

CIDB response on industry consultation regarding competitive selection of professional service providers

In November 2003 Cabinet determined that South Africa's procurement would be aligned with best international practices, which includes the appointment of consultants by means of a systematic competitive selection procedure. The CIDB is mandated to determine and establish best practice that promotes procurement and delivery management reform within the construction industry. Also several public sector clients have approached CIDB for assistance in moving towards competitive selection of consultants.

The CIDB has facilitated competitive selection of consultants in appointments related to the construction industry through the Standard for Uniformity in Construction Procurement, and by providing standardized procurement documents and other documents and guidelines for procuring consultants' services. CIDB has also developed a framework for a register of professional service providers as a flexible system to support a range of methods of procurement.

The Board of the CIDB determined that consultation with interested and affected parties in relation to competitive selection of professional service providers be done on a regional basis to ensure adequate participation by the parties. CIDB invited all interested and affected parties to read and comment on the "*DISCUSSION PAPER: The proposed CIDB system for the competitive selection of professional service providers*" which was made available on the homepage of the cidb website.

A series of CIDB workshops were arranged in ten major centres where CIDB presented the framework and engaged in discussion. These were targeted towards construction industry consultants; clients of construction industry consultants; councils, institutions and associations representing consultants and professionals in the construction industry; and treasury officials. Written comment was also invited.

The attached document summarises the concerns and comments raised at the various workshops and in written comment. The CIDB's response to each of these points is then given. It must be noted that the presentation was made in two parts with opportunity for comment after each part. This resulted in several comments being received that were answered in the later part of the presentation. This may make some of the comment appear irrelevant or the responses dismissive. These comments have been retained and responded to in the document for completeness. The points have been arranged into several themes as it was possible to group the concerns and comments around particular issues.

During the process it was observed that there was general support for the proposals, but that there were fears and concerns and specific aspects of the proposals met with objections or alternative proposals. The value of the proposed Register of Professional Service Providers was accepted, particularly as a means of alleviating administrative burden.

The arrangement of issues into themes makes it clear that there are certain aspects of the proposals that require reconsideration or further development. The most frequently raised aspects are:

- **Registration Criteria / Turnover:** The use of turnover (gross turnover) was criticized to some extent. There were views that skilled resources should receive more attention. There was a request to consider net turnover rather than gross turnover.
- **National Rotating List:** The proposal for a national rotating list of all registered service providers was met with a large amount of skepticism. Some preferred that a rotating list should be operated at a client level or regional level. Many believed that the proposal was unworkable in light of past poor results of such systems.
- **Quality Evaluation / Pricing:** There were several negative reactions to the concept of competitive selection, which seemed to result from a perception that price was going to dominate selection. The balance of quality and price within competitive selection appeared not to have been adequately highlighted in the document. Further guidance on quality evaluation and pricing models for competitive selection was called for.
- **Emerging Consultants:** There was some concern that the proposal does not include a developmental aspect / A need was identified to provide an additional developmental approach in conjunction with the existing proposal. Concerns about exclusion of emerging sector were frequently expressed.
- **Further Consultations:** The industry would like to be consulted further as development of the system progresses. A need for CIDB to continue to consult with National Treasury was identified.
- **Client Capacity / Reason for RoPSP:** Many were concerned that clients do not have the capacity to implement the proposals. There were views that current approaches should continue so that service delivery is not disrupted. The CIDB believes that a move to competitive selection is required but that the system should be designed to minimize implementation problems.

The CIDB will consider the input further and refine the proposals to adequately respond to suggestions and concerns. The CIDB welcomes further consultation and input from its stakeholders and will also arrange for further formal opportunities for this to take place.

Theme	Workshop	Issue #	Issue	CIDB Responses/Considerations/Actions	Guideline Required
Acceptance of proposals	LM 04-02-08	LM14	Are clients willing to accept a system that transfers control away from them?	<ul style="list-style-type: none"> The system is designed to be flexible and to cater for the implementation of all rational client choices. 	
Acceptance of proposals	LM 04-02-08	LM15	The experience of the RoC may be of little relevance to RoPSPs as consultants deal with intellectual property / knowledge.	<ul style="list-style-type: none"> Noted. There may be few technical overlaps, but the institutional lessons could be valuable in determining implementation approaches. 	
Alignment with PFMA & MFMA	KZN 23-01-08	KZN05	Does the CIDB standard tender documentation for professional service providers align with the MFMA, PFMA and ISO standard documentation	<ul style="list-style-type: none"> The CIDB system is consistent with the PFMA and MFMA frameworks, but is tailored for the needs of the construction industry. ISO standards are being developed around the CIDB construction procurement system 	
Alignment with PFMA & MFMA	LM 04-02-08	LM01	Will there be any threshold based on contract amount or professional fees?	<ul style="list-style-type: none"> The system has been designed based on professional fees, not the value of the construction works contract arising from an appointment. The thresholds relating to PPPFA, PFMA and MFMA will apply and are catered for. 	
Alignment with PFMA & MFMA	MP 05-02-08	MP08	There are conflicting views on certain issues from a CIDB and a SCM perspective. For example what returnables must be provided for a tender to be considered responsive?	<ul style="list-style-type: none"> Noted. The CIDB has developed a system for construction procurement and addresses these requirements comprehensively in the standard conditions of tender and practice notes. National Treasury has a system with guidance notes for non-construction procurement. Each system establishes its own requirements. 	
Alignment with PFMA & MFMA	NW 01-02-08	NW13	There is a general dislike of competitive tendering from both clients and consultants.	<ul style="list-style-type: none"> Noted. Competitive processes are required (it is a given) and CIDB is facilitating their implementation. 	
Alignment with PFMA & MFMA	KZN2 10-03-08	KZZ04	How can a situation be accommodated where the province has different rules to National Treasury?	<ul style="list-style-type: none"> Employers flexibility of choice within legislation is catered for. 	
Alignment with PPPFA	GP 7-02-08	GP04	Is there adequate integration between the PPPFA and CIDB Act and regulations	<ul style="list-style-type: none"> Yes and the CIDB will ensure this continues to be so. 	
Alignment with PPPFA	NW 01-02-08	NW11	Will the CIDB register align with BBBEE principles?	<ul style="list-style-type: none"> Yes. The intention is to make provision for the future of BBBEE within preferencing and to implement this as soon as legislation around preferencing using BBBEE is finalised. 	
Alignment with PPPFA	NW 01-02-08	NW18	For the purposes of BBBEE it was proposed that CIDB consider that appointments that fall in micro/small categories exclude firms with higher registration levels. This would be for the purposes of development of small business.	<ul style="list-style-type: none"> Noted. This is considered to be unjustifiable, unless preferencing is applied to achieve this outcome. 	
Alignment with PPPFA	KZN2 10-03-08	KZZ16	CIDB should liaise with KZN around variances from National BBBEE approaches.	<ul style="list-style-type: none"> Noted. This is seen to be the area of competence of National Treasury and DTI. 	

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Appeal Process	WC 28-01-08	WC09	Appeal process - who can tenderers appeal to and can they appeal to the CIDB for unfair practices?	<ul style="list-style-type: none"> The PFMA & MFMA SCM regulations stipulate an appeal process. In extreme cases organisations could appeal to the CIDB to investigate in terms of the CIDB's Code of Conduct 	
Applicability to All Spheres of Government	FS 30-01-08	FS22	Will the registration be compulsory?	<ul style="list-style-type: none"> Yes, but only for those entering public sector procurement of identified construction-related professional services. 	
Applicability to All Spheres of Government	FS 30-01-08	FS23	Will the client be obliged to use the CIDB system?	<ul style="list-style-type: none"> Yes. The proposal is that there will be only one (compulsory) register. CIDB recognises that it needs to make it easy for clients to migrate from their existing registers. 	
Applicability to All Spheres of Government	KZN 23-01-08	KZN06	Are the standard procedures mandatory across all spheres of government	<ul style="list-style-type: none"> Yes the RoPSP will be applicable to all spheres of government as well as state owned enterprises 	
Applicability to All Spheres of Government	MP 05-02-08	MP09	How will the proposals impact on private sector projects? How will the proposals impact on projects that are for the provision of a service (such as water supply) but the construction related services are indirectly sourced?	<ul style="list-style-type: none"> There will be no requirement , but private clients may use the register if they choose. The proposals will have no impact on indirectly sourced construction related services. 	
Capacity of Service Providers	WC 28-01-08	WC22	How will the capacity at any point in time of a service provider be assessed as the service provider may already have too much work on?	<ul style="list-style-type: none"> Risk management at the time of tender evaluation remains the role of the client and the issue of capacity must be assessed at the time of tender evaluation. The CIDB are requested to provide guidelines for this. 	Yes
CBE Alignment	FS 30-01-08	FS25	What is the role of the CBE?	<ul style="list-style-type: none"> The CBE is empowered to undertake professional registration of individuals. The CIDB is empowered to regulate construction procurement, and intends to register firms. The identification of work that CBE is undertaking will guide the categorisation of service areas and the associated requirements for qualified persons. 	
CBE Alignment	Gerard Damstra DPW	PW06	Identification of work will have an influence and be kept an eye on	<ul style="list-style-type: none"> Noted and agreed. 	
CBE Alignment	GP 7-02-08	GP05	Is it the intention of the CIDB to ask for the assistance of various professional associations assistance in validating information that consultants provide. There is a potential overlap of work in terms of the work identification process currently being negotiated by the CBE and the BE councils	<ul style="list-style-type: none"> Yes the CIDB will be aligning with the CBE process and welcomes input from the various associations 	

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CBE Alignment	GP 7-02-08	GP29	Table 6 – minimum professional qualification of a person. The proposal then sets about identifying which professionals provide a professional service. This is in conflict with the CBE legislation.	<ul style="list-style-type: none"> The proposals align with the current identification of work proposals developed by the various Councils. The CBE has not yet legislated on this matter. Adjustments will be made whenever the CBE finalises work identification. 	
CBE Alignment	GP 7-02-08	GP35	Architectural technologists - are they excluded?	<ul style="list-style-type: none"> The work currently identified for architectural technologists has very limited application in the public sector. Should the scope increase, the RoPSP will be amended accordingly. 	
CBE Alignment	KZN 23-01-08	KZN25	Will the register include other professional services not covered by the Council for the Built Environment. The CIDB should not leave other professional off e.g. land surveyors in order to streamline procurement	<ul style="list-style-type: none"> Land surveyors are included 	
Client Capacity	GP 7-02-08	GP07	Institutions/ clients should provide enough information on what is required to perform a job. Scoping of work is a key issue and we need to ensure that scopes are properly prepared. Do clients have the capacity to do this?	<ul style="list-style-type: none"> CIDB needs to assist in providing capacity on how to develop scopes of work and collaborate with the various built environment associations and professional bodies to develop appropriate standard scopes of work for the various professions. 	Yes
Client Capacity	GP 7-02-08	GP18	The proposed introduction of the Register of Professional Services Providers is good in principle, however, the timing of the introduction of this is problematic – the country is currently in crisis. Clients are in crisis – they do not have capacity to go through this process. What capacity is left is the public sector cannot cope with the delivery challenges. The CIDB should reconsider when to introduce the RoPSP which should be delayed for a time as the unintended consequences of introducing it now are too onerous.	<ul style="list-style-type: none"> The proposals are designed to facilitate the implementation of compliance with legal requirements. 	
Client Capacity	KZN 23-01-08	KZN02	Clients do not have the capacity to evaluate professional service provider tenders in terms of the system?	<ul style="list-style-type: none"> Accounting officers must ensure that their organisations are appropriately staffed to manage procurement. Specialist assistance may be brought in as required through consultancies. 	
Client Capacity	LM 04-02-08	LM06	Will employers have capacity in evaluating/compiling tenders for professional services?	<ul style="list-style-type: none"> Accounting officers must ensure that their organisations are appropriately staffed to manage procurement. Specialist assistance may be brought in as required through consultancies. 	

