

FIDIC focuses on responsible development

Responsible development – which should embrace the concepts of sustainability, quality, integrity and transparency throughout the delivery process – was the focus of this year’s annual International Federation of Consulting Engineers (FIDIC) conference that was recently held in Paris, France. South African Association of Consulting Engineers’ (SAACE) Executive Director, Graham Pirie; 2003 President, Dempsey Naidoo; and Vice-President, Craig Clarke had an opportunity to attend this important event.

Speaking on the event, Graham Pirie says: “There is a growing convergence and integration of the principles of sustainability within the consulting engineering industry at an international level. This was explored in depth in the FIDIC workshops and highlighted the increased importance of ethical behaviour and integrity



Dempsey Naidoo, Graham Pirie and Colin Adams, Chief Executive of British Contractors and Consultants Bureaux, enjoy a drink at the FIDIC welcome reception in Paris.

management, project risk management, strategic investment planning and social and economic considerations in the planning

of infrastructure. The previously soft issues relating to the social, environmental and economic benefits of infrastructure are

increasingly being seen as key issues.



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SAICE turns 100

The South African Institute of Civil Engineering is celebrating its centenary this year. SAACE President Dempsey Naidoo and Executive Director Graham Pirie congratulated the Institute by presenting SAICE President Faried Allie and Executive Director Dawie Botha with a citation during a recent visit to the Association.

For the past hundred years, the Institute has been at the centre of civil engineering in South Africa and has ensured the

continuation of the industry by educating successors not only to continue the work, but also to progress to new challenges.

SAICE has made great strides in transforming civil engineering into a profession, which embraces all sectors of the nation, ensuring that development is sustainable and that the resources of the country and the continent can cope with growth while maintaining



From left: SAICE President, Faried Allie; SAACE Executive Director, Graham Pirie; SAICE Executive Director, Dawie Botha and 2003 SAACE President, Dempsey Naidoo.

an acceptable quality of life. SAACE gives its support in rising to the new challenges faced by the industry with NEPAD and the shortage of young engineers and trust SAICE will continue to build on its past success.

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The 2003 SAACE Glenrand MIB Business

The 2003 SAACE Glenrand MIB Business Excellence Awards were a huge success.

This year the theme of the SAACE Glenrand MIB Excellence Awards – Proudly South African – was chosen to tie in with the President's theme of 'Engineers take Back Your Pride' as the Association celebrated its pride in the achievements of member firms.

The function, which was held at Caesars Gauteng on 13 August, was attended by 370 representatives from member firm, clients, sister organisations, suppliers and journalists. The Awards, which were compèred by South African actor and comedienne Bill Flynn, promote the concept of business excellence and focus on consultants and their clients who participate in, or initiate, projects that promote the advancement of the nation and the people of Africa.

Former SAACE President, Dempsey Naidoo says, "The SAACE Glenrand MIB Annual Excellence Awards advance everything that is worthwhile in the profession of consulting engineering from creativity, to quality, growth and pride in a job well done!" He also noted that it was particularly encouraging to see an increase in the number of entries and awardees from emerging member firms.

Adjudicators

The credibility of the Awards is in part due to the independence and high calibre of the adjudicators. This year, there were five adjudicators: Steve Kruger, Johannesburg Roads Agency; Kwasi Agyare-Dwomoh, President of the Gauteng Institute of Architecture; Brian Wescott, Vice President of the South African Federation of Civil Engineering Contractors; Lindile Mteza, Vice President of The Association of South African Quantity Surveyors and Professor Mitch Gohnert, The University of the Witwatersrand.

Sponsorship

The Excellence Awards were held in joint venture with Glenrand MIB, the administrators of the SAACE's Professional Indemnity Insurance Scheme for members and major sponsor of the event.

Engineering Excellence in a project with a value greater than R5-million

The winner of this category was FMG Goreangab Joint Venture (GFJ) for the Goreangab Water Reclamation Plant.

The Goreangab Water Reclamation Plant in Namibia is the first and only plant in the world to reclaim domestic sewage



Winner of the Engineering Excellence Award for projects with a value greater than R5-million was FMG Goreangab Joint Venture for the Goreangab Water Reclamation Plant. From left: Pat van Heerden (Director, GFJ), Guillaume Brink (Resident Engineer, GFJ), Charl van der Walt (Director, GFJ) and Chris Wamer (Managing Director, GFJ).



