THE IMPLEMENTATION OF AFFIRMATIVE PROCUREMENT POLICY: THE POST TENDER ROLE OF THE PUBLIC CLIENT

By

DESMOND HENRY JACKSON

Prepared in partial fulfillment of the requirements for the degree of Master of Technology (Construction Management), Department of Built Environment Cape Peninsula University of Technology.

November 2005

ACKNOWLEDGEMENTS

I wish to express my gratitude to one and all for their unselfish assistance and overwhelming support during my studies. It is therefore that I wish to extend my thanks to the following persons:

Professor PD Rwelamila for his commitment and devotion towards the project, and for the advice rendered, as well as my project sponsor SANPAD.

Special thanks to my internal supervisor Mr. Andre Rodriques Head of Department Built Environment, Cape Peninsula University of Technology, for his assistance and professional guidance in assisting with the completion of my thesis.

Mr. Bob Hindle for the loan of literature that assisted with getting the project off the ground.

Dr. Theo Haupt Research co-ordinator Department of Engineering Cape Peninsula University of Technology for assistance rendered.

To Ms. Charlene Daniels administrative assistant Department of Engineering Cape Peninsula University of Technology for the assistance rendered whenever the need arose.

Mr. Andre Van Graan for assisting with editing my thesis and to all my colleagues within the Department of the Built Environment for their encouragement and concern.

To my co- researcher Simphiwe Nompunga, for the help and encouragement rendered over the years of study.

To all the experts, practioners, organisations, communities, contractors and the Department of Public Works, for making available information and data when required. To all the communities and contractors who unselfishly gave their time to be surveyed, which resulted in this research being completed.

To my wife Jean, daughters Lana and Cindy for their love and support, patience and understanding.

To the Almighty for the strength, guidance and blessings afforded to me during the period of preparation and completion of this dissertation.

ABSTRACT

The study investigates the effectiveness of the Public Works Affirmative Procurement Policy in the Republic of South Africa, and the research being conducted in the Western Province. It is the intention of the researcher to determine the role of the public sector, and to determine if government's efforts to implement the policy of procurement have been successful.

The aim of the Affirmative Procurement Policy was primarily to promote Affirmable Business Enterprises (ABE's i.e. small medium and micro enterprises which is owned mainly by previously disadvantaged communities or PDI's). The need to transform the public sector procurement system as current policies and procedures clearly favour large and established enterprises. In 1996 the State Tender Board approved the decision that the Department of Public Works implement the policy of APP, in all its construction projects.

International models of procurement were explored, so to compare that with the current South African situation. Surveys conducted throughout the research targeted mainly previously disadvantaged individuals, in order to establish the ambiguity of the system. The countries discriminatory past laws contributed largely to the backlog of service delivery and to widespread impoverishment.

Due to lack of resources, finance and skills training growth in the emerging sector hinders progress as contractors encounter numerous problems facing the industry. The introduction of the 10-point plan approved by Cabinet as a measure to achieve this goal was not fully successful as some provinces only implemented it partially whilst others have systems in place that differ from the proposal detailed in the plan.

The implementation of affirmative procurement, which would ensure participation of, targeted groups would consequently address the development of SMME's, increase the volume of work and generate income among the marginalized sector of society.

DECLARATION

I, DESMOND HENRY JACKSON declare that the following dissertation has been completed with the assistance of my supervisors, Mr AJ Rodriques and Professor PD Rwelamila, and that no plagiarism occurs. All information has been gathered through literature reviews and interviews and the content in this research is of my own.

SIGNATURE: _____

PLACE : BELLVILLE

DATE : NOVEMBER 2005

TABLE OF CONTENTS

LIST OF TABLES

ACKNOWLEDGEMENTS

I wish to express my gratitude to one and all for their unselfish assistance and overwhelming support during my studies. It is therefore that I wish to extend my thanks to the following persons:

Professor PD Rwelamila for his commitment and devotion towards the project, and for the advice rendered, as well as my project sponsor Sanpad.

Special thanks to my internal supervisor Mr. Andre Rodriques Head of Department Built Environment, Cape Peninsula University of Technology, for his assistance and professional guidance in assisting with the completion of my thesis.

Mr. Bob Hindle for the loan of literature that assisted with getting the project off the ground.

Dr. Theo Haupt Research co-ordinator Department of Engineering Cape Peninsula University of Technology for assistance rendered.

To Ms. Charlene Daniels administrative assistant Department of Engineering Cape Peninsula University of Technology for the assistance rendered whenever the need arose.

Mr. Andre Van Graan for assisting with editing my thesis and to all my colleagues within the Department of the Built Environment for their encouragement and concern.

To my co- researcher Simphiwe Nompunga, for the help and encouragement rendered over the years of study.

To all the experts, practioners, organisations, communities, contractors and the Department of Public Works, for making available information and data when required. To all the communities and contractors who unselfishly gave their time to be surveyed, which resulted in this research being completed.

