

KZN CONSTRUCTION EXPO





Promoting social and economic objectives through procurement for an inclusive built environment profession



South African Institute of Building Design

Physical Address: Unit D, 18-20 Cypress Avenue, Stamford Hill, 4001

Postal Address: Postnet Suite 149

Private Bag X504 • Northway 4065

Tel: 031 202 4726 • Fax 086 428 1056

Email: admin@saibd.co.za • www.saibd.co.za

Promoting social and economic objectives through procurement for an inclusive built environment profession

The constitutional mandate it to **improve** the **quality of life** of **all citizens** and to **free** the **potential** of **each person**

Why is there a need for this advocacy ?

To create a public awareness and conversations around

- identifying ,
- creating and
- sustaining an

inclusive growth path, whilst we fix the **historical injustices**, where all demographics work together with a common purpose, thereby ensuring social and restorative justice are being served.

Were are here today to empower and equip professionals and individuals to achieve the above, as well as to receive feedback / information



What should the built environment professional know?

What does Section 217 of the South African constitution on procurement states ?
When organs of state in all spheres government or any other institution identified in National legislation **CONTRACTS** for goods or services, it must do so in accordance with a system which is :

- **Fair, equitable, transparent, competitive and cost effective**

Organs of state or institutions are not prevented from implementing procurement policies for

- Categories of preference in the allocation of contracts
- The protection or advancement of persons,
- or categories of persons, disadvantaged by unfair discrimination

It also states that National legislation must prescribe a framework within which a policy must be implemented



ARE THERE LEGISLATIVE MECHANISMS THAT PROMOTE SOCIO-ECONOMIC BENEFICATION IN THE BUILT ENVIRONMENT?

Some of the legislative mechanisms in support of the empowering provisions embedded in the South African Constitution and the Bill of Rights

- ✓ Public Finance Management Act (Act no / 1999)
- ✓ Preferential Procurement Policy Framework Act (Act no 5 / 2000)
- ✓ The Promotion of Equality and the Prevention of Unfair Discrimination Act (Act no 4 /2000)
- ✓ Council for the Built Environment (Act no 43/2000)
 - The six Built Environment Professional Councils
- ✓ Broad Based Black Economic Empowerment Act (Act no 53/2003)
- ✓ Municipal Finance Management Act (Act no 56 of 2003)

Is the missing middle in the built environment benefiting from an inclusive growth path?



Bill of Rights
(section 9 of the constitution)
Equality includes the full and equal enjoyments of all rights and freedoms
No person may unfairly discriminate directly or indirectly against anyone

Procurement policy may provide for :

- A) Categories of preference in allocation of contracts: and
- B) The protection or advancement of persons, or categories of persons , disadvantaged by unfair discrimination

The Promotion of Equality and the Prevention of Unfair Discrimination Act (act 4 of 2000)
The state or any person must not discriminate unfairly against any person on the grounds of race or gender through the denial of access to contractual opportunities for rendering services or by failing to take steps necessary to reasonably accommodate the needs of such person

Broad –Based Black Economic Empowerment (Act 53 of 2003)
Every organ of state and public entity must take into account and, as far as possible, apply any relevant code of good practice issued in terms of this act in:

- Developing and implementing a preferential procurement policy;

Preferential Procurement Policy framework Act (act of 2000)
Organs of state must establish their preferential procurement policy and implement it in accordance with a prescribed framework

Who is responsible for the monitoring and evaluation function to ensure effective implementation and compliance?

What is the purpose, function and intent of these pieces of legislation?

- ❖ Empower
- ❖ Equip
- ❖ Enable

Participation in the mainstream economy of South Africa in an inclusive growth path
In the absence of an identification of work framework policy, how is this impacting upon the missing middle in the built environment who are in private practice?

Common to all the Built Environment Professional Councils is the identification of work?



Contextualising the philosophy behind SIPDM

National treasury introduces a standard for infrastructure procurement and delivery management that specifically targets services associated with infrastructure development in the built environment.

SPIDM

- ❑ establish control frameworks for the planning, design and execution of infrastructure projects and the procurement of infrastructure including professional services
 - ❑ Which is the core business of most built environment professionals
- ❑ creates a separation between the supply chain for infrastructure services and general goods and services.
- ❑ Adopts a common approach to infrastructure procurement and delivery across all spheres of government
- ❑ Address the provision of targeted procurement procedures to assist with the attainment of transformation goals relating to emerging and small built environment professionals.
- ❑ Establishes developmental or secondary procurement policies relating to Broad Based Economic Empowerment (B-BBEE)



Procurement strategy in implementing SIPDM

Develop a procurement objective in the formulation of a built environment professional services procurement strategy.

objectives are

- To include broad based black economic empowerment
- Gender or racial equality
- Work opportunities for small, micro, medium enterprises
- Poverty alleviation
- Local economic development
- Transfer and development of skills.

Develop a procurement objective in the formulation of a built environment professional services procurement strategy.

- The key question is it inclusive of all categories of the missing middle in the built environment?
- Advancement of economic transformation and enhancement of the economic participation of the missing middle in the Built Environment profession.



What are the key performance indicators for infrastructure procurement – built environment professional services

Targeted procurement objectives

- To be well formulated and documented, to be understood by stakeholders and easily implementable
- Promote social and economic goals
- Promote training and work place experiential learning opportunities
- Objectives and goals to be formulated in a manner that they are contractually enforceable.
- Objectives and goals must be described in a qualitatively and linked to measurable targets.
- Objectives must be linked to verification and audit verification process.
- Objectives must include penalties and sanctions for non-performance.



Building capacity and enabling pathway for the missing middle in the Built Environment to be inclusive of the infrastructure procurement process

Framework agreements to factor in

- Provisions on how the Built Environment SMME's will be paid for professional services.
- Identify a performance framework for the engagement of targeted groups.
- What is the performance frame objective?
- Participation of targeted enterprises in contracts
- Participation of targeted partners in joint ventures.
- Provide business opportunities to specific targeted enterprises from the Built Environment profession
- Provide joint venture partner opportunities to specified groups from the Built Environment profession



What is the relationship between socio-economic growth, development and infrastructure delivery?

1. State Owned Enterprises
2. Land reform policy
3. Broad Based Economic inclusion in to the main stream economy
4. What are the key challenges that confront South African Citizens in fighting poverty and inequality in achieving the constitutional objectives?



Call to action – sustainable goals beyond vision 2030

1. What is our next step to take?
 - A. Be informed of the legislation, regulations, procedures and standards
2. What is the lesson learnt?
3. The next test for government?
4. The next test for the missing middle
5. What should the public do?



Questions



2019-02-27

Memorandum of the People