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Client Capacity	LM 04-02-08	LM07	Will there be any capacity in smaller provinces / centres considering that the responsible officials are frequently not even qualified in built environment?	<ul style="list-style-type: none"> Accounting officers must ensure that their organisations are appropriately staffed to manage procurement. Specialist assistance may be brought in as required through consultancies. 	
Client Capacity	MP 05-02-08	MP06	Do municipalities have the capacity to implement these systems?	<ul style="list-style-type: none"> Accounting officers must ensure that their organisations are appropriately staffed to manage procurement. Specialist assistance may be brought in as required through consultancies. 	
Client Capacity	NW 01-02-08	NW15	With respect to pricing, there is common difficulty in arriving at an estimate for quotations. True understanding of the value of an appointment is only achieved at the end of the project. If an appointment is made to create the procurement documentation after some conceptual work, a disadvantage occurs of fragmenting the process and taking additional time. Also how does a client appoint a consultant to arrive at a first estimate and produce procurement documents.	<ul style="list-style-type: none"> A client may evaluate in terms of price, preference and quality. There are pricing methods that allow for pricing to be undertaken even when there may be unknowns (for example hourly rates for conceptual work and conversion to a target cost after the concept has been developed and approved will address this issue). Clients may also appoint a consultant on a time basis to develop a concept report which can then be put out to tender. 	
Client Capacity	WC 28-01-08	WC08	Clients (particularly municipalities) do not have the capacity to administer the system and evaluate professional service provider tenders in terms of the system	<ul style="list-style-type: none"> Accounting officers must ensure that their organisations are appropriately staffed to manage procurement. Specialist assistance may be brought in as required through consultancies. 	
Client Capacity	WC 28-01-08	WC10	Clients (particularly municipalities) do not have the capacity to adequately define the scope of work and then evaluate professional service provider tenders in terms of the scope of work. This has resulted in huge variations in tender prices as different consultants are pricing for different scopes of work due to the poorly formulated scope of work within the tender. Inexperienced consultants assume a nominal scope of work relative to what is actually required and hence the huge variations in tender prices	<ul style="list-style-type: none"> The CIDB will need to expand on its current guidance to ensure all these issues are addressed. CIDB needs to assist in providing capacity on how to develop scopes of work and collaborate with the various built environment associations and professional bodies to develop appropriate standard scopes of work for the various professions. 	Yes
Client Capacity	WC 28-01-08	WC11	Evaluation Process - how will the evaluation be undertaken and will the evaluation criteria be evaluated. Currently tender evaluation committees are often made up of non-technical people who have no clue how to evaluate technical expertise in a tender	<ul style="list-style-type: none"> Accounting officers must ensure that their organisations are appropriately staffed to manage procurement. Specialist assistance may be brought in as required through consultancies. PFMA and MFMA require the use of committees for specification, evaluation and adjudication of tenders. 	Yes

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Client Capacity	KZN2 10-03-08	KZZ07	Who is responsible for evaluation of tenders?	<ul style="list-style-type: none"> In terms of the PFMA and MFMA the employer must evaluate tenders. The tender evaluation committee may include resources not employed by the client. 	
Compliance with CIDB Regulations	FS 30-01-08	FS12	Who ensures the client complies to CIDB regulations?	<ul style="list-style-type: none"> CIDB needs to have a training programme on the new regulations once passed. 	
Compliance with CIDB Regulations	LM 04-02-08	LM20	How will CIDB ensure all public sector clients comply with the procurement regulations?	<ul style="list-style-type: none"> CIDB is examining appropriate strategies to promote and ensure compliance with the broad range of regulated requirements. This could include a future Best Practice Project Assessment Scheme and cooperation with the internal audit function of clients. 	
Compliance with CIDB Regulations	KZN2 10-03-08	KZZ01	Client systems run in isolation from CIDB, how will CIDB ensure proper implementation. This also relates to the employment of non-BE professionals to manage procurement of professionals.	<ul style="list-style-type: none"> A roll-out process is envisaged that will include training. CIDB envisages that third party training service providers could be empowered to offer appropriate training. CIDB is examining appropriate strategies to promote and ensure compliance with the broad range of regulated requirements. Accounting officers must ensure that their organisations are appropriately staffed to manage procurement. Specialist assistance may be brought in as required through consultancies. 	
Compliance with CIDB Regulations	KZN2 10-03-08	KZZ18	The proposals do not give an indication of the responsibility / accountability of the client. This is required to prevent manipulation. Can abuse be prevented through the conditions of tender?	<ul style="list-style-type: none"> CIDB is examining appropriate strategies to promote and ensure compliance with the broad range of regulated requirements. This could include a future Best Practice Project Assessment Scheme and cooperation with the internal audit function of clients. The CIDB procurement systems are based on a rules-based approach which allow the Promotion of Administrative Justice Act to be used to remedy any unacceptable actions. 	
Compliance with Tender Conditions	WC 28-01-08	WC01	How strict should the call for proposals be assessed as consultants have been rejected for to supplying some information	<ul style="list-style-type: none"> Those evaluating expressions of interest can only evaluate and score the information that is provided. No information will result in a zero score. All other information if not provided with the submission must be provided by a stipulated period.(See practice notes) 	
Consortiums	FS 30-01-08	FS18	Appointment of consultants in groups (consultant per contractor, lead consultants). Will the documentation provide for this?	<ul style="list-style-type: none"> The system is sufficiently flexible to do so. 	

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Continuous Professional Development points	WC 28-01-08	WC28	Continuous Professional Development points for attending workshop - is attendance of this counted as CDP points and if so how many.	<ul style="list-style-type: none"> Registered persons should be able to do so - most councils allow CPD points to be claimed for industry gatherings of this nature. 	
Design and Construct	WC 28-01-08	WC26	How will design and construct contracts be administered within the system?	They fall under the RoC and not the RoPSPs. This will be clarified in guidance notes	Yes
DPW Documentation Alignment	GP 7-02-08	GP10	Concern about the integration of this framework with other frameworks (e.g. Public Works). Will this system accommodate the other systems in place? Some clients (public works) are ahead on this item. How will CIDB align timeframes?	Noted. The CIDB principles have been circulated in discussion format. Organs of state are free to engage with the CIDB on this.	
Emerging Consultants	FS 30-01-08	FS21	Upcoming consultants – does the system cater for them?	<ul style="list-style-type: none"> Any person who meets the criteria for a qualified person can be recognised. The system is designed to recognise that a consultancy may grow their capabilities and range of services by employing qualified persons. The responsibility for development of professionals lies with the professional councils, learned societies and trade associations. 	
Emerging Consultants	GP 7-02-08	GP14	How is the development of young professionals encouraged as the tendering process complicates this?	<ul style="list-style-type: none"> This issue can be dealt with by clients in a number of ways, including preferencing, financial incentives and contractual requirements (for illustration see CIDB Specification for the Attainment of Social and Economic Deliverables in Construction Works Contracts) 	Yes
Emerging Consultants	GP 7-02-08	GP28	This is an opportunity to deprive the young upcoming consultants. How do we upgrade the young guys and ensure they get experience?	<ul style="list-style-type: none"> This issue can be dealt with by clients in a number of ways, including preferencing, financial incentives, mentoring, joint ventures and contractual requirements (for illustration see CIDB Specification for the Attainment of Social and Economic Deliverables in Construction Works Contracts). Developmental programmes can be dealt with by clients to promote the development of targeted consultants. 	Yes
Emerging Consultants	GP 7-02-08	GP38	CIDB developmental approach – skills transfer and developmental programmes should be prioritized. Will there be a PE status for consultants as with the Register of Contractors	<ul style="list-style-type: none"> PE status is not applicable to the RoPSPs as a person is either qualified or not qualified to provide the service. Developmental programmes can be dealt with by clients to promote the development of targeted consultants through joint ventures, mentoring or subconsulting requirements. 	

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Emerging Consultants	GP 7-02-08	GP39	Should projects which do not need extensive skills be set aside for the emerging sector.	<ul style="list-style-type: none"> Set asides are not permitted by legislation governing procurement. Developmental programmes can be dealt with by clients to promote the development of targeted consultants through joint ventures or subconsulting requirements. 	Yes
Emerging Consultants	MP 05-02-08	MP03	How will the proposals deal with transformation objectives that are being achieved through creating new companies?	<ul style="list-style-type: none"> This issue can be dealt with by clients in a number of ways, including preferencing, financial incentives, mentoring, joint ventures and contractual requirements (for illustration see CIDB Specification for the Attainment of Social and Economic Deliverables in Constuction Works Contracts). Developmental programmes can be dealt with by clients to promote the development of targeted consultants. 	
Emerging Consultants	WC 28-01-08	WC05	Eligibility criteria are exclusionary and disadvantage smaller emerging consultants who lack specific expertise	<ul style="list-style-type: none"> Eligibility criteria are necessary in the selection of specific expertise needed for a particularly project. This allows self assessment before committing resources to a tender. (In the absence of such criteria, tenderers would be excluded on the basis of not having the capability and capacity to perform the contract.) 	
Emerging Consultants	WC 28-01-08	WC24	The definition of qualification of service providers needs to be clearly defined. How will the emerging consultants be qualified if they do not gain experience through being given work?	<ul style="list-style-type: none"> Agreed. Emerging consultants may gain work experience by working in joint venture with others or by employing qualified persons. 	
Emerging Consultants	WC 28-01-08	WC25	The proposed grading criteria are exclusionary and favour the big consultants. They are not levelling the playing fields and are detrimental for new emerging practices	<ul style="list-style-type: none"> Any new practice may participate. Clients have flexibility in selecting approaches that allow new practices to participate if they can meet the capacity and capability requirements set. 	Yes
Emerging Consultants	WC 28-01-08	WC30	The system is seen as protecting the larger firms and creating impediments for emerging consultants.	<ul style="list-style-type: none"> Any new practice may participate. Clients have flexibility in selecting approaches that allow new practices to participate if they can meet the capacity and capability requirements set. 	Yes
Evaluation Criteria	FS 30-01-08	FS03	Tender evaluation criteria and processes set out in tender documentation are often not followed during the evaluation process.	<ul style="list-style-type: none"> CIDB has a role in ensuring the regulations are implemented and in working with the industry to ensure that this happens. CIDB also has a role in educating clients on the regulations 	
Evaluation Criteria	FS 30-01-08	FS04	There must be a balance between cost and quality	<ul style="list-style-type: none"> Agreed. The proposals allow employers to implement a balanced approach. Further guidance is contained in CIDB guidelines, but these will be revisited and improved. 	Yes
Evaluation Criteria	FS 30-01-08	FS11	Financial offer – what do we do where there is a limit to what clients can afford	<ul style="list-style-type: none"> Consultants need to tender what they can do for a fixed price and be evaluated on this basis. 	