Receiving a commendation in the Engineering Excellence category for projects with a value greater than R5-million was ARQ and Semanya Furumele Consulting (SFC) for the raising of Midmar Dam. From left: Sello Semanya (Executive Director, SFC), David Cameron-Ellis (Director and Head of the Water Department at ARQ), Musa Furumele (Managing Director, SFC), Tony Moore (Deputy Chief Engineer, Department of Water Affairs and Forestry), Saki Nchabeleng (Director, SFC) and Quentin Shaw (Director, ARQ).

for potable use as a supplement to scarce water resources. The upgrade of the plant demanded an unusual mix of creative, sound and detailed multi-disciplinary engineering skills. This ensured limited margin for human error addressing health concerns, and producing water of consistent, exceptional quality with multiple barriers against the potential risk of disease. It considered environmental and economic factors and showed sustainable development, while providing ongoing employment opportunities for the local population.

A commendation in the category Engineering Excellence for a project with a value of more than R5-million was awarded to ARQ for the Raising of Midmar Dam. The project provided a rare opportunity for an emerging firm, SFC, to be involved with an experienced firm in an innovative, engineering solution in dam engineering from initial design, through hydraulic testing to construction. The adjudicators were impressed with the technically

innovative, cost effective, fixed reinforced concrete labyrinth solution, which save millions of Rands over the original escalated cost of radial gate raising.

Engineering Excellence in a project with a value less than R5-million

This Award went to Africon for the Pungue River Bridge reconstruction. Re-constructing this war ravaged bridge in Mozambique combined the innovative use of planning, technical design and

implementation. Socio-economic factors enjoyed a high priority, with labour intensive construction methods providing jobs for the local community who also benefited directly from the completed project.

Business Excellence

Bigen Africa walked away with top honours in this category. The panel was particularly impressed with the well-balanced overall management of the firm, its growth in terms of business and turnover, its black empowerment policy and training initiatives and commitment its to the principles of Corporate Governance. Through



Africon Engineering International (Pty) Ltd received the Award for Engineering Excellence for a project with a value of less than R5-million for the Pungue River Bridge reconstruction. From left: Frik van der Merwe (Africon), Dr Gustav Rohde (Africon), Luuk Hepkema (Africon), Kobie Botha (WBHO), Chris Jansen (WBHO), Michael Lear (ANE) and Tsepang Putsoane (Africon).

Business Excellence Awards – a huge success

dynamic leadership they appear to continually raise the bar for standards of business excellence.

Young Company Award

The Young Company Award, which recognises newly established practices that have successfully established themselves as viable businesses in the professional consulting field, was won by iNtatakusa Consulting.

Established in June 2001, this emerging firm has grown from four to 41 employees in eight offices around the country. Its five core values of professional integrity, empowerment, efficiency, commitment and client relations

Blue IQ; nominated by PD Naidoo and Associates and Goba Moahloli Keeve Steyn and The Sekhukhune Joint Development Forum; nominated by Bigen Africa.

‘The Plan for a Smart Province – Gauteng’ managed by Blue IQ, is the economic infrastructure development programme of the Gauteng Provincial Government. This multi-billion Rand initiative is creating and upgrading strategic economic infrastructure across 11 major projects in the province and is driven by Public Private Partnerships.

The establishment of a joint development forum between the Sekhukhune District Municipality, its five local municipalities,



iNtatakusa Consulting received the Young Company of the Year Award. Celebrating their success is (from left) Stoffel van Beek, Lebo Moshoeshe, Elton Simelane and George Croucamp.

long-term sustainable benefits by means of identified projects totaling R6,5-million.

window to the world of professional consulting expertise available in South Africa. All these entries serve as excellent examples of the benefits that will accrue to clients who choose to use professional consultants for their projects.”



Bigen Africa walked away with the Business Excellence Award. From left: Anton Boshoff, Francois Swart, Nku Nyembezi-Heita and Mike Mohohlo.

strengthens the company’s ability to continually deliver world-class quality products and services to its extended client base.

together with various mining companies in the eastern limb mining area, has brought public and private sectors together to develop a common vision and

Visionary Client

Members of the Association are called on to nominate clients who have commissioned a project that promotes sustainable growth and job creation, embracing innovative design and highlighting the abilities of South Africans in the technology field. This year there were joint winners:



Blue IQ was joint winner of the Visionary Client of the Year Award. Seen at the awards ceremony and gala banquet at Caesars Gauteng was (from left) Dempsey Naidoo (PD Naidoo and Associates), Jack van der Merwe (Blue IQ – Gautrans) and Llewellyn Pike (GMKS).

