

**SPEECH BY MEC FOR PUBLIC WORKS-HON MR. H.D.YAWA, MPL
ON THE OCCASION OF THE BOPHIRIMA REGIONAL
STAKEHOLDER OUTREACH MEETING WITH CONTRACTORS-
28JANUARY 2005 AT THE AUDITORIUM-RUSTENBURG CIVIC
CENTRE**

Programme Director-Mme Ntshabele
Head of the Department-Dr L.K. Sebego
Senior Managers of the Department
The newly appointed Regional Manager- Mr. de Witte
Leaders of organised business formations
Representatives of NAFCOC
Contractors
Ladies and Gentlemen

Our constitution requires of us to priorities service delivery as it directs us to "improve the quality of life of all citizens and free the potential of each person".

The Growth and Development Summit has placed special responsibility on the construction Industry to spearhead job creation and skills development so that our growing economy is increasingly accessible to all citizens and in the turn is injected with the vigour of expanding productive participation.

In order for the Department of Public Works to accelerate sustainable integrated public infrastructure, we need the partnership of contractors who are committed to deliver projects on time, on budget, to a higher standard of quality and within shorter time frames.

As a department we recognise that development of the emerging sector continues to grapple with a range of supply-side constraints, including access to finance, sureties and credit, entrepreneurial skills and cash flow management, which is a critical success factor.

We also recognise that delayed payments and settlement of final accounts place a strain on contractors and professional service providers alike and in order to eliminate these impediments to service delivery my department has adopted a new policy

committing ourselves to Performance Improvement Practices by transforming government procurement and provisioning into an integrated supply chain management function.

The new policy also introduces a systematic approach for the appointment of consultants and creates a common understanding and interpretation of the preferential procurement policy. The policy is aimed at promoting the consistent application of “best practices” throughout government supply chain.

What this means effectively is that all correct invoices and payment certificates will be paid within 48 hours after the department has received them from the client. If the invoices or payment certificate is not correct or lack any documentation, the service supplier will be informed in writing on the same day.

For construction Payment certificates either the Departmental officials or consultants must first verify all invoices from contractors and prepare a payment certificate for processing of payment by the Directorate Supply Chain management at a targeted 15 days turnaround for correct invoices and a maximum 30 days others.

As partners you are called upon to assist the department in exposing contractors who are involved in fronting because we view it as an unacceptable market distortion which undermines government’s empowerment Programmes. The scourge of fronting poses a great threat to the realisation of government’s vision for economic transformation.

The realisation among consulting professions of the need to seek more appropriate approaches in projects involving emerging contractors is encouraging. In such projects, risks need to be identified and managed and emerging contractors must be supported.

Emerging contractors involved in Joint Ventures should also be empowered through mentorship and skills transfers so that in the long run they should be able to stand on their own.

Government through the National Department of Public Works and the Construction Education Train Authority have put into

place support mechanism to provinces and municipalities that will help build capacity in the construction industry. These include NQF unit standards, qualifications and accredited training Programmes for contractors and engineers for Labour intensive construction. We wish to encourage emerging contractors to seize this opportunity by enrolling for this training.

As a province we are exploring an arrangement with the national Department of Public Works where all emerging contractors will be evaluated on recognition of prior learning. This will help contractors to be accredited based on their experience and to qualify for Labour -intensive projects.

As an additional means of addressing the capacity in the labour-intensive contraction sector, the Department of Public Works together with the Construction Education Training Authority have established a Labour intensive contractor learnership programme.

We need to emphasise that Leadership and collaboration are needed to enhance the capacity and focus of all who engage in the delivery process-a focus to grow, transform and nurture the national asset base of our construction industry.

Over the last six years the liaison that existed between the Department and the North West Builders Federation has dwindled to nothing due to the demise of the federation. We therefore urge contractors to organise themselves to ensure that initiatives of mutual benefit such as black economic empowerment, targeted procurement, and the expanded public works programme are properly interpreted and implemented at all levels.

We welcome NAFCOC North West's Construction Sector's new initiative to revive formal contact and liaison with my department. As a department we are encouraged by this initiative as we are committed to the implementation of the Provincial Growth and Development Summit resolutions in partnership stakeholders involved in the construction sector in order to meet the provincial targets for job creation and poverty alleviation.

As I conclude let me emphasize that for us at Public Works the Year 2005 represents a year in which we make a clean break with the past and embark on a new course to serve our clients with a sense of urgency. As I have said during my budget speech on the 29 June 2004, the time for talking and readjustment is over. My department must be about work, work and more work.

Prepare yourselves to cope with our demand to deliver projects on time, on budget, to a higher standard of quality and within shorter time frames. I commit the department to deliver what is due to you as per budget and within the shortest possible time frame.

Ke a leboga.