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Evaluation Criteria	GP 7-02-08	GP06	Is a standard for evaluation criteria proposed as some clients will have their own standards and requirements particularly for specialist works? e.g. Eskom has specific requirements..	<ul style="list-style-type: none"> The CIDB wants to promote standardisation as far as possible, however, if clients has reasonable specific requirements for specialists this can be incorporated 	
Evaluation Criteria	MP 05-02-08	MP05	How will the evaluation of subconsultants be dealt with?	<ul style="list-style-type: none"> The proposals are centred on the appointment of a consultant able to manage a professional services appointment. 	
Evaluation Criteria	NW 01-02-08	NW07	Can there be standard evaluation criteria?	<ul style="list-style-type: none"> Yes. The proposals give basic guidance on this, but these criteria can be improved on. 	Yes
Further Consultations	FS 30-01-08	FS06	The document should go back to the professional bodies for another review as it is amended	<ul style="list-style-type: none"> Noted The professional bodies will have a futher opportunity to comment on the draft regualtions. 	
Further Consultations	FS 30-01-08	FS19	CIDB should have a comments page on their website.	<ul style="list-style-type: none"> Noted. 	
Further Consultations	FS 30-01-08	FS20	CIDB should consult with treasury at every stage.	<ul style="list-style-type: none"> Agreed. CIDB does have a good working relationship with National Treasury and will continue to consult with them. 	
Further Consultations	Gerard Damstra DPW	PW07	Unfinished discussions with the National Treasury regarding thresholds etc. will have to resumed urgently. The snails pace on this issue should not prevail much longer.	<ul style="list-style-type: none"> Noted. The proposals accommodate a position that has taken into account the views of National Treasury and the impossibility of flexibility on certain issues. The recent PFMA quotation threshold may have assisted to some extent. 	
Further Consultations	Gerard Damstra DPW	PW08	You mentioned getting me to work with you on a task team for the register of Service Providers – what has become of that?	<ul style="list-style-type: none"> Noted. Further consultation on an existing discussion paper flowing out of the task team work has taken place. 	
Further Consultations	NW 01-02-08	NW14	CIDB should engage with National Treasury to ensure lessons from other industries/sectors are learnt. For example the procurement of medical professional's services.	<ul style="list-style-type: none"> Noted and agreed. 	
Further Consultations	NW 01-02-08	NW16	Is CIDB consulting other bodies involved (e.g. Councils, Institutions, Associations)? Are CIDB views allowing correspondence with other bodies requirements?	<ul style="list-style-type: none"> Yes. Alignment with other legislation is a guiding principle in preparing the proposals. 	
Further Consultations	NW 01-02-08	NW17	After this consultation will there be a process for endorsement of the revised product?	<ul style="list-style-type: none"> Yes. The revised product will be captured in draft regulatons which will be issued for comment. 	
Further Consultations	KZN2 10-03-08	KZZ08	Has there been a buy-in by associations, institutions, etc.?	<ul style="list-style-type: none"> Associations and institutions were invited to the consultation process. General reaction has been positive. 	
Further Consultations	KZN2 10-03-08	KZZ11	Have the views of those clients who have experienced charging of fees without the delivery of proper service been take into account?	<ul style="list-style-type: none"> Noted. The RoPSPs will include performance reporting and "blacklisting" which should address the concern. 	
Geographic Distribution	LM 04-02-08	LM23	How rigidly will geographic location be applied? A firm may be close to an opportunity, but be in a	<ul style="list-style-type: none"> Noted. The proposals do accommodate this concern. 	

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			different province.		
Geographic Distribution	WC 28-01-08	WC06	Equitable geographic distribution of work - how will this be managed so that there is a fair distribution of work?	<ul style="list-style-type: none"> The proposed system for low value assignments does not provide equitable work. It provides equitable opportunities to access work opportunities in a competitive environment. 	
Geographic Distribution	WC 28-01-08	WC07	Geographic issues - focused on local selection prejudices national companies from competing fairly as national companies can easily deploy resources on a project basis to a local project	<ul style="list-style-type: none"> The ceiling value for the electronic system takes care of the concern. The national offices can register their branch offices. 	
Innovations	GP 7-02-08	GP23	Has the discussion document been tested on sensitivity? It should not just be a tool to make things easier, but to make things better. Design and build is not discussed in the document. How would the registers contribute to innovation? How would the register encourage innovative procurement methods?	<ul style="list-style-type: none"> This may be dealt with in the second phase and through practice notes. 	Yes
Joint Ventures	FS 30-01-08	FS15	Will there be a JV calculator	<ul style="list-style-type: none"> Yes 	
Joint Ventures	NC 31-01-08	NC11	Do all members of a JV require registration?	<ul style="list-style-type: none"> Not necessarily as it depends on which procurement options are used. In some options only the lead partner need be registered. 	
Joint Ventures	NC 31-01-08	NC17	Will JVs be required to register to be eligible to be awarded an appointment?	<ul style="list-style-type: none"> Not necessarily as it depends on which procurement options are used. In some options only the lead partner need be registered. 	
Legality of Register	FS 30-01-08	FS26	What is the status of the legal opinion of where the register is hosted?	<ul style="list-style-type: none"> Our legal opinion agreed that a Register of Professional Service Providers should reside with CIDB. 	
Local Offices	FS 30-01-08	FS14	What do you do with sourcing of work to other geographic offices?	<ul style="list-style-type: none"> Each and every office who satisfies the criteria may be registered. 	
Local Offices	FS 30-01-08	FS16	How does the system accommodate for a company having a qualified person in another location other than the geographic area.	<ul style="list-style-type: none"> The electronic system does not. However, if tenders are called for, qualified persons in other geographic areas may provide the service. 	Yes
Local Offices	GP 7-02-08	GP26	Geographic location – condition of having a fully equipped office in an outlying area. This will be limiting in smaller towns and outlying areas and may have several unintended consequences.	<ul style="list-style-type: none"> The proposals attempt to promote sensible arrangements of office location and size of area from which firms are drawn. The CIDB will monitor this during implementation and adjust the system to address any unintended consequences. 	

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Local offices	KZN 23-01-08	KZN18	The requirement to have highly skilled professionals all over the country within local offices before a firm is appointed for local work is unrealistic and exclusionary. A firm can easily deploy professionals to undertake projects at any location within the country and this is a normal business strategy adopted. The focus on procurements within local offices is exclusionary	<ul style="list-style-type: none"> The proposed roster will be used for geographic appointments for small appointments of less than R1,5m. 	
Local Offices	KZN 23-01-08	KZN34	What will happen where a tender is won by one office and then allocated by the firm to be done by one of the other offices? This is normal business practice in order to maximise the use of resources within a firm	<ul style="list-style-type: none"> CIDB will monitor this during implementation as it does not wish to over regulate and restrict efficient business practice. The low value of assignments does address the concern to some extent. 	
Local Offices	KZN 23-01-08	KZN35	Can offices on close proximity combine resources and financials to raise their rating?	<ul style="list-style-type: none"> The rating is only applicable when tenders are invited. (Offices can combine resources to improve their ratings when tendering. 	
Local offices	KZN2 10-03-08	KZZ22	Multidisciplinary projects require people of which there is a critical shortage. The small local multidisciplinary jobs cannot be done with local resources.	<ul style="list-style-type: none"> Agreed. Muntidisciplinary projects should be tendered. 	
Monitoring System	GP 7-02-08	GP19	Does CIDB have a monitoring system to look at the integrity of the register? What would happen if there are changes to the circumstances of the consultants? This applies to both the Register of Professional Service Providers and the Register of Contractors	<ul style="list-style-type: none"> Cost constraints are limiting this, but monitoring of the data in the register is needed. The design of the system will minimise the need for monitoring. 	
Monitoring System	KZN 23-01-08	KZN24	Improperly constituted offices – i.e. "ghost offices" how will the CIDB deal with this? CIDB should work with local chapters of institutions to ensure anyone on the list for the province is correct.	<ul style="list-style-type: none"> Noted. The CIDB will consider this. 	
Monitoring System	MP 05-02-08	MP14	Information provided should be verified. Does CIDB have the capacity to administer this?	<ul style="list-style-type: none"> The CIDB recognises this issue as an imperative and will examine methods of ensuring verification is rigorous. 	
Monitoring System	LM 04-02-08	LM08	How will the register be controlled and maintained?	<ul style="list-style-type: none"> Registered firms will be responsible for updating their registration information. CIDB will verify this information before it is reflected. 	
Municipal Regulations Conflict	KZN 23-01-08	KZN01	Central CIDB data base – this may be in conflict with the requirements of Regulation 14 of the MFMA which requires municipalities establish their own data base.	<ul style="list-style-type: none"> Registers are used for different purposes - one for procurement and another for payment. CIDB has had several discussions with Treasury on this ongoing issue as it also affects the RoC. 	

Theme	Workshop	Issue #	Issue	CIDB Responses/Considerations/Actions	Guideline Required
National Roster	AFRICON	AF01	<p>About the possibility of applying this Register to a rotating list of PSP's for assignments not exceeding R1,5m, there are still a number of outstanding practical issues which needs to be dealt with – e.g the application of this on a national basis vs application on provincial basis, the question of capacitating the CIDB to roll out the registration, the degree to which public sector clients' will "buy into" the idea and use this tool and the question of what legislative mandate the CIDB has in enforcing the use of the Roster. It's of concern whether Client bodies are going to subscribe to one procurement policy. Government Departments, Municipalities and Parastatals each have their own procurement guideline and these may have to be combined so that all procure their services from the common roster which will be managed by the CIDB. Will the client bodies be willing to implement and do they have the competency to implement the unified system? All these concerns and preventing the possible manipulation of the register when applied as a roster would have to be sufficiently addressed before implementation.</p>	<ul style="list-style-type: none"> Proposals work on the distance to the opportunity. Clients will not be able to introduce client-specific boundaries, this may be done through preferencing. 	
National Roster	FS 30-01-08	FS08	<p>Would the client have any influence in determining who is able to tender off the rotational roster (which 5 will be selected to tender). This would be important in determining that the appropriate firms are selected to tender.</p>	<ul style="list-style-type: none"> Clients will only be permitted to establish the parameters for the procurement. The five highest ranked service providers, satisfying these parameters, will be eligible for a nominated procedure. Clients may use alternative procedures (e.g. qualified procedure) where the nominated procedure would not result in an acceptable outcome. 	
National Roster	GP 7-02-08	GP24	<p>Is it feasible to have a single national roster linked to the RoPSP? Would it not be better to provide a framework for the roster system that could be used on a decentralized basis? The central roster takes away the ability of services providers to decide if they are going to bid for a particular project or not. The roster will automatically select an organisation and that organisation may not at that point in time want to tender on that particular project. That organisation is then moved to the bottom of the roster even though they did not tender. This is unfair and takes away the rights of organisations to tender on work that they want to.</p>	<ul style="list-style-type: none"> A decentralised rotating database would result in PSPs being required to register at multiple points. This is wasteful of scarce resources. The rotating data base is not the only source of work opportunities - work can be accessed through competitive tendering. If all that were given the opportunity rotate to the bottom of the roster, then roster opportunities arise more frequently. Those invited to submit tenders may decline to do so. The use of five nominated tenderers contemplates that not all may tender but that probably three or more would. 	

Theme	Workshop	Issue #	Issue	CIDB Responses/Considerations/Actions	Guideline Required
National Roster	GP 7-02-08	GP27	A central roster that rotates nationally is a total disaster. Yes have a central register but not a centralised roster. This should be able to done in a decentralized way. Who says an organisation will even want to tender for a particular job that the roster "throws at the organisation". Greater control should be given to the clients within a framework.	<ul style="list-style-type: none"> A decentralised rotating database would result in PSPs being required to register at multiple points. This is wastefull of scarce resources. Those invited to submit tenders may decline to do so. The use of five nominated tenderers contemplates that not all may tender but that probably three or more would. 	
National Roster	LM 04-02-08	LM03	In the case of the Rotational system will it operate manually or electronically? How will it be managed and how credible in terms of fairness will it be?	<ul style="list-style-type: none"> The sytem will be electronically operated in terms of closed software (black-box) approach, i.e. fully automated. 	
National Roster	LM 04-02-08	LM17	Will the ROP data base be centralized or divided into local/regional parts? Is there a human element in the system that can be manipulated?	<ul style="list-style-type: none"> A decentralised rotating database would result in PSPs being required to register at multiple points. This is wastefull of scarce resources. Those invited to submit tenders may decline to do so. The use of five nominated tenderers contemplates that not all may tender but that probably three or more would. The sytem will be electronically operated in terms of closed software (black-box) approach, i.e. fully automated. 	
National Roster	LM 04-02-08	LM24	Rotation as proposed could be viewed as unfair as it is quite possible that a firm would never be awarded work.	<ul style="list-style-type: none"> Compettive selction can never guarantee work. 	
National Roster	NC 31-01-08	NC03	Will a tenderer who is given an opportunity through the rotating data-base and does not win also rotate to the bottom of the data-base?	<ul style="list-style-type: none"> Yes. All the database does is that it provides tender opportunities. It does not guarantee appointments. 	
National Roster	NC 31-01-08	NC07	Is the proposal to select 5 tenderers to compete for low value, single service area appointments appropriate?	<ul style="list-style-type: none"> The MFMA SCM regulations do not permit the apppointment of a single service provider for routine appointments. To align with this single service provider appointments were not allowed. The parameters to be tendered do not need to be onerous. 	
National Roster	NC 31-01-08	NC10	Can rotation within the rotating data-base take place on a regional / provincial level?	<ul style="list-style-type: none"> A decentralised rotating database would result in PSPs being required to register at multiple points. This is wastefull of scarce resources. 	
National Roster	NC 31-01-08	NC18	Is the nomination of five tenderers and all rotating fair? A show of hands indicated 100% opposition to this proposal.	<ul style="list-style-type: none"> The roster is not the only source of work opportunities - work can be accessed through competitive tendering. If all that were given the opportunity rotate to the bottom of the roster, then roster opportunities arise more frequently. 	
National Roster	NC 31-01-08	NC19	There is a risk in the current proposals for rotation that competition will always be between the same (or similar) firms	<ul style="list-style-type: none"> In practice this is unlikely to occur as the search criteria for individual procurement opportunities will differentiate between firms. 	