Journalism Award

The Association recognises the role of journalism in promoting the business of SAACE members, in publicising their achievements and in contributing towards the advancement of our industry. The articles are judged by representatives of the Association’s Communications Committee. This year it was decided to award a **commendation** and an Award in this category. The Award went to Lani Holtzhausen van der Merwe of Water Sewage & Effluent, and the commendation went to Gerald Garner of Civil Engineering Contractor.

Graham Pirie, Executive Director of SAACE says, “I congratulate all those companies and clients whose projects have earned top honours this year. Those who have participated have not only made the winners worthy of their awards, but they have provided a



Gerald Garner of Civil Engineering Contractor received a commendation in the Journalism category, while Loni Holtzhausen van der Merwe of Water Sewage & Effluent was the recipient of the Journalist of the Year Award.



Joint winners of the Visionary Client of the Year Award was Sekhukhune Joint Development Forum. From left: Dirk Kleingeld (Bigen), Bertus Bierman (Anglo Platinum), Kevin Dabinett (Marula Platinum), Dixon Masemola (Executive Mayor of Sekhukhune), Stan Ramaila (District Council of Sekhukhune) and Jakes Louw (Bigen).

It pays to serve the SAACE



If an individual looks at the true power of 'volunteerism' then look at what ordinary Australians did at the last Olympic Games in Sydney, which has now become a standard for international games events.

We need to look upon serving SAACE with a similar approach. Is it hard work? The answer is a definite yes. Nothing worthwhile ever comes out of mediocrity. We want to make our Association the pre-eminent voice in South Africa, and perhaps Africa, for all matters affecting the business of consulting engineering. To do this, one has to intervene at various levels of decision making, be it in government or the private sector.

On a personal level, I have grown to understand the

regulatory and policy parameters that affect our industry. This knowledge has allowed me to make a more informed contribution to the profession, but no doubt my employer, PD Naidoo & Associates incorporating GFJ, has benefited from this expertise as well. Such acquired knowledge will allow young managers to better represent issues affecting our lives to best effect when interacting with clients.

The exposure to international and regional initiatives has also made me appreciative of the industry and resource difficulties experienced around the world, especially in Africa.

Ask not what your Association does for you, but what you can do for your profession.

This experience is vital for those of us wishing to make an impact on NEPAD and other matters across our borders. On balance I can confirm it pays to participate. So

let's make all employees in the consulting profession SAACE ambassadors by getting them involved so that their professional development will benefit immensely.

Next year, I hope to assist in developing a Young Peoples Forum within SAACE so that a cadre of informed office bearers and volunteers can be recruited into the future. I look forward to every SAACE company nominating young engineers for this venture. The

future of your business and our profession depends on it. Remember, it is not good enough to be an armchair critic. Let's all get involved to 'Engineer Back Our Pride'.



Dempsey Naidoo

FIDIC focuses on responsible development

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"From a South African point of view, our member firms compare positively in relation to these issues, as the Reconstruction and Development Programme (RDP) principles incorporate the majority of criteria outlined in the principles of sustainability and these have been incorporated into the design and implementation of projects locally.

"Of greater importance to local consulting engineering firms was the focus on good governance practices including codes of conduct, integrity management and specifically the implementation of quality management systems.

"Internationally, these issues are client-driven and firms are expected to have in place a code of conduct and a recognised quality management system in order to qualify for

work. Recently, SAACE changed its Code of Conduct to require member firms to implement and maintain a quality management system within their practice preferably based on the ISO 9001 system. FIDIC has also focused on making it easier for smaller firms to adhere to a quality management system and has drawn up a recommended template to follow, which SAACE recommends to its member firms."

Graham was invited to co-chair the Directors and Secretaries (D&S) meeting with his Swedish counterpart, Lise Langseth. The meeting, as in previous years, took place on the Saturday preceding the conference and was well-attended by CEOs of member associations who gathered to discuss both association management issues as well as FIDIC's business plan.

Graham says: "It was an



From left, Craig Clarke and his wife Alsona; Chairman of the FIDIC Contracts Committee, Christopher Wade with his wife Agneta; and a member of the Nigerian delegation share a moment at the FIDIC banquet in Paris.

honour to be invited to co-chair this meeting, which is becoming a significant force within FIDIC with the ability to inform constructively on its initiatives and business plan.

"The meeting, once again, proved invaluable as a sharing and networking opportunity ensuring that all participating

member associations can remain relevant and responsive to the needs of members by adopting successes from international counterparts."

FIDIC has posted all papers that were presented at its conference on its website: www.fidic.org or www.fidic2003.net.



Fronting undermines the spirit of empowerment

Fronting is undermining empowerment and instead promoting the enrichment of a few individuals. This phenomenon, together with the widespread use of agents, is bringing the industry into disrepute.