To my wife Jean, daughters Lana and Cindy for their love and support, patience and understanding.

To the Almighty for the strength, guidance and blessings afforded to me during the period of preparation and completion of this dissertation.

CHAPTER 1

1.0 General Introduction

The problem of the skewed resource distribution, of whatever kind, is an all-pervasive one throughout the World. It is recognised by such global institutions as the World Bank and the International Monetary Fund and indeed anecdotal evidence of the billions of poor people around the world abounds on television and other news media (World Bank, 1993, 1994). This dire situation of the poor is recognized as being detrimental to the affluent and bodes ill for the economic stability of nations.

This problem has been highlighted in the White Paper on Procurement by the South African Government and has dictated the spirit and ethos of the new policy formulations that were specifically aimed at redressing the imbalances that existed and still exist in society today Department of Public Works (DPW, 1999).

According to Lemon (1976) the policy of apartheid profoundly impacted on the location of different racial groups in urban areas, through the Group Areas Act. (No. 41 of 1950, amended and consolidated in No. 77 of 1957) which extended the 1913 Land Act to the whole of South Africa and to all races.

The introduction of the Group Areas Act in 1950 resulted in a highly segregated urban structure. Metropolitan areas, which housed the poor in dormitory suburbs were poorly located and far from jobs, shopping facilities and recreational opportunities. In contrast, the white population lived mainly in close proximity to facilities with high quality service, opportunities and environment (Cape Metropolitan Council, 1993).

In South Africa since 1994 the Government has prioritised services delivery to target and address the imbalances of the past that resulted in the impoverishment and disempowerment of these disadvantaged communities.

It has been recommended that Public Sector Procurement should be structured in such a manner that it promotes economic reconciliation and competitiveness. According to the Minister of Finance (Enterprise, 1997).

> *"Government has a responsibility to ensure that its procurement policy supports its overall economic strategy".*

Because of lack of uniformity, a decision by one tender board could have a harmful impact on the activities of another (DPW, 1999).

According to the White Paper (1999), an innovative form of procurement has been developed by the procurement task team in order to provide employment and business opportunities for marginalised individuals and communities so to enable social objectives to be linked to procurement in a fair, transparent and equitable, competitive and cost effective manner. Social objectives could therefore be quantified, measured, verified and audited through Targeted Procurement.

Due therefore to South Africa's former legislative structure, impoverishment was particularly rife, affecting rural communities and women the most (DPW, 1999).

Essentially there has been no theoretical framework in the South African construction Industry from which to derive either an ideal or an optimum approach to procurement. The situation is characterised by only a reactive evolution or modus operandum. This is a fundamental stumbling block to various government initiatives, which aim at using industry as a vehicle to redress past political, social and economic imbalances. This would be applicable throughout the job training and implementation processes of the Affirmative Procurement Policy by creating and enabling the environment for small, medium and micro enterprise (SMME's) and promoting participation by emerging enterprises in public procurement activities.

Any construction procurement system will clearly have inherent strengths, weaknesses, and attributes that will render it ideal for a given set of circumstances. The problem is that the South African public client, in choosing amongst the conventional construction procurement systems options, is always aiming for "best fit" against its own specific criteria. This is succinctly described by Cox and Townsend, (1998) as effectively selecting an "off the peg" suit in a South African environment where the Public Sector customers' requirements and specifications are immensely complex and fundamentally different from the norm.

It is recommended that Public Sector Procurement should be structured in a manner that promotes economic reconciliation and competitiveness (Enterprise, 1997). It is therefore the responsibility of the Government to ensure that the procurement policy supports its overall economic objective. Public Sector Procurement is therefore as much an instrument of official policy as the budget or the Growth Economic and Redevelopment (GEAR) Macro Economic Strategy.

In looking at the policy objectives it is necessary to also consider the constraints to the realisation of these aims and this can be found if the intentions of the client and the contractors are taken into account. There are three focal points most projects are based on namely cost, time and quality vs. non traditional cost, time, quality, utility, safety, health, empowerment, skills transfer and job creation. However most of the projects often sacrifice quality for cost and time (Bennet and Grice, 1990; Hughes and Williams, 1991). It must however be emphasised, that the most important objective for clients of the construction industry is the attainment of quality, cost, time and utility (Chartered Institute of Building, 1982; Draper, 1984; Rwelamila and Hall, 1994).

There are definite relationships between employment opportunities, available skills, entrepreneurship and the use of small-scale enterprises in the construction industry (Watermeyer and Band, 1994). Procurement strategies adopted is to be used to address social and economic concerns to facilitate the empowerment of disadvantaged sectors of society as well as to address unemployment in a focused manner.

The South African Government has identified the construction industry as a sector, which can achieve significant socio-economic objectives, such as job creation, skills development and entrepreneurship via the delivery of construction related goods and services. The development role of the State in the construction industry is not only located within the context of socio-economic outcomes on a project specific basis, but is also aimed at promoting public sector delivery programmes targeting the disadvantaged.

