



COMPLIANCE MONITOR

REGISTER OF PROJECTS

CIDB REGISTER OF PROJECTS COMPLIANCE MONITOR; JULY 2024

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The cidb *Register of Projects Compliance Monitor* provides indicators of the level of compliance and non-compliance with the Register of Projects by client bodies. These indicators can be used by clients to verify their non-compliance with the cidb regulations, and for the cidb to support enforcement actions and sanctions.

This *Compliance Monitor* is being rolled-out incrementally, and currently focuses on:

- selected national and provincial infrastructure departments;
- public entities; and
- Metropolitan Councils.

The *Compliance Monitor* has been restructured, and now only focuses on tender awards.

1. Introduction

Information on tender awards is of paramount importance to the cidb, and provides the basis, amongst others, for:

- gathering reliable information on public sector construction expenditure, at a municipal and provincial level and at various tender Grades;
- assessing supply and demand in the construction industry;
- promoting and increasing transparency and accountability in construction procurement;
- monitoring and assessing the level of expenditure (through main contracts) on black-, women- and youth-owned construction enterprises; and
- monitoring compliance with and the impact of cidb Best Practices.

The Construction Industry Development Regulations of 2004, as amended, were developed in terms of the CIDB Act 38 of 2000 to support the above objectives. In terms of these Regulations, employers in the public sector must comply with requirements for project registration, award and closure as follows:

- a) for the public sector, on projects of which the value exceeds R200 000.00; or
- b) for a public entity listed in Schedule 2 of the Public Finance Management Act, on projects of which the value exceeds R10 million.

Specifically, in terms of the CID Regulations, employers (or clients) must currently comply with the following:

- a) registration of employers and employer's representatives on the cidb *Register of Projects* in terms of Clause 20;
- b) advertisement of tender invitations on the cidb *Register of Projects* in terms of Clause 38(6);
- c) registration of the tender award in terms of Clause 18; and
- d) contract completion or cancellation in terms of Clause 21, once the transitional measures have been removed.

In the case of the public sector organisations and public entities, non-compliance with the CID Regulations must in terms of Clause 21(4) be reported to the Auditor General, and can also result in fines being applied.

It is the cidb's aim and objective that this *Compliance Monitor* will contribute to improving compliance with the CID Regulations with regard to the registration of tender awards and contract completion – and thereby contributing to a better understanding of public sector infrastructure spend and the development of the construction industry.

The cidb Register of Projects is also closely aligned to the National Treasury Central Supplier Database. As of 1 April 2016, National Treasury has introduced the Central Supplier Database (CSD) as a single consolidated comprehensive database for national, provincial or local government in order to remove duplication and fragmentation of supplier information across spheres of government. This database applies to all services including construction.

The National Treasury eTender Publication Portal also forms part of this consolidation, and gives free access to public sector tender opportunities in South Africa. It was established to deal with corruption and to bring transparency to supply chain management. It requires all public sector clients to publish their tenders notices and tender awards on a single platform. Due to the introduction of these regulations by National Treasury, cidb will therefore no longer be reporting on the advertisement of tender notices on the cidb iTender/ Register of Projects within the *Compliance Monitor*.

2. Background and Analysis for Compliance Indicators

The background and key assumptions used in developing and in interpreting the compliance indicators used in the *Compliance Monitor* are highlighted below.

2.1 Tender Awards

Indicators of compliance with the CID Regulation requirements for notification of tender awards are obtained in terms of the total number of tender notices recorded on the cidb *Register of Projects* and which have been recorded as having been awarded. To allow for the time lag between advertisement of tenders notices and award, tender notices issued within 90 days of the date of issue of this *Compliance Monitor* are excluded. Furthermore, tender notices which are cancelled or withdrawn are excluded.

Note that the compliance indicator does not take into account any lack of compliance with the CID Regulations requirements for recording tender notices on the cidb *Register of Projects* or the National Treasury eTender Portal.

3. Tender Awards

Indicators of non-compliance with the requirements for the award of tenders are given on the following pages, in which the number of tender notices recorded on the cidb Register of Projects but which have not been recorded as being awarded for the period 2023Q2 to 2024Q1 are given. Note that entities with low numbers of tender notices recorded on the cidb *Register of Projects* are not reported on – which could itself be an indicator of non-compliance. Furthermore, compliance ratios for a particular quarter denoted as “-” indicates where no tender notices are recorded for the quarters under review – which again could itself be an indicator of non-compliance.