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National Roster	NW 01-02-08	NW03	What is the reasoning behind the proposals for rotation?	<ul style="list-style-type: none"> The proposals allow for rapid appointments, where the client deals with a limited number of service providers. 	
National Roster	NW 01-02-08	NW04	Do all five of the nominated tenderers in a nominated procedure rotate?	<ul style="list-style-type: none"> The roster is not the only source of work opportunities - work can be accessed through competitive tendering. If all that were given the opportunity rotate to the bottom of the roster, then roster opportunities arise more frequently. 	
National Roster	KZN2 10-03-08	KZZ03	Why should an unsuccessful tenderer in a nominated procedure also be repositioned?	<ul style="list-style-type: none"> The roster is not the only source of work opportunities - work can be accessed through competitive tendering. If all that were given the opportunity rotate to the bottom of the roster, then roster opportunities arise more frequently. Administratively it is impossible to hold a position pending the outcome of a tender. 	
National Roster	KZN2 10-03-08	KZZ06	Should the roster reside with CIDB?	<ul style="list-style-type: none"> Yes. The CIDB is an uninterested party in PSP appointments and has a mandate to regulate construction procurement. The CIDB Act envisages a RoPSPs and the rotating database will have to link to this register. 	
National Roster	KZN2 10-03-08	KZZ12	The roster is expected to have major teething problems at implementation.	<ul style="list-style-type: none"> The CIDB proposes to test the system and to pilot the implementation. 	
National Roster	KZN 23-01-08	KZN07	Will the roster assist clients in the procuring professional service providers or make the problem worse?	<ul style="list-style-type: none"> Noted as a concern, but this is not the prevailing view. 	
National Roster	SAACE	ACE05	The SAACE strongly advises against the use of a rotating roster operating nationally. Instead, the CIDB Register should contain the standard information of a service provider which would be required by a client as part of its procurement process. This would prevent consultants having to register with each and every client in order to be listed on such a client's register. Consultants will only be required to register once on a national level on the CIDB Register. Clients could populate their own databases or rotating rosters from the national CIDB Register.	<ul style="list-style-type: none"> Noted as an option and will be considered in revisions. 	
Non Compliant Documentation	GP 7-02-08	GP08	If RFPs are not compliant or aligned to CIDB standard for uniformity – what can be done about it?	<ul style="list-style-type: none"> The CIDB has a responsibility to enforce regulations and powers to investigate breaches. The CIDB should be informed of serious breaches. 	

Theme	Workshop	Issue #	Issue	CIDB Responses/Considerations/Actions	Guideline Required
Ownership Requirements	GP 7-02-08	GP17	What is the definition of principals of an organisation? The registration requirements are that 50% ownership by of principals is required? This is different for small and large firms. Large firms may have more than 50% ownership either by other companies or by the staff (mainly through BEE deals) with principals owning less than 50%.	<ul style="list-style-type: none"> A principal will be defined as a natural person who is a partner in a partnership, a sole proprietor, a director in a company or a member of a close corporation. This will address the concern regarding shareholding. 	
Ownership Requirements	GP 7-02-08	GP37	50% of principals should be registered. This is unfair on technicians who should be included within the ownership as part of the 50%.	<ul style="list-style-type: none"> This is a work identification issue and is based on current proposals. Will revisit once the CBE has finalised work identification. 	
Poor Consultant Performance	FS 30-01-08	FS09	Does the system deal with the blacklisting of non-performers.	<ul style="list-style-type: none"> Regulations in this respect will be provided. 	
Poor Consultant Performance	GP 7-02-08	GP34	How will poor performance/blacklisting be coordinated with the other disciplinary procedures of councils	<ul style="list-style-type: none"> Non-performance of individuals will be forwarded to the Councils. Non performance of a PSP will be dealt with by CIDB. 	
Poor Consultant Performance	KZN 23-01-08	KZN23	How will non-performance of consultants be dealt with. Will penalties be applied for poor performance? Performance should be reported on the RoPSP	<ul style="list-style-type: none"> Non-performance should be dealt with in terms of the contract between the client and service provider and severe non performance can be dealt with by the CIDB through deregistration or suspension for a period of time. 	
Poor Consultant Performance	KZN 23-01-08	KZN29	The register needs to deal with poor performance and share information on poor performance.	<ul style="list-style-type: none"> This may be dealt with in the second phase. 	
Poor Consultant Performance	NC 31-01-08	NC05	What are the client's options if a service provider fails to perform?	<ul style="list-style-type: none"> Regulations for blacklisting are being considered and a possible Best Practice Recognition Scheme could assist in identifying good and bad performers. 	
Poor Consultant Performance	NC 31-01-08	NC16	Will disciplinary action be taken against firms or persons?	<ul style="list-style-type: none"> Firms will have to comply with the Code of Conduct for parties engaged in construction procurement. Those that do not may be disciplined. 	
Poor Consultant Performance	WC 28-01-08	WC18	How will substandard performance and track record be administered in the system?	<ul style="list-style-type: none"> This will form a second phase of the RoPSP, and basic reporting of performance will be incorporated into the Register of PSP contracts. 	
Preferencing	KZN 23-01-08	KZN13	In terms of the Preferential Procurement Policy Framework Act (90/10 or 80/20) – white owned firms have to be 10-20% cheaper which puts them at a disadvantage.	<ul style="list-style-type: none"> Noted. Transformation is a necessary imperative 	
Preferencing	MP 05-02-08	MP07	BBBEE is not understood or used by clients as a preferencing option.	<ul style="list-style-type: none"> Noted. Relates to National Treasury and DTI, but CIDB will need to provide guidance and facilities for implementing BBBEE in procurement. 	Yes

Theme	Workshop	Issue #	Issue	CIDB Responses/Considerations/Actions	Guideline Required
Preferencing	WC 28-01-08	WC17	What is the point of provincial policies in terms of the Preferential Policy Framework Act?	<ul style="list-style-type: none"> Noted. Each organ of state must determine their own preferencing policy in line with the PPPFA. 	
Pricing	Gerard Damstra DPW	PW03	Pg 5: The simplification of fee calculations as proposed in the document may lead to problems – as was also referred to in the meeting of 23 November 2007 referred to above. The general feeling I got back from the meeting was that basing the tendered fee on mere percentage of the construction costs was not widely supported. Whether, in the light of the afore, a tendering system on a “f” factor will have support must be tested with the professional councils and voluntary bodies. There is a complication factor locked up in the fact that engineering fees are substantially different from architectural and quantity surveying fees in that the former is based on only the portion of the works with which engineers are associated while the latter normally is a factor of the complete costs of the construction works, save for some exclusions. Whether the proposal will fly therefore remains to be seen.	<ul style="list-style-type: none"> Noted. The Inform Practice Note has been posted on the CIDB website for comment. 	
Pricing	GP 7-02-08	GP30	Making the professional service provider a contractor with too low a price will simply result in more overload of the client in now having to police instead of rely on the service provider. You don't want to supervise your consultant too closely or you may as well do it yourself.	<ul style="list-style-type: none"> Noted. This is true of any procurement. A contract should only be awarded where it is free of unduly low prices. Standard scopes of work do exist and may be used to specify the client's expectations. 	
Pricing	GP 7-02-08	GP32	Cost cutting destroys development within the industry (at the expense of quality). There is a need for a critical mass of knowledge and expertise within an organisation. Is there not room to exclude price competition and have only quality competition?	<ul style="list-style-type: none"> The proposals are sufficiently flexible to allow competition largely on the basis of quality. There should always be an element of price within the competition. If there is a balance between quality and price as this can allow the reward of efficiency as well as the allow a prospect for achieving value. The absence of price skews the selection in favour of the most experience. 	
Pricing	KZN 23-01-08	KZN12	Fixed Fees - how will fixed fees be adjusted for scope changes.	<ul style="list-style-type: none"> This must be done in accordance with the provisions in the conditions of contract. 	
Pricing	KZN 23-01-08	KZN14	Discounting of Fees – the CIDB should take a strong stance on the issue of the discounting of fees due to the unintended consequences of discounting fees.	<ul style="list-style-type: none"> The policy and recommendations regarding fees that should be charged by PSPs is dealt with by the professional councils. The issue of discounting needs to be considered on a case-by-case basis. 	

Theme	Workshop	Issue #	Issue	CIDB Responses/Considerations/Actions	Guideline Required
Pricing	KZN 23-01-08	KZN19	Fee competition is detrimental to the industry with many unintended consequences including false economy and promoting bad engineering practices. The CIDB should take a stance on this!	<ul style="list-style-type: none"> The policy and recommendations regarding fees that should be charged by PSPs is dealt with by the professional councils. The issue of discounting needs to be considered on a case-by-case basis. 	Yes
Pricing	LM 04-02-08	LM05	Pricing can be influenced by factors such as who the contractor is, who the project manager is, other consultants involved, etc. How will this be accommodated?	<ul style="list-style-type: none"> The contractual arrangements can deal with many of these aspects. Alternatively consultants will need to risk-price for these aspects. The current system of tariff-based appointments has, perhaps, less flexibility. 	
Pricing	LM 04-02-08	LM13	How will the ECSA/MIG tariffs be incorporated in the ROPSP system?	<ul style="list-style-type: none"> Tariffs can form a benchmark for judging reasonableness of offers. All tariffs issued are, in any event, guidelines. 	
Pricing	NC 31-01-08	NC20	Do the proposals deal with discounting by setting a limit to discounting of fees?	<ul style="list-style-type: none"> No. The policy and recommendations regarding fees that should be charged by PSPs is dealt with by the professional councils. The issue of discounting needs to be considered on a case-by-case basis. 	
Pricing	KZN2 10-03-08	KZZ05	Does the system recognise fee scales?	<ul style="list-style-type: none"> No. Clients may use fee scales as a benchmark, or as a baseline for tendering a factor against (up or down). Tariffs can form a benchmark for judging reasonableness of offers. All tariffs issued are, in any event, guidelines. 	
Pricing	GP 7-02-08	GP15	The use of generic scopes of works is difficult in this sector for upfront investigative work and the direction of the project may change dependent on the early stages of feasibility. How can these unknowns be adequately incorporated into a competitive tendering process?	<ul style="list-style-type: none"> A client may evaluate in terms of price, preference and quality. There are pricing methods that allow for pricing to be undertaken even when there may be unknowns (for example hourly rates for conceptual work and conversion to a target cost after the concept has been developed and approved will address this issue). Clients may also appoint a "transaction advisor" who could develop a project (or multiple projects) to a point where it may be put out to tender. 	Yes
Pricing	GP 7-02-08	GP22	Unintended consequences to regulation – regulations tend to make things rigid. What is the intention of this in terms of construction industry development? In terms of construction industry development there is such a thing as too low a price and the focus on price will result in serious unintended consequences.	<ul style="list-style-type: none"> A client may evaluate in terms of price, preference and quality. The client may find an appropriate balance between price and quality. The policy and recommendations regarding fees that should be charged by PSPs is dealt with by the professional councils. The issue of discounting needs to be considered on a case-by-case basis. 	
Prior Performance	GP 7-02-08	GP31	It is vital that prior performance be recognized and included in a quality assessment.	<ul style="list-style-type: none"> The CIDB should incorporate this in the RoPSP Best Practice Assessment Scheme. 	