During recent trips to SAACE branches and clients around the country, the Association has come across weird and wonderful responses to Government's procurement policy such as teachers and medical doctors procuring work of an engineering nature.

The Association has identified three basic forms of fronting. Firstly, any business relationship between black and white individuals that is designed purely for white individuals to procure work without the black individuals advancing their technical/intellectual skills and where they do not benefit financially in a material sense.

Secondly, where established companies create or use black empowerment shell companies that do not have staff or separate shareholders to undertake work procured.

Thirdly, any company that uses the name of influential black individuals and merely pays a fee for the use of this name without the black

individual causing independent black empowerment changes on a broad basis.

The Association is also seeing the emergence of 'agents' – an individual or 'influencer' who is employed on a retainer fee to lobby clients for appointments on behalf of the consulting engineer and who, if successful, often receives a further substantial fee.

We don't believe that agents add any value to the process and often consume scarce funding, which means the end beneficiaries suffer in terms of delivery. Also, the use of agents is resulting in people that are not bound by the ethics of the Association bringing the profession into disrepute.

Fronting has come about largely because access to public sector work is being driven by the narrow dimension of ownership. The various tiers of Government adopting different procurement policies then compound the problem.

For instance, some require 60 to 70 percent black ownership, which is difficult, if not impossible to satisfy resulting in the use of non-engineering professionals being used. Our understanding is that less than five percent of professional engineers are black.

However, Graham says the

Association welcomes the Government's approach to broad-based empowerment and the balanced scorecard, which add a number of different dimensions. The Association's response to the problem has been to proactively embark on a transformation strategy with the assistance of the CSIR as service provider.

The strategy will be broad-based taking into account ownership, management participation, employment equity, procurement policy, skills development and corporate social investment.

What is hampering the industry in transformation efforts is that it takes 10 years to 'grow' an engineer, a shortage of suitable candidates (those with mathematics and science) and engineering is no longer considered as lucrative as other careers such as IT.

SAACE member firms have demonstrated a commitment to transformation, spending R95-million per semester on bursaries and training, which the public sector is not doing.

Other sectors of the construction industry, such as contractors, are also developing similar strategies to the Association and the intention is that these will be combined into a Construction

Charter through the Nedlac process which will be announced at a Construction Summit due to take place early next year.

It is crucial that all stakeholders participate in this process to ensure that it is not purely an academic exercise and that sustainable transformation prevails and broad-based opportunity is made available to all sections of the populace and not just a few.

Fronting is a form of corruption and the Code of Conduct of the Association makes provisions against corruption. If necessary, the Association will revisit the Code to put an end to this scourge and SAACE will take action.

PRESIDENT'S DIARY

Here is an insight into some of the important meetings that were in the President's diary during the last quarter of the year (July to September 2003):

| | |
|------------|---|
| 15 July | CSIR – Transformation Strategy presentation to Exco members |
| 24-25 July | Presidential visit – Mpumalanga |
| 30 July | SAACE/SAICE workshop |
| 6 Aug | NEPAD Business Group banquet |
| 7-8 Aug | Presidential visit – North West |
| 3 Sept | Visits to London – ICE, ACE and BCCB |
| 7-11 Sept | FIDIC Conference in Paris |
| 18-19 Sept | Presidential visit – Limpopo |

Champagne Sport for a progres

Picture courtesy SA Tourism

The 2003 SAACE convention, which took place at Champagne Sports in the Drakensburg yielded some healthy debate, particularly around the transformation issue.

Infrastructure development grows communities

The first speaker Gugu Moloi, CEO of Umgeni Water, tackled the role of infrastructure as a means to poverty alleviation. She called for consulting engineers to initiate broader efforts and employ innovative means to unlock spending on basic infrastructure.

Transformation

The second speaker Llewellyn



Guest speaker, Gugu Moloi, CEO, Umgeni Water Board, with Monde Skade of Iliso Consulting Engineers.

van Wyk, a senior researcher at the CSIR, has been helping SAACE with industry benchmarking studies. These benchmarks

will assist the directorate to draw up a BEE vision, which will be fed into a Transformation Charter for the industry.

National Treasury looks at priority spend

Andrew Donaldson, Deputy Director General of the

National Treasury, addressed the topic of infrastructure spending – areas that include industrial development zones, parastatal

infrastructure, road network upgrades and residential infrastructure and services. One of Government's key objectives is to look at projects, which will contribute to job creation, both through labour-based construction and sustainable employment.