In 1994 the first democratically elected government implemented the Reconstruction and Development Programme (RDP). According to the ANC, (1994) this integrated, coherent socio-economic framework, seeks to mobilise all people and develop a legislative programme of government (ANC, 1994). The major policy programmes of the RDP are to meet basic needs such as jobs, land, housing, social welfare.

As a people centered programme the RDP focused on development of human resources ensuring a full and equal role for women. The RDP therefore involve processes and forms of participation by organisations outside government that one different to the old apartheid system, African National Congress (ANC, 1994). Fundamental principles enshrined in the RDP remain the official policy of government Department Public Works, (DPW, 1997).

It is thus important, as a background to the problem to establish the meaning of the concept procurement, identify its nature and origin and indicate how the mechanism of procurement is intended to alleviate the problem of the disadvantaged and the extent to which it actually achieves its intended goal. It is out of these very pertinent questions that the problem stated later emerges.

As an interim measure to expedite procurement policy the government introduced its Ten Point Plan and further published its Green Paper (1996), as a discussion document which was followed up with the White Paper (1997), and eventually the promulgation of the Affirmative Procurement Bill.

The aim of Affirmative Procurement Policy is three pronged; namely

(a) Use is made of Targeted Procurement to achieve predetermined socio-economic objectives.
(b) Specific target groups are identified and are systematically targeted in accordance with national policy objectives.
(c) Consistent and uniform definitions, strategies and monitoring and reporting mechanisms are used to realize policy objectives.

In South Africa, because of its abnormally skewed socio-economically divided society, a unique approach of procurement had to be adopted. The Ministries of Finance and Public Works appointed a task team to introduce targeted procurement, to be used as an instrument of policy to reform the public sector.

As the previous government's tender board favoured the larger and better-established enterprises it did not allow easy access for small, medium and micro enterprises into the mainstream procurement activities funded by the public sector (DPW, 1999). The introduction of a 10-point plan was proposed specifically to the State Tendering Authority to review the previous government's procurement policy with the view of developing a new policy and system that corresponds with the current need of the South African society.

Through the Department of Public Works the government proposed interim strategies to be implemented immediately, within the ambit of existing legislation, and should impact positively on the participation of small, medium and micro enterprises, with emphasis on the disadvantaged and marginalised sectors and focus on job creation (DPW, 1996).

> *"In perusing the 10 points it becomes apparent that the intention of this interim strategy is to address the past iniquities and ensure that the procurement system becomes a tool for affecting the process".*

The Affirmative Procurement Policy (APP) is a process that affirms the RDP and the changed environment. It was developed by the Procurement Forum, and its goal is to the affirm principles of the RDP by creating opportunities and participation across the broader spectrum of all economic sectors, that would support competitiveness in an open world economy by aligning both institutional and economic structures to achieve its aims (DPW, 1996).

One of the problems identified for redress is the lack of uniformity in tender board decision-making, which could have a harmful input on other tender boards. Interim interventions as proposed by the forum and approved by the Government of National Unity are aimed at impacting positively on the participation of SMME's, with the emphasis on the disadvantaged and marginalised sectors and focusing on job creation (DPW, 1996). Such intervention would facilitate one or more of the following objectives of the Affirmative Procurement Policy:

(a) To develop small businesses, which are owned and operated by previously disadvantaged individuals.

(b) To increase development opportunities; in order to empower disadvantaged communities and achieve targeting by means of contract classification, general targeting and specific targeting (DPW, 1996).

The Strategic Projects Initiative (SPI) Workshop held in September 1998, revealed that previously disadvantaged contractors experienced problems, such as lack of finance required for materials, labour cost and delays with payment claims. These problems are further exacerbated by current business practices especially from banking associated financial institutions that provide needed financial assistance. The DPW Mentoring Programme focuses on development of sustainable growth of Affirmable Business Enterprises (DPW, 1997).

The DPW has therefore committed itself to the implementation of Public Works programmes that would empower previously disenfranchised communities through providing job opportunities, transfer of skills and the creation of community assets and structural support (DPW, 1997).

The APP proposed various strategies to achieve its aims including the reclassification of building and civil engineering contractors so as to facilitate the participation of all South Africans according to the interim constitution. Furthermore structured joint ventures should relate to those contracts classified only as 'major'. Whereas joint venture formation is intended to expose small and medium enterprises to the business practices of larger enterprises in order to facilitate their growth development or to afford emerging contractors who may lack resources and participation in larger contracts at prime contract level.

The State Tender Board approved the decision that the National Department of Public Works implemented the Affirmative Procurement Policy in all its construction projects in August 1996. Since its inception and up to October 1997, 3423 building and civil contracts with a value of R914, 5 million were awarded, utilising the Affirmative Procurement Policy specifications. Affirmable Business Enterprises (ABE's) (black owned SMME's) were targeted (DPW, 1997).