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Prior Performance	KZN2 10-03-08	KZZ10	Will there be feedback on the performance of PSPs on past appointments? Will the past performance be usable in evaluation of tenders?	<ul style="list-style-type: none"> The CIDB should incorporate this in the RoPSP Best Practice Assessment Scheme. 	
Procurement Policy	KZN 23-01-08	KZN31	Large companies can tender on small jobs, but small companies can't tender on big jobs – is this fair?	<ul style="list-style-type: none"> Large companies have the capacity to do small work but small companies do not necessarily have the capacity to do large work. 	
Procurement Policy	NC 31-01-08	NC13	How will emergency procurement be dealt with?	<ul style="list-style-type: none"> Regulations will allow for emergency procurement in the same way as for the appointment of construction works contractors. 	
Procurement Procedures	AFRICON	AF01	In Table 3 of the Discussion Paper, the standard methods of procuring professional services are outlined and it also provides a very broad guide as to the recommended usage. Taking into consideration the current shortage of skills in public sector's procurement departments (as well as the shortage of technical skills which hinders well defined and clear scope of works in Requests for Proposals), we would recommended that the "Recommended usage" be provided in much more detail – i.e definite categories as to for which type/scale of projects the various methods are recommended.	<ul style="list-style-type: none"> Noted. CIDB will need to provide more comprehensive guidance during the roll-out. 	Yes
Procurement Procedures	LM 04-02-08	LM25	There needs to be guidance on the limitations and application of the various procurement procedures, particularly to avoid corruption.	<ul style="list-style-type: none"> Noted. CIDB will need to provide more comprehensive guidance during the roll-out. 	Yes
Procurement Procedures	NC 31-01-08	NC08	Will it be possible to alter procurement procedures or other options during a tender process?	<ul style="list-style-type: none"> Yes. But not after closing of tenders as tenderers must be allowed time to address the new requirements. 	
Procurement Procedures	NW 01-02-08	NW01	Are clients allowed to adopt the proposals and use them curently (i.e. before the regulations are published)?	<ul style="list-style-type: none"> Yes. All these procedures are already in the CIDB's Standard for Uniformity in Construction Procurement. 	
Procurement Procedures	NW 01-02-08	NW02	Is it possible for clients to deviate from the proposals (currently and future)?	<ul style="list-style-type: none"> No. Amendments would be required to the Standard for Uniformity in Construction Procurement to do so. 	
Procurement Procedures	NW 01-02-08	NW10	Will the practice of procuring work and ceding the entire work be disallowed as hoped?	<ul style="list-style-type: none"> The CIDB and NEC forms of contract require the client's permission to subcontract services. 	
Procurement Procedures	KZN2 10-03-08	KZZ17	The nominated approach is proposed to be used up to R1.5m. What is the influence of the quotation threshold?	<ul style="list-style-type: none"> None. The approach of requiring five tenderers to be nominated also makes sense for projects below the quotation threshold as not all may submit offers. 	

Theme	Workshop	Issue #	Issue	CIDB Responses/Considerations/Actions	Guideline Required
Procurement Procedures	KZN2 10-03-08	KZZ20	For qualified processes, what will be required in terms of documentation?	<ul style="list-style-type: none"> CIDB provides templates that may be adopted by clients in their construction procurement. 	
Professional Indemnity	FS 30-01-08	FS05	If you tender below the prescribed fee scale, will you still have your PI cover?	<ul style="list-style-type: none"> Yes. PI insurers do not prescribe the fee to be charged. 	
Professional Indemnity	KZN 23-01-08	KZN17	PI cover – should be on a project by project basis when the procurement takes place. It may be too expensive for small firms to maintain the PI cover constantly.	<ul style="list-style-type: none"> It is essential that PI cover is uninterrupted and not be on a one off basis. Discussions with Glenrand MIB indicate that there is no sense in taking out short term insurance for a one off project. The policy is more expensive and payment must be made on a lump sum basis for the period of cover. Clients only have the relief offered by PI through PSP (policy holder) during the period of cover and not after the expiry of the cover. (Clients have relief to a PSP with an uninterrupted policy as long as the premiums are paid, failing which they will have to pursue the PSP in their personal capacity). Employers will be delayed if a PSP is to arrange cover on a project by project basis. It should be noted that the SACAP and SACQSP codes of conduct prohibit a registered person from undertaking architectural / quantity surveying consulting work without adequate and appropriate professional indemnity cover. The ECSA code of conduct requires registered persons to disclose to their clients their status pertaining to professional indemnity cover. Professional indemnity is a requirement for SAACE membership. The definition of a competent person in the Housing Consumer Protection Measures Act, 1999, includes the “holding the indemnity insurance prescribed by the Council”. The NHBRC currently has 2300 registered competent persons with professional indemnity insurance. This requirement supports industry best practice. 	
Quality Criteria	GP 7-02-08	GP03	Rating of experience – this can limit the opportunities for young people (up and coming engineers) to develop through the system.	<ul style="list-style-type: none"> The Standard for Uniformity addresses this issue (see 4.3). 	Yes
Quality Criteria	GP 7-02-08	GP02	Terms used are too undefined and subject to interpretation which is not good as it leads to confusion. An objective rating of the tender is required. Terms such as "limited", "good" "reasonable" subjective. Instead an objective rating should be used stating for example a specific score for a specified no. of years experience	<ul style="list-style-type: none"> These prompts for judgement are expanded upon in the CIDB website. They need to be applied by built environment professionals who are familiar with what is required. 	Yes

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Quality Criteria	NC 31-01-08	NC09	Are the quality criteria all fair? It may be unfair to use issues like local knowledge when it may not be necessary.	<ul style="list-style-type: none"> CIDB should consider expanding its current guidelines for the compilation of quality criteria under specific circumstances 	Yes
Quality Criteria	NC 31-01-08	NC15	How can the proposed approach deal with a multidisciplinary project where the tenderer actually has limited capacity although being registered appropriately (complex project)	<ul style="list-style-type: none"> This can be resolved through joint ventures or subconsulting work to others as is currently the case. 	
Quality Criteria	NW 01-02-08	NW19	Quality and eligibility criteria for specific projects should be relevant to those projects.	<ul style="list-style-type: none"> Agreed. Additional guidance will be provided. 	Yes
Quality Evaluation	Gerard Damstra DPW	PW01	Pg 1: 4th paragraph: Reference is made to "The competitive selection system should accordingly include restricted tendering procedures for preparing shortlists of consultants, and selection methods that are based primarily on quality considerations and have cost considerations as a subsidiary aspect". As you would have deduced at the meeting we had with the professional bodies on 23 November 2007, I am of the view that the emphasis on selection based on quality considerations is not feasible for the DPW in all instances. Most of our projects are quite simple and routine in nature. Most of these routine projects are relative small in value or extent (police stations, magistrates offices, defense quarters, etc) with not the world of opportunities for professional service providers to demonstrate ground-breaking principles in design (whether these pertain to energy efficiency, design innovation etc) on which to measure quality aspects as were referred to by some representatives at the said meeting on 23 November 2007.	<ul style="list-style-type: none"> Quality may or may not be included in the evaluation criteria by a client. For routine appointments registration may be sufficient to eliminate those who are not capable to undertake the work. Where the use of quality criteria are justifiable this must be allowed for. 	
Quality Evaluation	Gerard Damstra DPW	PW02	We do not have architectural, engineering or quantity surveying staff in all of our offices, which may entail that Project Managers have to make judgement calls on quality scoring issues when they are not really qualified to do so. Hence the stance I took that there is room for a selection of price and preference only whilst subjecting the Tenderers to a risk assessment in order to mitigate the risks the DPW enters into when awarding such tenders. The latter is fairly simple and not so much prone to subjectiveness as when a decision has to be made on quality scoring which eventually determines or	<ul style="list-style-type: none"> The proposals are sufficiently flexible to allow for this. 	

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			has an influence on who scores the highest.		
Quality Evaluation	GP 7-02-08	GP01	Will the evaluation criteria be declared as part of the tender document/ call for expressions of interest?	<ul style="list-style-type: none"> Yes, this must be included in the tender data or submission data. The CIDB has guidelines in this regard. 	
Quality Evaluation	GP 7-02-08	GP09	How quality is scored in terms of the CIDB guideline. Why does scoring occur as you propose minimum 60% when this is between poor and satisfactory?	<ul style="list-style-type: none"> The 60% score is the minimum cumulative score for the various combined criteria whereas the scoring per criteria is as recommended in the guideline from which the average is then calculated. The CIDB welcomes inputs on the quality scoring guidelines. 	
Quality Evaluation	GP 7-02-08	GP25	Quality based selection – in terms of the experience with international organisations (e.g. EU, World Bank) the selection is based on good proposal writing as opposed to the service delivery of the organization. There is no feedback mechanism on the actual performance of organisations versus their good proposal writing at tender stage. The previous basis of selection ensured quality. Will this system just ensure the best proposal writers win bids?	<ul style="list-style-type: none"> There are a number of parameters that may be called up for assessing quality. As a result quality will not always be assessed on a proposal basis. The client may verify or confirm claims made in submissions or conduct interviews. 	
Quality Evaluation	KZN 23-01-08	KZN04	Quality scoring - will bidders have access to the scoring of tender evaluations i.e. will the tender evaluation scoring for quality be transparent	<ul style="list-style-type: none"> The total quality score should be disclosed. The CIDB recommends that the assessment criteria be disclosed to tenderers. The CIDB has provided guidelines on how quality scoring should take place. 	Yes
Quality Evaluation	KZN 23-01-08	KZN09	Getting the correct criteria for evaluating tenders is the challenge – it is important to have an informed client and the capacity of clients to adequately undertake quality based procurement	<ul style="list-style-type: none"> Agreed. CIDB has provided guidance and accounting officers must ensure that their organisations are appropriately staffed. Specialist assistance may be brought in as required through consultancies. 	Yes
Quality Evaluation	KZN 23-01-08	KZN11	There is concern about quality criteria being used to exclude firms and consultants unnecessarily.	<ul style="list-style-type: none"> The Standard for Uniformity addresses this issue (see 4.3). 	Yes

Theme	Workshop	Issue #	Issue	CIDB Responses/Considerations/Actions	Guideline Required
Quality Evaluation	NC 31-01-08	NC01	Who will evaluate quality in tender submissions?	<ul style="list-style-type: none"> CIDB is developing guidelines for the composition of evaluation committees, including the use of resources outside the client's employees. 	Yes
Quality Evaluation	NC 31-01-08	NC02	Who will take responsibility for the final decision on the award of a tender?	<ul style="list-style-type: none"> The accounting officer / accounting authority as per PFMA / MFMA. 	
Quality Evaluation	NW 01-02-08	NW05	The evaluation committee will only operate effectively if there are selection criteria for selection onto the the evaluation committee.	<ul style="list-style-type: none"> CIDB is developing guidelines for the composition of evaluation committees, including the use of resources outside the client's employees 	Yes
Quality Evaluation	WC 28-01-08	WC02	Who decides of the criteria for evaluation of quality based tenders	<ul style="list-style-type: none"> The evaluation criteria must be established and published in the call for tenders. The Tender Evaluation Committee (TEC) then has to evaluate the tenders against the published criteria. The TEC obviously must have the correct expertise to be able to evaluate quality criteria. The CIDB is developing guidelines for this. 	Yes
Quality Evaluation	WC 28-01-08	WC03	How can the evaluation criteria change if circumstances change	<ul style="list-style-type: none"> If the criteria change then the tenderers must be notified of the change in criteria or the tender withdrawn and re-issued 	
Quality Evaluation	GP 7-02-08	GP13	What is the basic function of PSPs for clients– they are allies and are supposed to act in the client's best interests. If there is a trade off between quality and price, quality will be compromised and this is detrimental to the relationship between the client and the service provider who is meant to be the clients' trusted advisor..	<ul style="list-style-type: none"> Yes, this is the nature of a PSP, however, a client must have a basis for selecting and remunerating a PSP. The scope of services and the usefulness thereof to the client needs to be agreed between the client and PSP. 	Yes
Quality of Work	KZN 23-01-08	KZN03	What checks and balances are built into the register to confirm the quality of the services providers work and how transparent will the assessment of quality be.	<ul style="list-style-type: none"> The CIDB will establish in the regulations the degree of quality assessment which will be built into the system and set out what minimum information should be made public. 	
Quality of Work	KZN 23-01-08	KZN38	Will completion of contracts be monitored on the register?	<ul style="list-style-type: none"> Yes 	
Reason for RoPSP	AFRICON	AF01	The procurement procedures as defined in the discussion paper were well thought-out and represent first world procurement procedures. It provides for a full scope of procurement methods for various typical assignments. We welcome this "modern" approach to procurement. We are also hoping that the introduction of a "template" system for different types of tenders is soon implemented.	<ul style="list-style-type: none"> Noted. 	