Overall, it is seen that compliance ratios with the requirements for the award of tenders vary typically from 15% to 36%, with the highest ratio of compliance being for National Departments.

Low levels of compliance for the period 2023Q2 - 2024Q1 are seen for:

- South African National Parks
- National Department of Public Works
- Rand Water
- Development Bank of Southern Africa (DBSA)
- Department of Public Works; KwaZulu-Natal
- Department of Public Works; North West
- Lepelle Northern Water
- Transnet Pipelines
- Department of Infrastructure Development; Gauteng
- City of Cape Town Metropolitan Municipality
- Department of Rural Development and Land Reform
- Eskom Holdings Limited
- eThekweni Metropolitan Municipality
- Department of Roads and Public Works; Eastern Cape
- Department of Transport, Roads and Public Works; Northern Cape
- Agricultural Research Council
- Department of Transport; KwaZulu-Natal
- Umgeni Water
- Johannesburg Water
- Buffalo City Metropolitan Municipality
- City of Johannesburg Metropolitan Municipality
- City of Tshwane Metropolitan Municipality
- Ekurhuleni Metropolitan Municipality
- Nelson Mandela Metropolitan Municipality
- City Power Johannesburg
- City of Joburg Property Company SOC Ltd
- Johannesburg City Parks
- Johannesburg Development Agency
- Johannesburg Roads Agency
- Magalies Water
- Mhlathuze Water
- Roads Agency Limpopo
- Department of Agriculture and Rural Development; Gauteng
- Department of Education; Free State
- Department of Education; Northern Cape
- Department of Health; Eastern Cape
- Department of Health; Free State
- Department of Health; Gauteng
- Department of Public Works; Limpopo

Relatively high levels of compliance for the period 2023Q2 - 2024Q1 are seen for:

- Mandela Bay Development Agency
- Amatola Water Board
- East London Industrial Development Zone
- South African Revenue Services

Details of individual tenders notices not awarded are available from the cidb on request.

Number of Tender Notices not Awarded for 4 Quarters

Entity Type	2023Q2	2023Q3	2023Q4	2024Q1
District Municipalities	21	41	22	43
Local Municipalities	149	211	262	210
Metropolitan Municipalities	11	29	53	69
Municipal Entities	21	24	20	32
National Departments	26	42	60	48
Provincial Departments	62	198	219	111
State Owned Enterprises	111	82	182	241

Number of Tender Notices Awarded for 4 Quarters

Entity Type	2023Q2	2023Q3	2023Q4	2024Q1
District Municipalities	10	10	5	5
Local Municipalities	81	120	93	31
Metropolitan Municipalities	2	17	5	2
Municipal Entities	3	6	8	0
National Departments	19	63	30	4
Provincial Departments	71	114	47	37
State Owned Enterprises	68	98	77	29

Tender Awards Compliance Indicator (%) for 4 Quarters

Entity Type	2023Q2	2023Q3	2023Q4	2024Q1
District Municipalities	32%	20%	19%	10%
Local Municipalities	35%	36%	26%	13%
Metropolitan Municipalities	15%	37%	9%	3%
Municipal Entities	13%	20%	29%	0%
National Departments	42%	60%	33%	8%
Provincial Departments	53%	37%	18%	25%
State Owned Enterprises	38%	54%	30%	11%

Tender Awards Compliance Indicator (%) for 4 Quarters

Metropolitan Municipalities	2023Q2	2023Q3	2023Q4	2024Q1
Buffalo City Metropolitan Municipality	-	-	10%	0%
City of Cape Town Metropolitan Municipality	17%	43%	14%	0%
City of Johannesburg Metropolitan Municipality	-	-	-	0%
City of Tshwane Metropolitan Municipality	-	0%	0%	0%
Ekurhuleni Metropolitan Municipality	0%	0%	0%	0%
eThekweni Metropolitan Municipality	33%	12%	0%	0%
Mangaung Metropolitan Municipality	-	100%	100%	29%
Nelson Mandela Metropolitan Municipality	-	-	-	0%