(a) Outcomes achieved by APP which revealed that only a small number of ABE's more winning contracts with in values exceeding R2,0m, the gravity of the situation becomes apparent.

(b) Only a relatively small number of ABE prime contractors have won contracts that have a value less than R2, 0 million.

(c) In the category R2, 0 million plus none was won by ABE's as prime contractors

Furthermore subcontractors were engaged in terms of industry standard forms, which contain unfair conditions of subcontract that are in non-compliance with specifications (DPW, 1997).

1.1 Current Factors of Procurement

A feature of the Construction Industry is that it has, according to the Construction Industry Board 82, and Rwelamila and Hall, (1994) been governed by objectives, which ensure completion of the contracts in the shortest time and for the lowest cost.

This tendency is immediately apparent if the vast array of definitions of procurement is perused. Thus starting from first principles, the definition of procurement ranges from a mere act of acquisition or of realisation through effort and care, to being a strategy geared towards the satisfaction of the needs of the clients. Sustainable employment and Human Resources Development hold the key to growth of the construction industry but would only yield long-term results.

Furthermore it is to be used to address more long-term socio economic issues viz., increasing the volume of work available to the poor and generating income within marginalised sectors of society (DPW, 1998).

In South Africa procurement is a subject of the national constitution and is the process that creates, manages and terminates Contracts. The manner in which the public bodies procure Goods, Services and Engineering and Construction Works from the private sector is referred to as Public Sector Procurement. Affirmative Procurement Policy uses procurement as an instrument of social policy to affirm the changed environment, government's socio-economic objectives and the principles of the reconstruction and development programmme (DPW, 1999).

It is therefore imperative that the Government implements public service delivery, particularly Public Works programmes, in order to achieve its goal to target the marginalised communities (White Paper, 1997). The implementation of an effective procurement policy would steer the public sector towards a sustainable employment and human resource development programme client base, thus avoiding poor quality and decreasing profits due to poor standards. (DPW, 1998).

With the emergence of the Affirmative Procurement Policy (APP) the current procurement environment will not be able to withstand the sudden implementation of APP until a system is established to provide a procurement regime that will meet the objectives of this policy.

It becomes apparent that there is a divide between intention and spirit of policy and the implementation thereof and that various stakeholders in the construction arena impact on this scenario.

Emerging enterprises should also be educated in skills such as project management, the building process and understanding general legal requirements, together with contractual obligations.

The Affirmative Procurement Policy represents a milestone in the transformation of public sector procurement in South Africa. However its success is dependant on its proper implementation as it has been found that many of its consultants are not competent in its application.

1.2 Problem Statement

Why has the APP, designed as a facilitator of redress, not been effective in the post tender stage for the public client's intentions in the construction industry?

1.3 Hypothesis

Given the Problem therefore evokes the statement that the public client's intention, to address imbalances through APP are not effective and do not meet the objectives anticipated in the construction industry.

1.4 Objectives

This study will be focused in such a manner to:

(a) Identify the global trends, developments and current status regarding APP.

(b) Present an account of the imbalances, which affect economic equilibrium and thus economic growth, and to measure the effectiveness of government Affirmative Procurement Policy (APP) in construction.

(c) Look at models for improvement and the implementation of Affirmative Procurement Policy (APP).

(d) Establish clearly the client's intention.

1.5 Methodology

The Methodology, which will be employed during the course of study, includes a literature review that would establish systems used globally, to identify models, which suit the South African scenario. Secondly, a Review of the Affirmative Procurement Policy, in order to measure the effectiveness of APP so as to enable the implementation thereof. The collection of data will be extracted from local and international resources, and will be used as a source of information to compare and make recommendations that may be relevant to the South African Construction Industry.

Table 1.5.1 Implementation of the Affirmative Procurement Policy -Time Schedule

Phase	Method	Aim
Literature Review	Books & Journals reviewed. Experts and professionals interviewed.	To establish the evolution of quality management systems and current practices
Phase 1 Establish Research Methodology	Methods devised for analysing factors affecting project quality management in public buildings. Questionnaires and interview guidelines for pilot: (a) study (b) main survey	To collect data to: (a) establish factors affecting quality management; (b) test established hypotheses for this research and provide insight on how to manage data.
Phase 2	Construction site visits using data collection techniques earlier developed. Visits to relevant government departments, contractors, and consultant's offices involved in the survey.	To collect data.
Phase 3	Analysis of data collected and the formulation of a conceptual framework for a quality management system	To analyse data collected and propose a conceptual framework
Phase 4	Review Phase 1 – 3 towards streamlining earlier findings	To validate the conceptual framework and make recommendations.

1.6 Limitations

The research will be confined to the Republic of South Africa Structured surveys, case studies and interviews will be limited to the Western Cape. This work is intended to investigate the role of the Public Sector in the creation of the public works by particularly focusing on the past tender role of the public client. To achieve a definite outcome the problem is confined to the state of the post tender stage.