Theme	Workshop	Issue #	Issue	CIDB Responses/Considerations/Actions	Guideline Required
Reason for RoPSP	AFRICON	AF01	The idea and proposed framework for the Register of PSP's to enable clients access to pre-categorized and "pre-qualified" PSP's will certainly simplify the tedious tender procedures currently experienced in the public sector. In our opinion, shortlisting PSP's on the basis of their services, financial capability, geographic, BEE profile should be well received by the private AND public sector.	<ul style="list-style-type: none"> Noted. 	
Reason for RoPSP	FS 30-01-08	FS07	What are the major shortfalls of the current system that are driving this process?	There is a requirement to move to a competitive selection process. It is not cost-effective to use open procedures for many procurement opportunities. Therefore a nominated procedure has been proposed for low-value appointments.	
Reason for RoPSP	Hugh Hodge	HH01	The private sector is for competition. The public sector is for sustainable stability. CIDB needs to promote more sense of partnership between all professionals working for/as consultants or contractors for the public sector. There is much at stake.	<ul style="list-style-type: none"> Noted. CIDB should provide guidance on longer-term relationships through partnering arrangements or other similar approaches. 	Yes
Reason for RoPSP	Hugh Hodge	HH02	Too much handicapping and competition among professionals will make ECSA / industries role too difficult and, together with the population/professional ratio, unsustainable. Already South Africa is far too [Hugh Hodge] High at 3166 head of population per engineer(Allyson Lawless 2005). We need incentive for professionals not disincentive if we are serious about developing the industry. The ratio is 1492 for doctors and, even at this far more favourable ratio, one does not generally get professional fee quotes or RFP's from a doctor before accepting to pay for medical treatment. Why then do we constantly querie the value and contribution made of construction professionals?	<ul style="list-style-type: none"> Competitive selection provides a fair, equitable and transparent means for identifying who to procure service from. Price need not be an over-riding factor in this selection. 	

Theme	Workshop	Issue #	Issue	CIDB Responses/Considerations/Actions	Guideline Required
Reason for RoPSP	Hugh Hodge	HH03	Companies employing more professionals should therefore be rewarded with a higher rating by CIDB. There should be no talk of favouring companies doing construction-related work with only one registered professional and particularly if he/she is not a significant shareholder in that company. After all, are they not professionals or else they would be doing something else? Nearly 50% of university graduates in civil engineering in their early fifties have already left the local industry, probably never to return. In order to bridge the dual economy gap a strong sustainable middle class is needed. This can only be done by retaining and training professionals. The pool of black professionals must be drastically increased and experienced professionals retained and supported by government. If the public sector does not want to retain professionals it must be prepared to pay a lot,lot more based on relationship, not competition when they are needed the most.	<ul style="list-style-type: none"> Noted. CIDB should provide guidance on longer-term relationships through partnering arrangements or other similar approaches. This may include incentives such as longer-term appointments with associated requirements for staff development in return. 	Yes
Reason for RoPSP	Hugh Hodge	HH04	Your proposed system, while hinting at allowing global trends does not reflect this adequately for a biased social system such as still in place in South Africa. A further word of caution. A (quote) "Register of Professional Service Providers" will need to be clarified in form and content with ECSA.	<ul style="list-style-type: none"> Noted. ECSA and other BE councils were invited to participate in the consultation process of the RoPSP proposals. 	
Reason for RoPSP	LM 04-02-08	LM02	Is the industry not over regulated considering other regulatory council bodies in the industry?	<ul style="list-style-type: none"> No. The register is established largely to regulate procurement-related risk, which is not addressed by other councils. 	
Reason for RoPSP	NC 31-01-08	NC06	What is the primary role of the CIDB (with respect to the proposed RoPSP)?	<ul style="list-style-type: none"> CIDB is the mandated regulator of construction procurement (a RoPSPs is allowed in terms of the CIDB Act). The consultation has shown a general recognition of the need for such a register to underpin competitive selection of consultants. 	
Reason for RoPSP	KZN2 10-03-08	KZZ02	Tenders are a very onerous requirement (paper monster). They result in cost-cutting and poor delivery / low quality of service.	<ul style="list-style-type: none"> There is a requirement to move to a competitive selection process. The selection of consultants outside of such a system is unlikely to comply with constitutional requirements. 	

Theme	Workshop	Issue #	Issue	CIDB Responses/Considerations/Actions	Guideline Required
Reason for RoPSP	KZN2 10-03-08	KZZ13	Is CIDB actually adding value in these proposals?	<ul style="list-style-type: none"> The consultation has shown a general recognition of the need for such a register to underpin competitive selection of consultants. Consultation has generally shown the desirability of a register and a standardised procurement process. 	
Registration Criteria	Andre Oelofse: Tumber Fourie	AO01	A system of rating is to be used which rates the actual in-house capacity of the firms. This are to be based on the projects actually executed by in-house personnel of the firm. Tenders do make provision for small firms to form consortiums, joint ventures or to sub-contract, thus combining their CIDB ratings to obtain a sufficient combined rating as required for the specific project.	<ul style="list-style-type: none"> Noted. Register can only assess capability at a point in time. Capacity needs to be established at award of contract. 	
Registration Criteria	FS 30-01-08	FS01	ISO 9001 – would this assist in the quality grading of the firm?	<ul style="list-style-type: none"> Noted. ISO 9000 could form part of the quality evaluation criteria on a project-by-project basis (if justifiable), but not as an admission criterion to the register. 	
Registration Criteria	FS 30-01-08	FS02	It seems in the documentation that there is not a huge emphasis on quality.	<ul style="list-style-type: none"> Noted. The quality issue is most relevant at procurement on a case-by-case basis. CIDB needs to ensure that it communicate clearly on this issue. CIDB must ensure that relevant guideline documentation is available. 	Yes
Registration Criteria	FS 30-01-08	FS13	Determination of class/ grading of PSPs (turnover) – will this be per entity/ per service area/ per geographic area or on all turnover of the firm?	<ul style="list-style-type: none"> Noted. Yes the system is based on turnover of each firm (legal entity). 	

Theme	Workshop	Issue #	Issue	CIDB Responses/Considerations/Actions	Guideline Required
Registration Criteria	Gerard Damstra DPW	PW04	<p>Pg 7: C1: Minimum margin of Principals to be professionally registered: This aspect has recently sparked quite some debate. You would have deduced same from the meeting on 23 November 2007. the conclusion which I drew from the meeting is that a) there are some who feel that the setting of such a minimum margin should be lowewr – a figure of 30% was mentioned, b) there were some who mentioned the problems when professional practices are listed on the stock exchange and c) those who felt that if professional practices are allowed to be owned by non-professionals, the professionals employed by such a company will run into troubles with the Codes of Conducts from the various Councils. The facts to this discussion point remains to be: a) ownership margins are not mentioned in any of the professional Acts, b) the margins are mentioned in the various Codes of Conduct, c) in terms of the latter, the various Councils can have recourse against professional registered persons if they accept employment in which the Codes are violated. The Director: Town Planning Services (albeit not a profession that is part of this at the moment) of my office mentioned another interesting fact, namely that if the owner(s) of a professional practice is/are not a registered person, but has to rely on employing such registered persons, the risk to the Client is that the practice can not perform if such registered person decides to leave the employ of the practice and the owner can not obtain the services of another professional person in these times of skill shortages. My immediate feeling is that the margin should not be set at 50% as I also thought to be appropriate till last Friday, but at the levels set by the various Councils.</p>	<ul style="list-style-type: none"> · Noted. The issue being addressed is provision of independent advice. To address this a minimum of 50% of principals being professionally registered has been adopted. The "principal" is a director, member, partner, or sole proprietor, not necessarily an owner. 	
Registration Criteria	GP 7-02-08	GP11	<p>Architects – design competitions are often used – this allows young guys to get into the market. Will the CIDB RoPSP allow for this?</p>	<ul style="list-style-type: none"> · Noted. Yes, the proposals allow for design competitions and any registered person would be able to compete if the client's procurement policy allows for this. 	

Theme	Workshop	Issue #	Issue	CIDB Responses/Considerations/Actions	Guideline Required
Registration Criteria	GP 7-02-08	GP12	The registration database – will this only be applicable to the public sector or will it also affect the private sector. Will we be able to access the register to check if a consultant is appropriately appointed?	<ul style="list-style-type: none"> Noted. The RoPSP will not be compulsory for the private sector but the private sector will have access to it. 	
Registration Criteria	GP 7-02-08	GP33	Are ISO standards taken into account in grading of the service providers?	<ul style="list-style-type: none"> Noted. No, ISO standards are not an admission criterion. They may be taken into account in a phase 2 best practice recognition scheme. 	
Registration Criteria	KZN 23-01-08	KZN16	How will a newly established entity be graded which will not be exclusionary? If new firms have the expertise but not the financials this will be prejudice them?	<ul style="list-style-type: none"> Noted. Newly established firms are not excluded or discriminated against where the rotating database is applied. Clients may choose various standard options for procurement, which may or may not exclude newly established firms. 	
Registration Criteria	KZN 23-01-08	KZN20	The register will hopefully stop consultants with no qualifications from being appointed which is unfortunately the practice in some government departments who appoint unqualified or under-qualified consultants	<ul style="list-style-type: none"> Noted. 	Yes
Registration Criteria	KZN 23-01-08	KZN22	50% professional ownership - this is on conflict with some of the professional associations ownership rules	<ul style="list-style-type: none"> Noted. The 50% requirement satisfies the minimum requirements of all associations rules, and is therefore not demanding a higher requirement. The purpose is also different and the conflict, therefore does not arise. 	Yes
Registration Criteria	KZN 23-01-08	KZN28	Will the use of the roster be compulsory – there are issues if it is not compulsory.	<ul style="list-style-type: none"> Noted. Clients are not obliged to use the rotating database. There will be only one national register of PSPs. 	
Registration Criteria	KZN 23-01-08	KZN37	What is the number of contracts that can be awarded in each grade?	<ul style="list-style-type: none"> This will not be restricted, clients will need to perform their own risk management at the time of evaluation as is the case with any procurement process. 	
Registration Criteria	LM 04-02-08	LM04	How will capacity be measured on as this can change quite dramatically within a firm?	<ul style="list-style-type: none"> Noted. Updates can be made at any time. 	
Registration Criteria	LM 04-02-08	LM10	If the register is only considering individuals wouldn't that disadvantage the new emerging consulting companies in the industry and thus will minimize the chances of work opportunities.	<ul style="list-style-type: none"> No, it will not, as the register requires demonstration of basic capability in order to register. Any firm that has these basic capabilities may register and access work. 	
Registration Criteria	LM 04-02-08	LM11	Can CIDB consider and emphasize more on the skill of an individual and less emphasis on the turnover of the company.	<ul style="list-style-type: none"> Noted. In subsequent phase (best practice recognition scheme) this may be addressed. Clients may also address justifiable skill requirements (beyond basic) in their procurement on a case-by-case basis. 	
Registration Criteria	LM 04-02-08	LM12	Is CIDB going to use capability and capacity (in terms of quality) as part of the criteria for grading or	<ul style="list-style-type: none"> Noted. In subsequent phase (best practice recognition scheme) this may be addressed. 	

