

11 October 2022

SAFCEC/CESA/SAICE LIAISON COMMITTEE: MINUTES OF MEETING HELD ON 20 SEPTEMBER 2022 @ 14:00 AT SANRAL OFFICES IN BELLVILLE

Attendees:

1. Paul Faria – CESA - HHO
2. Marika Meier - AECOM
3. Geoff Du Toit – SAICE - Zutari
4. Pierre Fabricius – SAFCEC – ASLA Construction
5. Alwico Smit – SAFCEC – ASLA Construction
6. Nokuthula Dube - SAFCEC – Nokuthula Dube & Associates
7. David Bullock - SAFCEC – Much Asphalt
8. Rudolf Murray – SAFCEC – Regional Manager
9. Lalie Louw – SAFCEC – Regional SHERQ Advisor

Apologies:

1. Jonathan Pearce – SAFCEC – Martin & East
2. Jeremy Donnelly – SAFCEC – ASLA Construction

1. WELCOME & APOLOGIES

Paul Faria, on behalf of CESA, started the Meeting and welcomed all to the Meeting in over two years. A quick round the table introduction was done. Paul – for the benefit of new attendees then gave a brief overview regarding the role of the Committee.

Rudolf Murray noted that the SAFCEC Code of Conduct – as set out below - was to be observed and adhered to.

- SAFCEC, as an Employers' Organization registered for the Civil Engineering Contracting Industry, with the Department of Labour, is committed to and upholds the provisions of the Competition Act (No. 89 of 1998).
- SAFCEC is served, from time to time, by representative office bearers and officials appointed from its Members. These representatives are required to declare any possible conflict of interest when dealing with SAFCEC affairs and undertake to perform their duties diligently, honestly and in accordance with the best interests of SAFCEC. These representatives will not derive either personal or company advantage from their involvement in SAFCEC. They will not participate in any activity that is potentially in conflict with SAFCEC interests or which could be perceived to be anti-competitive, including but not limited to, collusion, price fixing or market allocation. Should any representative believe that an activity could be construed as anti-competitive he/she shall be entitled to request that such activity cease until proper legal opinion is obtained.

- Accurate and reliable records will be kept which fairly reflect all internal and external discussions, meetings and interactions that take place during SAFCEC carrying out its mandate. Personal and business information gained during such dealings will be safeguarded and its privacy respected.
- SAFCEC, its Members and their representatives will always carry out SAFCEC affairs in a transparent and open manner.

Apologies were as listed above.

2. APPROVAL & MATTERS ARISING

Minutes of the previous Meeting held on 10 May 2022, and distributed on 2 June 2022, was approved by Lalie Louw, and seconded by Geoff Du Toit.

Matters arising would be dealt with under the various Agenda items.

3. CONTRACTUAL AFFAIRS

The Meeting was in agreement, that Contract Price Adjustment was supposed to assist with mitigating the steady increases in prices for certain materials. Long periods taken to award was not helping the situation though. Furthermore – the City of Cape Town was very strict in applying CPA – if a Project duration was for less than 12 months, no CPA would be forthcoming.

Rudolf mentioned, that the issue of Local Content requirements was discussed at the City of Cape Town/SAFCEC Liaison Meeting, held on 6 September 2022. Gerhard Vivier from the City shared the Contractor's frustrations and gave the assurance, that their engagement with the Department of Trade, Industry and Competition was ongoing. Pierre Fabricius opined that the City had a major role to play in that regard. Geoff felt that the various efforts and engagement should be coordinated, in order to prevent duplication and watering down of efforts.

Alwico Smit wondered how proof/evidence regarding Local Content was managed by the Consultants, *after the fact of Award*. Paul answered that that it was a bit of a grey area, although checks on Invoices etc. were supposed to be done. Geoff concurred and stated that the Consultants had to demonstrate substance, if not necessarily proof. He agreed that it was a frustrating process, but also stated that despite this, the required Audits were being done.

4. DOCUMENTATION

Rudolf advised, that the Workshop on COTO vs COLTO was very well attended. It is expected that there will be growing pains as COTO gains traction and gets used by more and more Clients.

Regarding the Various Conditions of Contract, it was noted that NEC was probably going to be utilized more going forward. Apparently National Treasury was developing its own "in house" Condition of Contract. Geoff advised, that SAICE was planning on releasing GCC 2023 by the end of October. He was of opinion that prices were rising due to the aspect of unfairly transferred risk and was a firm believer in fairness and balancing of risk.