Numerous papers have been presented at both local and international level that focuses on the role of the Public Sector within the South African construction industry. Rwelamila and Hindle, (1998) described on the historical role of the Public Sector in South Africa, the present trends in the public sector involvement as well as the current role being performed in the construction industry.

The present government implemented the Reconstruction and Development Programme to avert past discriminatory laws, which prevented participation by all sectors. Cattell, (1997) stated that black contractors were characterised by their inability to plan, market and manage, while their strengths lie in their ability to survive in adversity.

1.7 Proposed Structure of Dissertation

Literature pertaining to Affirmative Procurement during the Post Tender Role of the Public Client is relatively limited, and therefore most of the information referred to is contained within the Department of Public Works publications. One of these publications, "The Way Forward", (1995) discusses papers prepared by the Procurement Task Team (1995) and deals extensively with each of the overall objectives of the Procurement Reform initiative.

In order to change the role of the public sector in the construction industry, the Department of Public Works (DPW) was mandated to develop a policy framework to transform the industry, and was published in the DPW Annual Report of 1996. The "10 point plan" gives background to issues specifically addressed as well as the interim strategy and the proposed process to achieve the envisaged results.

Chapter one presents the introduction to the dissertation. In Chapter two a literature review is conducted to evaluate the existing knowledge pertaining to the effectiveness of Affirmative Procurement Policy, and is presented in a format from accredited journals, government publications and papers presented locally and internationally. Chapter three looks at research methods with a view to a selection of appropriate methods to meet the objectives of this research. In Chapter 4 conducting surveys will be an empirical analysis of the primary data obtained. In Chapter 5 conclusions will be drawn from studies and recommendations.

CHAPTER 2

2.0 THE THEORY AND PRACTICE OF THE IMPLEMENTATION OF AFFIRMATIVE PROCUREMENT POLICY: THE POST TENDER ROLE OF THE PUBLIC CLIENT

As stated in the White Paper (DPW, 1999) the construction industry, which comprises both of the building (residential and non-residential) and civil engineering sectors, plays an indispensable role in the South African economy. It provides the physical infrastructure, which is fundamental to the country's development, and its activities affect the lives of all South Africans. The need for accelerated and increasing delivery presents industry with both challenges and opportunities. Achievement of government objectives of reconstruction and development requires an effective strategy (Government Gazette, 1999).

In 1992 Watermeyer defined procurement as follows:

(a) Procurement: The process, which creates, manages and terminates contracts.

(b) Public Sector Procurement: The manner in which public bodies procure goods, services and engineering and construction works from the private sector.

(c) Affirmative Procurement Policy: A procurement policy which uses procurement as an instrument of social policy in South Africa to affirm the changed environment government's socio economic objectives and the principles of the RDP.

(d) Targeted Procurement: A system of procurement which provides employment and business opportunities for marginalised individuals and communities; enables procurement to be used as an instrument of social policy in a fair, equitable, competitive, transparent and cost

effective manner and permits social objectives to be quantified, measured, verified and audited (Watermeyer, 1999).

In his report: Understanding the Affirmative Procurement Policy, Letchmiah, (1998) made the following statement:

> *"Because of current policies and procedures that tend to favour the larger and more established entrepreneurs and do not create a favourable environment for small, medium and micro enterprises, in particular those owned and controlled by previously disadvantaged persons, to access the mainstream procurement activities funded by the public sector in addition, the control of economic power that established business has continued to hold, following South Africa's democratization has rendered the country's political transformation meaningless for many".*

The need has therefore arisen to transform the existing public sector procurement system in order to align itself with the current needs of the South African society. It has become an essential requirement of any new procurement policy that it should be in line with the Government's overall macro-economic strategy and therefore extending the principles of affirmative action into the area of economic development (Letchmiah, 1998). As stated in the White Paper, there is a need in South Africa to develop the capacity and role of the public service which lacks a uniform system in monitoring building projects in local communities resulting in non compliance with national building regulations and poor building practices which is accompanied by inexperience and inadequate training of client base in the procurement process, resulting in poor quality products (DPW, 1999).

In its draft report the Cape Metropolitan Council formulated proposals for an Interim Metropolitan Framework to restructure and manage the Cape Metropolitan Area. At the "Caledon Conference" in June 1991, a Metropolitan Development Framework (MDF) was established where representatives from community based organisations, service organisations and trade unions met with planners. It was agreed that the Western Cape Regional Services Council, assisted by the Cape Town City Council, would prepare the MDF with full public participation, which would provide a guide for coordinated planning, development and growth management throughout the CMA, identify major development priorities and formulate strategies on how to achieve them (CMA, 1993).