Theme	Workshop	Issue #	Issue	CIDB Responses/Considerations/Actions	Guideline Required
			to be reflected in the RoPSPs?		
Registration Criteria	MP 05-02-08	MP01	How will an inexperienced consultant be graded?	<ul style="list-style-type: none"> The proposals address this, both from the point of view of registration and client procurement. 	
Registration Criteria	MP 05-02-08	MP04	The proposals do not appear to recognise that a firm may increase their capacity and capability through taking on staff.	<ul style="list-style-type: none"> Concern noted. In terms of service areas, the proposals allow for additional service areas to be added when qualified persons are appointed. The procurement route selected by the client may allow for firms that can prove capacity to access work above their enterprise class. 	
Registration Criteria	MP 05-02-08	MP10	How does a service provider upgrade their registration or add additional service areas?	<ul style="list-style-type: none"> The proposals address this. 	
Registration Criteria	NW 01-02-08	NW08	ROC – widely in use but 2 tendered same rating but major difference	<ul style="list-style-type: none"> Noted. The register is a first-line risk management tool. It does not relieve clients of the obligation to undertake detailed risk management. 	
Registration Criteria	NW 01-02-08	NW09	A problem exists in the construction works contracting field where business owners are not technically competent, they win work but subcontract all of the work.	<ul style="list-style-type: none"> Noted. In this instance a firm can not win work without having a qualified person capable of managing the work. 	
Registration Criteria	WC 28-01-08	WC14	Who will evaluate the competencies of the professional service providers? Turnover is not considered a good indicator of competency.	<ul style="list-style-type: none"> Noted. The definition of "qualified persons" deals with this. Turnover is not being used to indicate competence, it is an indicator of capacity to undertake large appointments. 	

Theme	Workshop	Issue #	Issue	CIDB Responses/Considerations/Actions	Guideline Required
Registration Criteria	SAACE	ACE02	<p>Regarding clause 5(3) relating to the requirement that at least 50% of principals of a firm (defined in the CIDB Regulations) must be registered in terms of the Engineering Professions Act, the Architectural Professions Act, the Quantity Surveying Professions Act, the Project and Construction Management Professions Act or The Natural Scientific Act, the following:</p> <p>3.1. The framework document should specify that in order to qualify for registration for a category of work having an engineering nature, a firm must have a certain percentage of principals professionally registered in terms of the Engineering Professions Act. The same goes for the other professions. Engineers shouldn't be doing Architects work, and so forth.</p> <p>3.2. Due to the fact that certain categories of firms, not complying with the 50% threshold in the framework document, will not be able to do government projects, CIDB should, if they have not already done so, meet with National Treasury to ensure that this requirement would not be illegal in terms of the prescripts of the various Treasury Acts and Regulations, the Competitions Act, or the SA Constitution.</p>	<ul style="list-style-type: none"> Noted. The intention of requiring 50% of principals to be qualified persons is to ensure that the primary business of registered firms is to provide independent technology-based intellectual services to employers. The "principal" is a director, member, partner, or sole proprietor, not necessarily an owner. 	
Registration Criteria	SAACE	ACE04	<p>Clause 5(10) of the Framework document requires professional service providers to have "professionally qualified staff on their payroll earning above a minimum annual average salary" (italics mine). Would CIDB prevent a firm from registering on the basis of the salaries of its professional staff, or will the firm be able to register, but not record on the register that a particular professional is part of its staff complement, where such a professional's salary is less than a specific sub-minimum amount? The wording of the framework document should be clear in order to prevent the impression that CIDB is attempting to regulate professional salaries in the market place.</p>	<ul style="list-style-type: none"> This requirement was published in the "framework" released in May 2007. This requirement has not been included in the current discussion document. 	
Registration Fees	FS 30-01-08	FS27	<p>How will fees be calculated – will it be on the basis of the size of the firm, the service area, office or a combination of them all?</p>	<ul style="list-style-type: none"> CIDB will calculate fees on a fair and equitable basis when the full scope and operational cost of the register has been finalised. 	

Theme	Workshop	Issue #	Issue	CIDB Responses/Considerations/Actions	Guideline Required
Registration Fees	KZN 23-01-08	KZN41	What will the cost of the system be	<ul style="list-style-type: none"> CIDB will calculate fees on a fair and equitable basis when the full scope and operational cost of the register has been finalised. 	
Registration Fees	MP 05-02-08	MP11	What are the costs to service providers associated with the system (registration fees)?	<ul style="list-style-type: none"> CIDB will calculate fees on a fair and equitable basis when the full scope and operational cost of the register has been finalised. 	
Registration Fees	NC 31-01-08	NC21	What will the cost of registration be?	<ul style="list-style-type: none"> CIDB will calculate fees on a fair and equitable basis when the full scope and operational cost of the register has been finalised. 	
Registration Forms	FS 30-01-08	FS17	Evaluation forms should be included in the documentation	<ul style="list-style-type: none"> Agreed. 	
Registration of International Consultants	WC 28-01-08	WC27	What will be the process for the registration of international consultants and how will the compatibility/parity of qualifications of international consultants be handled?	<ul style="list-style-type: none"> International consultants' qualified persons will need to be registered with the relevant built environment council to act as a main consultant if work identification is implemented. Alternatively, where method 3 is adopted by the client, they may remain unregistered where they are a JV partner with a registered South African firm (or be a subcontractor). 	Yes
Registration Policy	LM 04-02-08	LM21	Will the information sent to CIDB be kept confidential?	<ul style="list-style-type: none"> CIDB will describe what information will be accessible and what will be confidential. All physical and electronic information will be stored securely, and only relevant information will be accessible. 	
Registration Policy	MP 05-02-08	MP13	How will confidentiality of information be safeguarded?	<ul style="list-style-type: none"> CIDB will describe what information will be accessible and what will be confidential. All physical and electronic information will be stored securely, and only relevant information will be accessible. 	
Registration System	KZN 23-01-08	KZN39	What costs are associated with software and hardware and how does it link in with current systems.	<ul style="list-style-type: none"> Minimal cost to users. The system will obviate the need for duplicate systems. The only link in normal procurement would be to check registration at evaluation and at time of contracting. Registration will be reflected on an internet based system. 	
Registration System	KZN2 10-03-08	KZZ19	Does the "tender value range" amount take into account that an appointment may be over several years?	<ul style="list-style-type: none"> Yes. 	

Theme	Workshop	Issue #	Issue	CIDB Responses/Considerations/Actions	Guideline Required
Registration Updates	KZN 23-01-08	KZN21	Will the registration be an annual process and what happens if the composition of the firm changes after registration and expertise which formed the basis for grading is lost?	<ul style="list-style-type: none"> The CIDB will rely on information provided and by "policing" by the industry itself. Registration is for a period and the CIDB should be notified of any changes in competencies by the PSP. The CIDB must review and define the process 	
Registration Updates	KZN 23-01-08	KZN30	Can upgrades be applied for within the 3 year period or only every 3 years which is unreasonable.	<ul style="list-style-type: none"> Upgrading can be applied for at any time 	
Registration Updates	LM 04-02-08	LM19	How long will the company be graded for, and how will the down or upgrading be controlled?	<ul style="list-style-type: none"> The current view is three years, with annual confirmation. 	
Registration Updates	WC 28-01-08	WC15	How will changes to competency in a registered PSP be administered as changes can easily occur after grading and registration.	<ul style="list-style-type: none"> Registration is for a period and the CIDB should be notified of any changes in competencies by the PSP. The CIDB must review and define the process 	
Reporting Integration	KZN 23-01-08	KZN40	The register needs to link into the municipalities registers in terms of MFMA reporting requirements.	<ul style="list-style-type: none"> This is an ongoing discussion with Treasury re the RoC 	
Scarce Skills and Local Offices	MP 05-02-08	MP15	New offices can only be opened by placing a qualified person at that office. This limits the ability of firms to establish new offices.	<ul style="list-style-type: none"> Yes, the intention is to avoid "ghost" offices. 	
Scarce Skills and Local Offices	WC 28-01-08	WC16	The focus on experts in a local office is unrealistic given the scarce skills and this will have unintended consequences and inefficiencies if service providers are not allowed to redeploy expertise from one office to another	<ul style="list-style-type: none"> The focus is only in respect of low value appointments i.e. below R1,5 m. It disappears where tenders are invited. 	
Scarce Skills and Local Offices	WC 28-01-08	WC19	Specialists are not normally located in local offices but are deployed from a central office. For example bridge design or sewage treatment plan design specialists. Also with modern technology designs are often done remotely in order to maximise efficiencies and competitiveness	<ul style="list-style-type: none"> The focus is only in respect of low value appointments i.e. below R1,5 m. It disappears where tenders are invited. 	
Scarce Skills and Local Offices	WC 28-01-08	WC21	Multi-disciplinary organisations are able to effectively deploy specialists and skills to any local situation and this is an essential part of the business model given the scarce skills. Focus on local offices will be detrimental to competition and use of scarce skills	<ul style="list-style-type: none"> Multi-disciplinary assignments have to be tendered. 	
Scope of Register	KZN 23-01-08	KZN27	What is the scope of the register (processes, standard documentation)	<ul style="list-style-type: none"> The RoPSP will include the registration process, operation of the register and standard documentation. It will also entail the amendment of the Standard for Uniformity 	
Scope of Register	KZN2 10-03-08	KZZ21	The scope of services should be as broad as possible (for example does it include urban design).	<ul style="list-style-type: none"> CIDB will attempt to include as wide a range of services as possible within the mandate of its governing legislation. 	

Theme	Workshop	Issue #	Issue	CIDB Responses/Considerations/Actions	Guideline Required
Scope of Register	SAACE	ACE01	The Register should be used as a first cut to shortlist tenderers, but will not be an effective tool for determining all the quality requirements needed for pre-qualifying professional service providers for the purpose of submitting a tender.	<ul style="list-style-type: none"> Agreed. This is recognised in the proposal. 	
Skills Development	FS 30-01-08	FS24	Who will advise clients on what method to use?	<ul style="list-style-type: none"> Additional guidance will be provided. 	Yes
Skills Development	KZN 23-01-08	KZN36	Quality based selection - an education programme is essential for this	<ul style="list-style-type: none"> This needs to be planned into the roll out 	
Skills Development	LM 04-02-08	LM09	Will there be any mentorship programmes for enterprises that have just entered the market.	<ul style="list-style-type: none"> This does not fall within the scope of the register itself, but this can be considered although it appears to be at odds with the reasons for appointing professionals in the first place and not in line with the normal development path for professionals. 	
Skills Development	LM 04-02-08	LM16	Will clients be able to receive training in applying the proposed systems?	<ul style="list-style-type: none"> Yes, the roll-out process will include training and sustainable training is to be planned for. 	
Skills Development	MP 05-02-08	MP02	What capacitation will be provided to clients to make use of the proposed systems?	<ul style="list-style-type: none"> Yes, the roll-out process will include training and sustainable training is to be planned for. 	
Skills Shortage	KZN 23-01-08	KZN32	What do we do with the shortage of skills around the country – relating to the requirement to have a full time experienced person in an office to register an office. This is unrealistic	<ul style="list-style-type: none"> The CIDB needs to look at what is a reasonable geographic distance to work on for a local office and provide guidelines in this regard. 	Yes
Skills Shortage	LM 04-02-08	LM18	The interpretation of the Identification of Work by ECSA excludes technicians. With the industry already lacking professionals many technicians are owners of consulting firms or senior players. Is there a way where they would be recognized by the register, and how will tertiary institutions be involved in bridging the skills gap?	<ul style="list-style-type: none"> The proposal is based on the current evolution of the identification of work process. ECSA recognised technicians as acting in support of technologists or technicians and thus it was not seen to be appropriate to include technicians. 	
Specialist Registration	WC 28-01-08	WC29	Will specialists (e.g. sewage works, bridges, water treatment etc.) be registered in these fields as separate types of work and if so how will this be administered.	<ul style="list-style-type: none"> At this stage it is not the intention to register specialist categories. 	
Subsidiaries and Joint Ventures	WC 28-01-08	WC20	Subsidiaries and joint ventures - how will these be recognised and dealt with. E.g. a specialist subsidiary of a firm	<ul style="list-style-type: none"> The CIDB must consider how to administer this efficiently 	
Tender Appeals	WC 28-01-08	WC04	How can objections and appeals in the tender process be avoided	<ul style="list-style-type: none"> The CIDB's procurement systems are rules-based and allow for the use of the Promotion of Administrative Justice Act to remedy incorrect outcomes. 	