Paul requested, that examples of Tenders specifying key personnel requirements, which were out of kilter with the complexity of the works, be forwarded to him for further investigation.

Rudolf advised that the two BCCEI issues highlighted before, namely the inclination of some Tenders being operated as "EPWP Programmes" after not being registered as such, prior to Tendering and prospective Tenderers having to provide proof of Registration with the BCCEI at the time of tender, with very few checks being carried out beyond this, was still prevalent.

5. DISPUTES

To be dealt with under specific Clients.

6. SHERQ (SAFETY; HEALTH; ENVIRONMENT; RISK & QUALITY)

Lalie Louw reported, that she obtained comments and suggestions pertaining to the new SANRAL requirement of having a dedicated Environmental Officer (who may not also be the Health and Safety Officer) on Routine Road Maintenance Projects. It was a prerequisite, that the incumbent should have a NQF level 6 qualification and at least 2 years' experience. Input received was submitted to SANRAL for review. It was felt that such an appointment should only happen when risk dictates and be evaluated on a case-by-case basis. Geoff agreed and opined that appointments should be fit for purpose.

She further advised, that FEM's Safetember Event was held during the morning of 20 September. FEM indicated 56 fatalities during the past year amongst its Policy Holders. 10 fatalities were caused by motor vehicle collisions and 9 were "struck by" incidents. The Meeting expressed its shock and dismay, upon learning of such a high number of deaths.

Lalie furthermore advised, that the Region had received a limited number of FEM banners/flags, which would be distributed amongst the Members.

Lalie closed off by asking a rhetorical question: When Projects are evaluated, are "lessons learnt" taken into consideration ?

7. SUPPLIERS

Dave Bullock gave an update regarding the situation with Bitumen. He advised that Astron would hopefully be on stream by year end. Currently all bitumen was being imported, whilst storage was becoming a major problem. He also advised, that in addition to bitumen heavy furnace fuel oil was also being imported, which eventually impacted on asphalt prices.

Action items – For noting.

8. CLIENTS

8.1 City of Cape Town – Rudolf reported that a productive and well attended Liaison Meeting was held on 6 September 2022. The City's Director: Budgets did a presentation on the future Project Pipeline, which looked very promising for the Industry.

8.2 SANRAL- Rudolf reported that the next Liaison Meeting with SANRAL was scheduled for mid to end October 2022. The much-debated cancelled Major Tenders were re-advertised during July.

8.3 Western Cape Government- Rudolf reported that the next Liaison Meeting with the Roads Dept. was scheduled for 22 September 2022.

8.4 Other Municipalities – Rudolf reported that to date, the smaller Municipalities were still sustaining the Industry, with the bulk of public work emanating from them.

8.5 Private Clients – Rudolf reported that collaboration with the Western Cape Property Development Forum was ongoing.

8.6 ACSA – No discussion.

8.7 CIDB – Rudolf reported that he had a cordial Meeting with the new Provincial Manager – Mr. Thanduxolo Ndyenge.

8.8 Transnet – Paul reported that planning for infrastructure upgrades and improvements were ongoing.

8.9 Other Clients – Trans Border etc. – No discussion.

9. GENERAL

9.1 Serious and Violent Crimes on and around Construction Sites

Rudolf reported that the City of Cape Town had invited CESA and SAFCEC to a series of Workshops, intended to address the scourge of the Construction Mafia. Both Paul and Rudolf felt that this was an important step in the right direction, but that momentum should be sustained.

It was further reported, that issues regarding disruptions to the transport of workers could be linked to the minibus taxi industry.

Rudolf lastly advised, that SAPS and Business Against Crime were co – operating on a National level, in order to combat extortion. An on-line reporting tool has been created and he would share those details with the Meeting.

Action items – Incidents of serious and violent crimes to be diligently reported and case numbers obtained.

The link to the Reporting Tool was <https://e2.bac.org.za>.

9.2 UCT Curriculum

Geoff advised the Meeting, that the University of Cape Town was busy with re-evaluating its Engineering Curriculum.

9.3 Community Engagement

Nokuthula Dube cautioned, that Communities should never be given cash as a gesture of benevolence, as it led to future complications and even disruptions.

There being no further matters to discuss, Paul thanked all for attending and closed the Meeting.

NEXT MEETING

Scheduled for first quarter 2023. Precise date to be advised before Industry Shutdown in December.

Signed electronically.

RUDOLF MURRAY

Regional Manager: SAFCEC Western Cape