Technical and Allied Careers Organisation (SABTACO) and the Alliance of Development Professionals (ADP) for the constructive role they have played in the development of the New Roster System, which is before us today. Although the final product may not reflect all that these two diverse groupings of professionals would want to have in a system, their inputs have nevertheless enabled the Department to have a tool which the Construction Industry Development Task Team's Focus Group 6 has already recognised as a best practice. The Department looks forward to SABTACO's and ADP's ongoing participation in the monitoring and evaluation of the system and the development of any refinements, which may arise out of an evaluation of its performance against its objectives.

I would now like to officially declare the New Consultants Roster system as being operational and would like to hand you back to my Director General, Mr Tami Sokutu, who will make the first selection of a consultant team publically, using the new system after I have placed all the applications on the New Roster in a random, computer-generated order.

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