2.1 International Procurement Systems

Metropolitan councils throughout the world experience a comparative review of the development policies taken internationally during the 1960's with similar social economic and environmental concerns and their subsequent experience show that South Africa is not unique in facing the problem.. Influencing factors as experienced during the 1960's differ from those of the 1990's, (for instance technologies and attitudes to development).

Because of the many economic and social similarities between cities such as that of Los Angeles and the Brazilian cities of São Paulo and Curitiba, where disparities in levels of living between rich and poor and extremely high urbanisation rates have existed over the last thirty years, they can be compared to the South African situation.

Los Angeles, USA

Los Angeles was guided by the vision "Paradise: one house at a time" thereby securing each family with their own plot that would be large enough to accommodate a swimming pool and a garden. With the population increasing from 6 million in 1960 to 120 million in 1990 the city could only afford this development pattern because of its enormous wealth. With the second highest per capita income in America, Los Angeles as a single country would be the eleventh richest country in the world (Jarreau, 1990). In spite of all its wealth, the city suffers from serious air pollution, an ineffective public transport problem, a large marginalised population of people of colour, and high levels in social instability, severe problems to restructure its metropolitan area, and decentralization of investment away from the central area to the periphery, as the wealthy seek to escape the poverty of the inner city (Cape Metropolitan Council, 1993; Carpenter, 1991).

São Paulo, Brazil

São Paulo, unlike Los Angeles, did not boast the same enormous wealth but openly stated their vision to follow suit. Not being an economic success, it failed to accommodate the enormous numbers of people it attracted. Over the past thirty years its population grew from 4 million to an alarming 17.5million people (5% growth per annum) making it one of the world's fastest growing cities. Financial constraints, a sectoral approach to development and a weak metropolitan government consequently led to São Paulo imploding which, instead of sprawling like Los Angeles, with the wealthy moving into a high rise forest of luxury apartments in the central City, and obtaining the best-serviced and best-located land. Economic and political factors excluded the poor who lived in outlining areas, often without adequate services and housing, and with little access to social services and economic opportunities. Its inadequate land planning and development systems are unable to cope with growth especially in the poor communities.

Land invasion created unplanned, inaccessible and unserviced informal settlements. which brought about the decline of formal residential areas turning them into slums as

they converted into multi-family accommodation. Almost no vacant open space and public open space exist because of illegal occupation. River systems are often highly polluted. The poor public transport system makes it difficult for marginalised communities to gain access to the city.

With the establishment of a strong metropolitan government, which integrated planning and financial management, Curitiba included in its vision an integrated approach to city management, which focused on public transport and city growth which is environmentally sustainable to meet the aspirations of all its people. Curitiba's relatively small population increased from 400 000 people in 1960 to 1,6 million in 1990 which is half of that of São Paulo. (Banham, 1971; Barat, 1982).

Curitiba, Brazil

Curitiba is recognized as a world leader in effective city management and even has a department of international relations to help share its success experience. Through its success, the needs of the disadvantaged communities are met that secured their trust and confidence secured in the programmes established. Many small appropriate and effective projects were set up favouring the disadvantaged. A strong and effective education programme to develop human resources was put in place. The achievement of ecological and environmental sustainability for creating and using open as well as space (Alperston & Herbst, 1992; Rabinovitz, 1992 ; Filho and Polinesio, 1998).

Support to those that have graduated or have failed to progress; the operation of preference procurement policy for accredited construction firms or an approved public sector tender list as is related in the executive summary of the Green Paper. It is argued that government policy programs to develop the performance and the capacity of the industry cannot be managed or refined without adequate monitoring and evaluation systems. It was therefore proposed that the establishment of a single register and categorisation of Contractors be established to enable performance monitoring and appropriate action where standards are violated.

To promote best practice: The targeting of resources to emerging firms that are demonstrating progress and withdrawal of claims have therefore been made using the experience of successful register systems in countries such as Singapore, Malaysia, Australia and the United Kingdom which resulted in the following:

(a) Financial savings to both the public and private sector;

(b) Individual contractors not having to qualify repeatedly for a large number of separate lists;

(c) Increase in the quality of firms used;

(d) A sound structured method for selection of contractors and sub contractors.

This would result in better value for money for the client and reduced project lifetime cost.

United Kingdom

In 1994 Sir Michael Latham produced a government report on the review of procurement and contractual arrangements in the UK construction industry. In this report he recommends that the UK public client through the Department of Environment move away from separate lists of contractors. He argued that a registration system for public sector work would allow for other factors to be taken into account in assessing the quality, competence and suitability for work of contractors and subcontractors on the list (CIB, 1997).

In 1997 the Construction Industry Board addressed Sir Michael Latham's recommendations on a single Contractor Management System which resulted in the majority of construction firms in the construction industry being listed or would actively seek listing that reduced duplication and saw significant savings, to both the public and the industry (CPSC, 1993).

