

**Minister of Public Works
Ms Stella Sigcau
24 August 2000**

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**Laying of the foundation stone of the new Northern Cape Legislature Building
Project**

Master of Ceremonies
Premier Manne Dipico
MEC for Transport, Roads and Public Works, John Block
And the other MECs
Participants in this event to lay the foundation stone of the new Legislature Building
Distinguished guests
Ladies and Gentlemen

Finding oneself a home always brings peace of mind, irrespective of the often complicated processes involved in ensuring your eventual and sustained occupation of it.

I indeed share in your joy today, at this milestone of laying the foundation stone for the new Legislature Building that will be the seat of government for the Northern Cape. Once completed, the walls and halls will provide a designated environment within which the democratically elected leadership of this province can debate matters of public concern, put forward the views and wishes of the provincial electorate and ensure that the people govern.

We are celebrating the realisation of a long cherished dream to provide the Northern Cape Province with its own Legislature Chamber. I wish to congratulate the responsible and responsive leadership driving this project.

We have heard Premier Dipico outlining the future contributions to Kimberley and the Northern Cape that will emanate from this infrastructure. He indicated that it will reflect the diverse culture and history of the people of the Northern Cape, and even have an earmarked area to be used as memorial to pioneers in the struggle of recognition for the dignity and aspirations of our people.

I was particularly interested in the many local contractors participating in the construction of this R69 million building. Because ... being who I am, and standing for what I stand for, I want to urge that we remember to include women contractors on this opportunity to benefit from the transfer of skills and economic empowerment. The advancement of women in the construction industry, the former bastion of male dominated industries, is a subject close to my heart and one that the national Department of Public Works has set as a clear objective.

Increasingly, we are competing in a global arena for both the sourcing and delivery of goods and services. As Government in this country, we have made great strides in evolving the necessary and correct positions to protect and advance the interest of our people.

Inadequate infrastructure, and even more specifically the current backlog in maintenance on state-owned buildings, has now almost reached the brink of becoming a greater liability than an asset - ultimately affecting the taxpayer.

Unfortunately, due to various factors, including budgetary limitations and changing priorities of clients, the greater percentage of all State fixed property assets (military bases, prisons, magistrate's courts, administrative offices, police stations, etc.), are in a bad state of disrepair and getting worse. In fact, many facilities no longer conform to the minimum requirements of the Occupational Health and Safety Act. A comprehensive report by a private consultant that addressed the maintenance backlog revealed a R10 billion deficit in the maintenance budget.

Further propounding this backlog, is the tendency displayed by client departments to opt for leased buildings, which, besides contributing to the general deterioration of State-owned buildings, also means additional, non-capital expenditure for the State.

An added complication to the equation is that even new buildings may head in the same direction if funds are not budgeted for ongoing maintenance right from the beginning.

Currently State-owned buildings have an estimated locked value of R120 billion. Some 120 000 buildings, worth ~ R60 billion are owned by National Government and 123 243 buildings worth a further ~ R60 billion are

provincially owned.

The national Department of Public Works' maintenance allocation for the current financial year, 2000/2001, is R566,2 million. Spreading this budget over the 120 000 buildings, works out to ~ R4 700 per building per year, and that, you have to agree, is clearly inadequate.

Our fixed property maintenance backlog problem is not restricted to any one sector of Government, but is of a generic nature.

The Department of Public Works, in order to address the maintenance backlog in an efficient and cost-effective manner and to provide accommodation of the required standard to client departments, is seriously contemplating:

* The creation of a National Forum comprising clusters of government departments with generic interests to prioritise national client departments' needs. This forum would meet twice annually and would have the authority to dictate as to how funds are prioritised.

* A 50% guideline capping to funds that will be allowed for new capital projects, in order to encourage the upgrading of existing State-owned buildings. This could ensure that at least 50% of all client department new capital allocations will be used for maintenance and upgrading, which would in turn assist in catching up on the maintenance backlog regarding existing buildings.

* The allocation of at least 1,3% of the construction value of new capital projects for future maintenance. This would prevent current new capital projects entering the same downward spiral as existing State-owned buildings.

These proposals address a means of alleviating budgetary constraints with regard to the maintenance backlog.

In order to execute the efficient implementation of maintenance, we are utilising Dedicated Maintenance Contracts and Facilities Management Contracts and have reintroduced Annual Maintenance Contracts for day to day maintenance.

The concept of dedicated maintenance contracts entails the award of a 3-year period tender based on a lump sum contract to rehabilitate a facility and the subsequent maintenance thereof, according to pre-determined standards. The advantage pertaining to these types of contracts is that it provides for easy budgeting (fixed amounts) and makes for simple administration whilst ensuring efficient and effective service delivery to clients. Integrated into these programmes, is the requirement for the empowerment of emerging contractors in all areas of the construction industry. Severe penalties for non-performance will be levelled against contractors who will have to provide sufficient sureties prior to the awarding of contracts.

Pilot projects of this nature to the value of R40 million are already in place for selected critical services in the Department of Defence and Correctional Services. It is also envisaged that these dedicated maintenance contracts could ultimately lead to the total outsourcing of maintenance of facilities, even if in the form of individual services e.g. Dedicated Maintenance Contracts for air-conditioning, electrical, etc.

Facilities Management is a further advancement of managing buildings with respect to a range of services. It is a process whereby consultants would be appointed to investigate the condition of State-owned buildings and propose a schedule of comprehensive services to be performed on each individual building.

Thereafter, public tenders would be invited in order to implement and manage these services. The same kind of empowerment and penalty conditions would apply as in the Dedicated Maintenance Contract scenario. This is in a very early stage of development.

The reintroduction of Annual Maintenance Contracts will ensure that day-to-day maintenance with regard to major services like electrical, plumbing, mechanical and glazing, will be attended to at predetermined rates for a period of one year for each tender. Client departments would thus be able to contact the relevant contractors with regard to minor maintenance problems covered in the contracts. It will cut down considerably on implementation time with regard to these repairs.

I share these thoughts with you today, before you have even erected your new Legislature Building, to underline the responsibility that government is carrying in terms of asset management.

May this new 'home of hope' indeed grow in its attachment to our lives, 'in our hearts, in our souls, in our spirits' as the poet said; and may we ensure it a lifetime of dignified service. May its portals indeed resonate

echo's of good governance. Let us unite in hailing the dawn of its existence, reach out to it in the hours of scorching heat and other onslaughts by elements of nature and deterioration and let us continue to maintain it for posterity.

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