Theme	Workshop	Issue #	Issue	CIDB Responses/Considerations/Actions	Guideline Required
Tender Appeals	KZN2 10-03-08	KZZ14	The appeals process may result in delays in appointing PSPs.	<ul style="list-style-type: none"> Noted. This is not under the control of CIDB. If the Standard for Uniformity in Construction Procurement and the conditions of tender are complied with, then appeals should be avoided. 	
Tender Period	WC 28-01-08	WC12	What will the minimum timeframe be for the tender period for professional service providers.	<ul style="list-style-type: none"> This is governed by the MFMA, PFMA and the Standard for Uniformity in Construction Procurement. 	Yes
Timetable for implementation	KZN 23-01-08	KZN26	What are the timelines for the process going forward	<ul style="list-style-type: none"> The CIDB aims to present the outcomes of the consultations to the August 08 board meeting, prepare draft regulations by December 08 and call for public comment in over February and March 09 in order to have regulations in place by July 09 and system development in place for roll out in April 2009 	
Timetable for implementation	NC 31-01-08	NC04	What are the proposed dates of implementation?	<ul style="list-style-type: none"> July 2009 has been set as a target date for planning purposes. 	
Transparency	KZN 23-01-08	KZN08	Transparency is needed in how the roster is set up? Evaluation process – transparency is needed in client practices and development of consultants through feedback (i.e. why someone was not selected). Feedback is needed to be included at Roster stage and then at tender evaluation stage.	<ul style="list-style-type: none"> The CIDB must ensure the system is transparent and provide guidelines to clients on appropriate feed back processes 	Yes
Transparency	KZN 23-01-08	KZN10	There is an increasing call from consultants to know what they have scored and why they have scored what they have scored.	<ul style="list-style-type: none"> The CIDB will need to provide guidelines on how quality scoring and reporting back should occur 	Yes
Transparency	WC 28-01-08	WC13	It is essential that the results of the tender process are made public to ensure transparency in the appointment of professional service providers. How will this be ensured?	<ul style="list-style-type: none"> The CIDB will need to provide guidelines regarding transparency of results to tenders 	Yes
Transparency	KZN2 10-03-08	KZZ09	How transparent will the gradings of PSPs be?	<ul style="list-style-type: none"> Confidential information will not be visible to the public. Gradings will be visible. 	

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Turnover	Gerard Damstra DPW	PW05	C2 and C5: I am hesitant to subscribe to fiddling with matters pertaining with the professional service providers' financial statements and annual turn overs. This appears to me to be a mine field from what I am not sure is beneficially received. Whereas financial aspects and capital at hand may be important considerations for Contractors, I am not convinced that the same applies to professional service providers. The latter "sells" time and knowledge and these are not necessarily linked to the practice's financial history or financial ability. (see the last bullet on page 8 in this regard). I think this point requires more debate.	<ul style="list-style-type: none"> Financial statements relates to two considerations. Firstly the ability to provide financial statements gives an indication of the governance of the PSP. Secondly turnover, from the financial statements, is used as an indicator of the capacity of the firm to undertake large appointments. 	
Turnover	GP 7-02-08	GP21	Using turnover is not a good representation of the class and expertise of enterprise. Turnover can be a very misleading indicator in relation to the expertise and capacity. Better will be to consider the capacity and capabilities and qualifications of the professionals within the organisation. For example a contract may have a large multi disciplinary team of sub consultants and the main contracting consultant then claims the total turnover including that of all the subcontractors.	<ul style="list-style-type: none"> Turnover is an indicator of internal capacity or capacity to mobilise external resources. It is also an indicator for managing risk - risk is introduced by providing a practice with a contract disproportionate to its turnover. Rating the capacity of a consultant based on the number of professionals would favour the large employers. The client would only use enterprise class (related to turnover) in a small proportion of procurement. 	
Turnover	GP 7-02-08	GP36	Turn over of service providers is not a good indicator of capacity and capability.	<ul style="list-style-type: none"> Turnover is an indicator of internal capacity or capacity to mobilise external resources. The client would only use enterprise class (related to turnover) in a small proportion of procurement. 	
Turnover	KZN 23-01-08	KZN15	The proposed grading criteria can be exclusionary – e.g. turnover in financial statements do not reflect the expertise of the individuals and their ability to mobilise resources. They can also be detrimental for new emerging practices	<ul style="list-style-type: none"> Turnover is an indicator past performance, including of internal capacity or capacity to mobilise external resources. Turnover is also a useful indicator for risk management. 	
Turnover	KZN 23-01-08	KZN33	Company turnover is not a good criteria to use as it does not reflect the expertise and experience - this is not a guarantee of good performance – often people can boost turnover but do not have the expertise.	<ul style="list-style-type: none"> Turnover is an indicator of internal capacity or capacity to mobilise external resources. Rating the capacity of a consultant based on the number of professionals would favour the large employers. The client would only use enterprise class (related to turnover) in a small proportion of procurement. 	
Turnover	LM 04-02-08	LM22	How will turnover of firms involved in turnkey projects be dealt with?	<ul style="list-style-type: none"> The financial statements will reflect all turnover, but it is most likely that the PSP would only reflect turnover received from a joint venture in a turnkey project. 	

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Turnover	MP 05-02-08	MP12	The proposals use turnover as the major determinant of the financial grading. Have the differences between firm turnover between the various disciplines been considered?	<ul style="list-style-type: none"> There is a relationship between size of turnover and size of appointment. The distribution of firm sizes may differ between disciplines, but the principle is unaffected. 	
Turnover	NC 31-01-08	NC12	Should the approach consider turnover on a satellite or head-office basis?	<ul style="list-style-type: none"> Practically it is only feasible to measure turnover at a company level (head office). 	
Turnover	NC 31-01-08	NC14	How will the turnover of a JV be calculated?	<ul style="list-style-type: none"> Turnover will be as reflected in its financial statements. 	
Turnover	WC 28-01-08	WC23	The use of turn over to assess capacity is considered a clumsy method and the scale of turnover needed to be seriously reviewed and alternative found which more realistically reflects the capacity of service providers.	<ul style="list-style-type: none"> Turnover is an indicator of internal capacity or capacity to mobilise external resources. The client would only use enterprise class (related to turnover) in a small proportion of procurement. 	
Turnover	SAACE	ACE03	<p>Enterprise Status (5.1(5) of Framework document): a. Large and small firms typically have different views related to this Enterprise status. According to the larger firms, enterprise status should be based on annual "nett fee income" and not turnover. The reason for this is that if gross turnover is used as is currently proposed it will lead to double counting because part of one company's turnover would also flow through to their JV partners or sub-consultants and be recorded there again in that firm's turnover. If turnover is a surrogate for capacity as suggested then both the firms would be seen to have the capacity represented by that portion of the turnover. Smaller firms tend to disagree with the large firm view. According to their reasoning, turnover would be the correct measurement, as apposed to "nett fee income". A small firm that has a high turnover due to the fact that it has appointed another firm as a subconsultant, to assist to with a major project, and flow through payments to the sub-consultant, thus reflecting a higher turnover, has indeed proven that it has the ability to manage larger projects. b. Members of the SAACE have different views on the statement that enterprise status (annual turnover) is an indicator (or the only indicator) of a professional service provider's current capability to execute a contract. A number of smaller member firms in particular have protested to the SAACE about the requirement that a professional service provider</p>	<ul style="list-style-type: none"> Noted. The CIDB welcomes further discussions on this aspect as the intention is to create a system that is sensible and rational. The approach has been to determine a means of assessing a firms' ability to manage its own resources as well as its network of partners and sub-consultants. Historic turnover as an indicator met this requirement. 	

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			should be limited to executing a contract having a value not exceeding 50% of the value of the upper turnover limit of the enterprise classification within which the enterprise falls. These complaints were forwarded to the CIDB on a previous occasion. The framework document should be clear that the contract value (above) does not relate to the value of the works, but to the value of fees that the professional service provider will be earning. SAACE also urges that the percentage value be investigated to ensure that neither the small consulting engineer nor the client would be prejudiced by it. More discussions with specifically the smaller consulting firms may be necessary to address their fears.		
Unintended consequences of the RoPSP	FS 30-01-08	FS10	If people compete it reduces the number of people who are around to compete as non performers will no longer be around as they will not get work	<ul style="list-style-type: none"> This is the free-market concept. Those who cannot compete as entrepreneurs can become employees of those who can. 	
Unintended consequences of the RoPSP	GP 7-02-08	GP16	The competitive bidding changes the relationship between the service provider and clients – from being a trusted advisor to contractor? Could there be some unintended consequences.	<ul style="list-style-type: none"> A PSP is appointed to undertake a particular contract / appointment, which is described in the scope of work or similarly named document. A PSP is expected to provide independent, technology-based intellectual services. Competitive selection is a process through which the most appropriate PSP may be selected. It does not imply any change in relationship. 	
Unintended consequences of the RoPSP	GP 7-02-08	GP20	A professional service provider is more about the professional service and innovations than the cost of the service. Competition is likely to stop innovations and the service provider looking after the best interests of the client	<ul style="list-style-type: none"> A client may evaluate in terms of price, preference and quality. The need for innovation may be addressed through the use of suitable quality criteria. 	
Unintended consequences of the RoPSP	NW 01-02-08	NW06	Is there a danger that the proposals could result in the elimination of smaller firms and a move to a monopolistic market?	<ul style="list-style-type: none"> This is the free-market concept. Those who cannot compete as entrepreneurs can become employees of those who can. 	

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Unintended consequences of the RoPSP	NW 01-02-08	NW12	There have been reports of a backlog of registrations with the Register of Contractors, will a new register worsen this situation and will the RoPSPs experience similar problems?	<ul style="list-style-type: none"> · This is unlikely as the PSPs are more likely to be able to complete web-applications independently. CIDB will also plan for the resources required to deal with the volume of applications. The requirements for PSPs do not allow for a "Grade 1 contractor" type application where no ability needs to be proven. 	
Unintended consequences of the RoPSP	KZN2 10-03-08	KZZ15	To employ the professional as a "contractor" without a precise brief will result in claims consciousness, raising costs and putting clients in a difficult position with respect to budgets.	<ul style="list-style-type: none"> · Clients must expect to pay for services rendered and to pay more if the scope of services is increased. The scale of fees does not necessarily compensate a PSP correctly relative to the work done. This is particularly true where the construction cost changes without much additional work, or where a lot of additional work does not result in a change in construction cost. 	