Balance Scorecard developed by DTI

The final business presentation of the day was by Philisiwe Buthelezi, Chief Director of BEE at the Department of Trade and Industry (DTI), who covered in detail the process followed by the DTI in developing the Balance Scorecard method to evaluate service providers to Government in terms of their commitment to BEE.

Modise sets the scene for SAACE's 2004 annual convention



Chairman of the Transformation Committee, Abbas Jamie (Arcus Gibb) with Llewellyn van Wyk (CSIR) and Francois Swart (Bigen Africa).



Dempsey Naidoo, 2003 SAACE President, hands over the badge of office to SAACE's new President, Craig Clarke.

Modise raises the roof and spirits

The convention was closed by the keynote speaker, well-known radio and television personality, Tim Modise. He said that South African engineers should be proud of their achievements, as the country had developed infrastructure of a world-class standard, despite historical isolation. He highlighted the future possibilities in the new open society of South Africa with increased levels of teamwork and broader participation. In his role as Chairman of Proudly South Africa, he truly believes that South Africa is in a position to achieve world status as an economy and a nation.

AGM news

All in all it was a worthwhile programme, thoroughly enjoyed by delegates and with a great deal of take-out for participants.

The AGM saw the inauguration of Craig Clarke as President, with Althea Povey as senior Vice-President and Webster Nodana as second Vice-President – indeed a dynamic and enthusiastic team to take on the challenges laid down during Dempsey Naidoo's term of office.

Thanks to sponsors

Thanks to the sponsors: Autodesk, Glenrand MIB, Lafarge SA, Amitech, CGIC, Barloworld Equipment and Daily Tenders, who made the event possible.



SAACE's 2004 President Craig Clarke chats to guest speaker Andrew Donaldson, Deputy Director General, Budget National Treasury.

The road to 2004

With the level of enthusiasm experienced, it appears that 2004 will be an action filled year with

the Association and its members taking on challenges together with a greater sense of unity and camaraderie.

Message from Graham's desk



Editor's note



SAACE's successful stop-over in London

During our stop-over in London, I and outgoing President Dempsey Naidoo took the opportunity to visit the Institute of Civil Engineers (ICE), the Association of Consulting Engineers (ACE) and The British Consultants and Construction Bureau (BCCB).

We were most interested in the ICE's annual performance report, which is an assessment of the UK government's delivery of infrastructure in various categories. This independent study evaluates government departments based on specific performance criteria in terms of how well it has performed over the preceding year. SAACE intends to evaluate the report to see whether it might be able to introduce some of these concepts into its bi-annual Management Information Survey (MIS) report.

The visit to the BCCB also



From left: Ruth Dennett (Institution of Civil Engineers' (ICE) Senior Regional Manager: International), Omar Bhogal (ICE Deputy Director General), and Dempsey Naidoo and Graham Pirie pose for photos during their visit to ICE's London offices.

yielded some interesting developments. The BCCB is an export agency, which works closely with the UK government to identify and develop opportunities for the export of British engineering consultancy and related services.

In our meeting with the BCCB CEO Colin Adams, we

discussed the possibility of reaching a co-operation agreement between the BCCB and SAACE. SAACE has recently established an International Business Development section, which has already grown to 60 members, and a co-operation agreement would greatly benefit these members. The BCCB has offered to make a visit to SAACE next year (2004) in order to make a presentation to our members on partnerships opportunities with British firms.

Graham Pirie and Dempsey Naidoo flank Robert Osborne, Acting CEO of the Association of Consulting Engineers (ACE), during their visit to the Association's London offices.



I have just returned from a very successful Convention/AGM, which took place at Champagne Sports in the Drakensburg. Next year promises to be filled with many positive changes for the industry and we will keep you abreast of the progress.

I would also like to take this opportunity to apologise to MZA Consulting Engineers for the oversight at the Awards function when their name did not appear on the list of project entries.

In the next issue we will interview the new SAACE President, Craig Clarke, and get an insight into his key objectives for 2004.

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Calendar of events

Important dates to diarise

| Date | Event | Venue |
|---------------------|--|-----------------------|
| 8 November 2003 | Consulting engineers relay | Pretoria |
| *11 November 2003 | Ethics (Law and Governance) | Venue to be confirmed |
| *21-22 January 2004 | FIDIC contracts | Venue to be confirmed |
| *27 January 2004 | Commercialisation of professional services | Venue to be confirmed |

* School of Consulting Engineering

Did you know?

The School of Consulting Engineering has trained 664 people since February 2003, 25% more than were trained during the whole of the last financial year.