Tender Awards Compliance Indicator (%) for 4 Quarters

Municipal Entities	2023Q2	2023Q3	2023Q4	2024Q1
City Power Johannesburg	0%	-	-	-
City of Joburg Property Company SOC Ltd	0%	0%	0%	-
Joburg Market	0%	-	100%	-
Johannesburg City Parks	0%	0%	0%	0%
Johannesburg Development Agency	-	0%	0%	0%
Johannesburg Roads Agency	0%	0%	0%	0%
Johannesburg Water	14%	11%	0%	0%
Mandela Bay Development Agency	100%	-	100%	-
Pikitup (Pty) Ltd	100%	100%	100%	0%

Tender Awards Compliance Indicator (%) for 4 Quarters

National Departments	2023Q2	2023Q3	2023Q4	2024Q1
Department of Rural Development and Land Reform	0%	43%	0%	29%
Department of Water and Sanitation	100%	80%	45%	0%
National Department of Public Works	36%	46%	32%	5%
South African Police Services	100%	93%	67%	-

Tender Awards Compliance Indicator (%) for 4 Quarters

Provincial Departments	2023Q2	2023Q3	2023Q4	2024Q1
Department of Agriculture and Rural Development; Gauteng	-	-	-	0%
Department of Agriculture; Limpopo	100%	100%	-	0%
Department of Agriculture, Rural Development Land and Environmental Affairs; Mpumalanga	100%	100%	-	0%
Department of Education; Free State	0%	0%	0%	-
Department of Education; Northern Cape	-	-	-	0%
Department of Health; Eastern Cape	-	0%	0%	0%
Department of Health; Free State	-	0%	-	-
Department of Health; Gauteng	-	-	0%	-
Department of Health; KwaZulu-Natal	100%	65%	0%	21%
Department of Health; North West	-	67%	50%	-
Department of Health; Western Cape	62%	67%	29%	13%
Department of Infrastructure Development; Gauteng	-	0%	64%	0%
Department of Police, Roads and Transport; Free State	100%	50%	60%	0%
Department of Public Works and Infrastructure; Free State	-	45%	30%	75%
Department of Public Works; North West	-	80%	0%	0%
Department of Public Works; KwaZulu-Natal	39%	43%	26%	0%
Department of Public Works, Roads and Transport; Mpumalanga	100%	29%	0%	0%
Department of Roads and Public Works; Eastern Cape	0%	6%	19%	20%
Department of Rural Development and Agrarian Reform; Eastern Cape	96%	50%	100%	77%
Department of Infrastructure; Western Cape	88%	33%	100%	0%
Department of Transport, Roads and Public Works; Northern Cape	-	33%	0%	0%
Department of Transport; KwaZulu-Natal	-	16%	7%	0%
Department of Public Works; Limpopo	-	-	-	0%

Tender Awards Compliance Indicator (%) for 4 Quarters

State Owned Enterprises	2023Q2	2023Q3	2023Q4	2024Q1
Agricultural Research Council	0%	-	0%	25%
Airports Company South Africa Limited (ACSA)	100%	50%	50%	9%
Amatola Water Board	100%	100%	-	-
Coega Development Corporation (Coega)	83%	56%	13%	0%
Development Bank of Southern Africa (DBSA)	35%	45%	25%	8%
East London Industrial Development Zone	100%	-	100%	100%
Eastern Cape Parks and Tourism Agency	-	-	100%	57%
Eskom Holdings Limited	35%	19%	0%	0%
Independent Development Trust (IDT)	75%	88%	36%	0%
Lepelle Northern Water	100%	0%	0%	0%
Magalies Water	-	0%	0%	0%
Mhlathuze Water	0%	-	-	-
Passenger Rail Agency of South Africa (PRASA)	57%	44%	33%	4%
Rand Water	25%	41%	25%	28%
Roads Agency Limpopo	-	-	-	0%
South African National Parks	-	56%	25%	9%
South African National Roads Agency Limited	0%	100%	62%	13%
South African Revenue Services	-	100%	100%	-
Transnet Capital Projects	100%	-	100%	0%
Transnet Freight Rail	63%	50%	67%	0%
Transnet National Ports Authority	0%	100%	50%	11%
Transnet Pipelines	50%	-	0%	-
Transnet Property	-	75%	63%	-
Umgeni Water	-	-	14%	0%

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