



BestPractice

Contractor Recognition Scheme

The cidb is busy developing the cidb Best Practice Contractor Recognition Scheme which will promote the development and performance improvement of contractors, as well as supporting risk management by clients. The cidb Best Practice Contractor Recognition Scheme is introduced in this brochure.

What is the cidb Best Practice Contractor Recognition Scheme?

The cidb Best Practice Contractor Recognition Scheme will promote the development of contractors by promoting acceptable standards necessary for running a contracting enterprise. The Scheme will also recognise a contractor's track record and experience, and will enable clients to acknowledge and reward contractors for quality and for good performance on projects.

The cidb Best Practice Contractor Recognition Scheme is aligned with the objectives of the National Contractor Development Programme (NCDP), supporting empowerment of contractors.

What are the benefits of the Scheme to contractors?

The cidb Best Practice Contractor Recognition Scheme will:

- allow clients to recognise contractors that perform well on projects
- allow clients to recognise the skills, competency and systems of a contractor
- promote better transparency in the awarding of projects to contractors
- set benchmarks and standards that contractors can aspire to – promoting improved business performance and improved project delivery
- promote business opportunities for better performing contractors and for contractors that meet or exceed client expectations.

What are the benefits of the Scheme to clients?

The cidb Best Practice Contractor Recognition Scheme promotes improved risk management when awarding contracts, by providing clients with:

- access to a contractor's track record based on a uniform assessment method
- a recognised assessment of a contractor's skills, competence and systems.

This information can then be used by clients for assessing the suitability of contractors for pre-qualification, selective tender lists or expression of interest or adjudication for the award of a contract.

The cidb Best Practice Contractor Recognition Scheme also promotes value-based procurement and encourages clients to reward best practice and good performance of contracting enterprises.

How does it work?

The cidb Best Practice Contractor Recognition Scheme comprises interlinked elements that constitute building blocks for improved business performance and for improved project delivery. The elements presently being developed are:

1. Contractor Performance Reports:

Contractor Performance Reports will in time become mandatory on all public sector projects above a prescribed tender value. The objective of the *Contractor Performance Reports* is to provide a track record of a contractor's performance through an assessment of the contractor's skill and commitment in managing time, cost, quality, site conditions, labour, subcontractors, and health and safety on projects.

In time, an assessment of a contractor's track record will also be required to be taken into account in assessing the suitability of contractors and/or the adjudication of public sector contracts.

The *Contractor Performance Reports* will also assist contractors to identify their own development needs, and will assist the cidb to map out targeted contractor developmental needs.

2. Contractor Competence Accreditation:

Contractor Competence Accreditation will apply to contractors typically in cidb Grades 2 to 4, and will provide an assessment of the competencies of a contracting enterprise. Contractors will be measured against acceptable standards necessary for running a contracting enterprise and for supervising building and construction works within the fields of:

- business management
- building and construction management (operational and supervision)
- building and construction technology
- legislative issues.

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These competencies will need to reside with the owner and/or key nominated representatives of the contractor.

Applying for an assessment of competencies by a contractor will be voluntary, but it will in time be mandatory for clients to take into account the *Contractor Competence Assessment* when assessing the suitability of contractors for procurement purposes on public sector contracts.

The *Contractor Competence Accreditation* also supports and encourages skills development as a critical aspect of contractor development. It will encourage contractors to gear their businesses to develop critical skills required to meet client's expectations, improve the quality of work and thereby improve their competitiveness.

3. Accredited Construction Management Systems:

To promote performance improvement by contractors in typically Grades 5 to 7, the *cidb* has introduced complementary accreditation of *Construction Management Systems*, based on recognisable industry minimum standards. These cover:

- health and safety management
- quality management
- environmental management (covering air, water, land and waste).

Accredited *Construction Management Systems* will assist contractors to control construction risks, improve performance and deliver better value to clients.

The *cidb* requirements for management systems will allow contractors to easily expand and convert in order to meet the ISO and OHSAS requirements in the future.

Clients are encouraged to specify requirements for accredited *Construction Management Systems* in tender or contract documents, which in time will become mandatory on public sector contracts.

4. Accredited Supply Chain Development Systems:

Targeting Grade 8 to 9 contractors, the *cidb* is investigating the development of a standard for *Supply Chain Development Systems*

that will recognise contractors that develop their supply chain. The aim of this standard is to encourage and reward contractors that support development of emerging contractors.

Who does the *cidb Best Practice Contractor Recognition Scheme* affect?

The *cidb Best Practice Contractor Recognition Scheme* will in time impact on all contractors in Grades 2 to 9, and all public sector clients. The *cidb* encourages contractors and clients to keep abreast of the development of the *cidb Best Practice Contractor Recognition Scheme*, and to take full advantage of the benefits of the Scheme as it is introduced.

When is the *cidb Best Practice Contractor Recognition Scheme* coming into effect?

The various elements of the *cidb Best Practice Contractor Recognition Scheme* broadly follow the development process below:

- the development of a Framework document for consultation
- stakeholder consultations
- pilot projects (where applicable)
- stakeholder confirmation
- *cidb* Board approval
- legislation by the Minister of Public Works
- implementation by the *cidb*.

To date, framework documents are available for *Contractor Performance Reports*, *Contractor Competence Accreditation* and *Construction Management Systems* – all of which have been endorsed by stakeholders. Pilot projects are presently being undertaken for *Contractor Performance Reports* and for *Construction Management Systems*, and skills profiling is presently underway in support of *Contractor Competence Accreditation*.

It is likely that requirements for *Contractor Performance Reports* could be implemented by end-2011, while requirements for *Contractor Competence Accreditation*, *Construction Management Systems* and *Supply Chain Development Systems* could be implemented around 2012.



The Best Practice Contractor Recognition Scheme Components

Grade	Enablers Business, H&S, Quality, Environment, etc	
9	Supply Chain Development Systems	Performance Reports
	Management Systems	
2	Competence	

Important information for you

About the cidb:

The cidb is a Schedule 2a public body established in terms of the Construction Industry Development Board Act 38 of 2000. The cidb Act mandates the Board to establish the *Best Practice Contractor Recognition Scheme* to promote improved performance of the construction industry. The *Best Practice Contractor Recognition Scheme* forms part of Phase 2 of the Construction Registers Service.

For more information on the cidb *Best Practice Contractor Recognition Scheme*, please contact the cidb at:
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