Australia: Australia operates two types of registers namely contractor registers for selective or pre-registered tenders and a contractor accreditation scheme, which is based on the following construction best practices:

(a) Commitment to client satisfaction;

(b) Quality management

(c) Occupational Health and Safety and rehabilitation management;

(d) Co-operative Contracting;

(e) Workplace reform Management of Environmental issues;

(f) Partnering;

(g) Benchmarking; and another area of best practice nominated by the contractor and accepted by DPW,

(h) Contractor registers for selective or pre–registered tenders.

Senior personnel from the Department of public works select the appropriate number of tenderers from those contractors pre-qualified for particular work.

In its report on "Productivity of the construction industry in New South Wales" the Royal Commission recommended that the NSW government embark on a reform Programme. The contractor accreditation to ensure that over the next decade the NSW construction industry is:

(a) Internationally competitive.

(b) Capable of achieving a productivity improvement of at least 20% within the next five years.

(c) Respect the rights of clients within the bounds of equity for other participants maintaining industry diversity such that it provides appropriate blend of major and minor participants thereby enhancing both stability and competitiveness.

(d) Publicly seen to be operating responsibly within a range of enforceable rules and to accepted standards of competition.

(e) Operated with commitment to comply with the full spirit and intent of all relevant laws and regulations

(f) Capable of achieving new standards in industrial relations occupational health and safety, industrial research, training, education and development (CIDB, 1997; Lee, 1997).

Singapore

In Singapore two types of registers are operated namely that of a main contractor and established in 1984, which provide construction, related goods and services to the public sector. Secondly, a register of sub contractors. These subcontractors (also known as kepalas) are appointed by the main contractors.

The reason for this registration is in order:

to operate a better-organised and transparent contractor system which is necessary.

to move towards higher quality and productivity.

to reduce problems of inaccuracy in manpower planning.

to encourage better performance.

to remove barriers to competition and harness technology and innovation

(Wah, 1997).

Malaysia

Malaysia, (1995) Registration Requirements and Procedures, CIDB, Kuala Lumpur Laws of Malaysia, Act 520, 'Lembaga Pembangunan Industri Peminaan Malaysia Act 1994'A royal assent was given for Act 520 of 1994 to establish Lembaga Pembangunan Industri Peminaan Malaysia (CIBD), The functions of Construction Industry Building Development include among others to accredit and register contractors and to cancel, suspend or reinstate the registration of any registered contractor.

The responsibility of the CIDB lies with the Minister of Works and all its personnel are deemed public servants. The CIDB aim for registration is to bring about professionalism and quality commitment into the contracting business. Excellence awards for quality have been introduced. Skills development programmes have been initiated for upgrading skills and knowledge among contractors. To improve the status of registered contractors, quality management feature strongly in the CIDB programmes.

South Korea

South Korea: According to Miles & Edmonds (1984) a register system is used to provide continuity of work to firms, which gives satisfactory service, thus enabling them to invest in equipment, training and improve systems in the reasonable expectation that the resulted overheads would be recovered. Contractors executing projects would be given an option to negotiate for a second project, provided that his or her unit prices were within certain limits.

McDermott, Melaine and Sheath (1994), argued that two of the key assumptions contained within the common definitions, those of client choice and the availability of a range of procurement concept, as defined, is irrelevant to Third World Countries.

Southern Africa Development Countries

SADC: In Botswana, Zambia, Tanzania, Malawi and Zimbabwe registers are directly managed by the DPW's, and contractors are registered according to speciality (building, roads, civil engineering or subcontracting) on the basis of numbers and qualifications of staff directly employed plant and equipment inventory financial capacity (cash and fixed assets) record of work executed in the immediate past.

Though used in all public sector projects, these registers are not as effective as those used in Australia, Singapore and Malaysia. Registration procedures are not thorough, and minimal inspections take place to check that data provided by the applicants are correct and grading is not regularly updated and reviewed (Rwelamila, 1984).

Despite the problems of its political transition South Africa is the most economically developed country in SADC region. Migrants from neighboring countries in search of better living standards and rural people in South Africa are migrating to cities to escape rural poverty. Despite the strategic importance of managing urban growth, South Africa does not have an effective urban development policy.

Decades of structural underdevelopment and neglect of large sectors of the population, backlogs in housing and poor access to basic services, health and education and

escalating violence, have exacerbated the problems. To quote Robert McNamara (1993)

> *"if cities do not deal constructively with poverty, poverty will deal more destructively with cities".*

In order to sustain our cities, it is therefore not only critical to accommodate population increases, but also to create the economic growth necessary to ensure a decent quality of life for the country as a whole.

2.2 State Tender Board

According to the South African State Tender Board, (1997) no central system of registration of contractors in the public sector exists, and all national public sector clients channel their tenders through the STB, on an open tendering system. Names of previous tenderers are maintained, and the department can only invite tenders on approval by the STB.

Procurement systems were therefore accepted by one nation and not by another. In 1994 Davenport reported that the French do not recognise the British/North American concept of procurement (Davenport, 1994).

