

**Minister of Public Works
Ms Stella Sigcau
16 July 1999**

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Launch of DLV Ilangabi (PTY) LTD

“NATIONAL GOVERNMENT POLICY AND EMPOWERMENT IN THE TECHNICAL CONSULTING SECTOR”

Master of ceremonies, honoured guests, ladies and gentlemen ...

It is my pleasure to join you, and congratulate you, on this occasion where you are launching your restructuring as a multi disciplinary consulting group with 70% shareholders from the previously disadvantaged groups in the professional cadres.

Your achievements are what will distinguish you in the contribution to overall growth and redevelopment in our country, and are the primary interest of government in its business relationship with you.

Allow me to focus on the methods and reasoning employed by government in implementing its policy and empowerment drivers through interaction with consultants in the built environment.

The Department of public Works currently has 4067 consulting firms registered on the normal panel of the Department. Of these firms, 2386 are active and 1681 inactive. (Firms are requested, on a biennial basis, to update their information / statistics. Firms which do not react to these requests remain on the panel, but are regarded as inactive insofar as consideration for appointments is concerned. As soon as they comply, they automatically become active again).

There were 387 firms on the Pilot Roster, viz., 211 engineering firms, 102 architectural firms and 74 quantity surveying firms. On expiry of the Pilot Roster, these firms were invited to register on the normal panel and will thus be included on the new Consultant's Roster.

The new Consultant's Roster is scheduled to become operational within the Department of Public Works on 15 October 1999.

As rationale, the Consultant's Roster provides for a computer based selection of consultants i.e. a "black box" approach. The computer-assisted operation of the roster system reduces the administrative burden placed on departmental officials in operating the existing roster system and makes the selection of consultants more transparent and equitable.

The "black box" approach removes subjectivity in the allocation of professional appointments and cannot be manipulated as it is impossible to predict who is in line for the next appointment. The system as such promotes good governance and ensures equitableness, transparency and fairness in the allocation of appointments. Any potential collusion between consultants and officials in the allocation of work is effectively eliminated.

On the new Roster, project managers will prepare briefs for professional services and requests for computer based selection. A low value Routine Assignment having a value of less than R300 000, will automatically be awarded to the computer selected firm if it were to declare that it had adequate resources to undertake the assignment. For a Routine Assignment having a value in excess of R300 000, the computer selected firm will be required to submit a Project Execution Plan and the appointment made if the Project Execution Plan is found to be acceptable. For a Specialist Assignment, the computer selects 3 firms who are then requested to submit further particulars. The appointment is then made to the most suitable firm subject to the ratification of the project manager's selection by a representative of the Director-General. Only where no nomination can be made by the computer or in exceptional circumstances, is the selection of a consultant to be referred to the Director-General's representative for a decision as to how the selection is to be made.

Looking at the purposes of the Consultant's Roster, it is the primary objective of the Department of Public Works to obtain professional services; with a secondary objective to promote black economic empowerment. The purpose of the Roster is :

- To enable the DPW to make appointments, in terms of power delegated to it by the State Tender

Board, for the procurement of professional services for projects on which the estimated fees do not exceed R2 million.

- To ensure that the work is carried out in a professional, competent and cost effective manner.
- To permit assignments to be allocated in a fair, equitable and transparent manner. To promote access to assignments by small and micro enterprises.
- To provide accelerated work opportunities to Firms which enjoy Affirmable Professional Service Provider (APSP) status in support of an Affirmative Procurement Policy.
- To foster and promote constructive relationships between established Firms and Affirmable Professional Service Provider (APSP) Firms in order to build capacity and experience in the latter.

Firms for projects where fees exceed R2,0 million will be appointed by means of competitive selection in accordance with guidelines to the selection of consultants on the basis of a balance between price and competence. Tenderers will be required to compete on the basis of price, competence and participation goals.

In operating the Consultant's Roster, firms which qualify for APSP status will rotate faster on the Roster than Firms which do not enjoy such status. (Non-APSPs upon award of assignments move to the bottom of the Roster, APSPs to a point one-third down from the top).

An APSP is permitted to nominate not more than two localities in addition to its registered locality, at which it may wish to open up an office to enable it to work in Structured Joint Ventures with other firms.

The Department of Public Works may require non-APSP Firms to enter into Structured Joint Ventures with APSP Firms in order to develop skills and capacity in the latter.

To register:

- Firms with more than one Office may register their offices separately on the roster.
- Firms applying for registration will give details of their principals, resources, fields of expertise, locations and Professional Indemnity Insurance cover.
- Where Firms of the same name exist as different legal entities in different localities, each legal entity may register separately on the Roster.
- No individual may be a principal of more than one firm on the Roster.

To monitor,

it is intended that the Department of Public Works will, at intervals of approximately one year and in conjunction with relevant private sector professional bodies, such as ADP and SABTACO, assess the operation of the Roster in order to determine whether it is achieving its objectives in a satisfactory manner. If, at any stage, it transpires that the Roster is not functioning satisfactorily, consideration will be given to modifying the system to remedy the shortcomings.

In conclusion, it is important that you register, and that you regularly update particulars and changes.

Please accept my invitation to visit our website at www.pwdprocure.co.za, where you will find more detail on aspects such as the processes, the type of assignment, description and proposed methods of appointment.

I am looking forward to your continued achievement and interaction with the envisaged delivery of infrastructure by government.

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