(Hughes and Williams, 1991). Over the years it has been experienced that a lack of quality in constructed work resulted in extensive delays to planned schedules, cost overruns and a general increase in claims and litigation (Herbsman and Ellis, 1991).

Referred to as a "Construction Quality Management Problem", Rwelamila (1992), described the loss of poor quality building as the cause of contractors profits to decrease, adding sick buildings to existing stocks due to none detection of poor quality by consultants. And clients are faced with soaring life cycle costs (Ashford, 1989; Rwelamila, 1992).

In countries such as Japan, USA and Western Countries - Germany, France, UK, Sweden & Denmark, The Netherlands and newly industrialised countries around the Pacific basin have already started to confront their quality management problems, with Japan leading in quality management in construction (Franks, 1990).

2.3 History of Apartheid Government's Policies

The policy of apartheid profoundly impacted on the location of different racial groups in urban areas, through the Group Areas Act, No. 41 of 1950 (amended and consolidated in No. 77 of 1957) which extended the 1913 land act to the whole South Africa and to all races (Lemon, 1976).

The introduction of the Group Areas act in 1950 resulted in a highly segregated urban structure. Metropolitan areas, which housed the disadvantaged communities, such as dormitory suburbs, were poorly located as they were far from places of employment, shopping facilities and recreational opportunities in contrast to the white population who lived mainly in close proximity to amenities with high quality service, opportunities and environment (CMC, 1993).

Due to South Africa's legislative structure, impoverishment was particularly rife affecting rural communities and women the most, (DPW, 1998). In the Cape Metropolitan Administration there has been a tradition of independent local authorities. This system of local management was used to create separate structures for Coloured and African areas. Housing policy and development was pursued independently of transport waste management and services. The absence of effective Metropolitan management led to the duplication of administrative services, structures, and also contributed to urban sprawl. This led to ineffective service delivery, with black local authorities facing bankruptcy through increasing cost of servicing new peripheral development and significant conflicts, which arise in future local government restructuring and structural inefficiencies, and have to be shared by future authorities

It is evident that current procurement systems require various forms of supporting documentation and procedural guidance, which unnecessarily complicate the whole process, e.g.:

(a) Tendering procedures that are not understood by most communities.

(b) Contract documents that are complicated and contain requirements which cannot be met by communities.

(c) Technical descriptions of standards and materials, which are and contain requirements, which cannot be met by communities.

(d) Technical descriptions of standards, materials and workmanship is specified and not adhered

(e) The Macro Economic Research Group (MERG) provides a framework of general objectives, which include the following:

(f) Human resource development to extend skills base and also to enhance skills Effective delivery of social infrastructure

(g) Empowerment of civil society.

(h) Community empowerment and participative job creation opportunities, also economical and environmentally sustainable procurement processes would ensure successful delivery of completed projects.

The abolition of past discriminatory laws has resulted in the influx of unskilled persons from rural areas to the metropolitan cities in search for employment and proper housing. These acts included the following:

(a) The Documents Act of 1953

(b) The Lands Act of 1913 and 1936

The "Pass Laws" Section 10 of Black Areas Urban Act number 25, (1945) as amended, The Group Area Act and Job Reservation Legislation Act, these all being factors that contributed to the overcrowding and the urgent need for fast track building projects based on cost and time Bennet & Grice (1999).

2.4 Reconstruction and Development Programme

In South Africa the Government has prioritised services delivery to target and address the imbalances of the past that resulted in the impoverishment and disempowerment of these disadvantaged communities.

It has been recommended that Public Sector Procurement should be structured in such a manner that it promotes economic reconciliation and competitiveness.
According to the Minister of Finance Trevor Manuel,

> *"Government has a responsibility to ensure that its procurement policy supports its overall economic strategy".*

Because of lack of uniformity a decision by one tender board could have a harmful impact on the activities of another (Enterprise, 1997). Sustainable employment and Human Resources Development hold the key to growth of the construction industry but would only yield long term results, it is therefore imperative that the Government implement public service delivery particularly Public Works programmes in order to achieve its goal to target the marginalised communities.
The implementation of an effective procurement policy would steer the public sector towards a sustainable employment and human resource development of its client base. It would avoid poor quality and decreasing profits due to poor standards. With the emergence of Affirmative Procurement Policy the current procurement environment will not be able to withstand the sudden implementation of APP until a system is established to provide a procurement regime that will meet the objectives of the APP.

There is a body of literature covering current approaches to construction Procurement, which describes the characteristics of each one, and give guidance as to the approximate circumstances under which each methodology should be used. There are strong indications to suggest that there does not however appear to be a consistent

approach to codifying the different approaches and their derivatives within the South African public sector.

The most common classification includes:

(a) Traditional (TCPS)

(b) (Single Stage Tender, Two Stage Tender) Single Source (Design and Build, Package and Turnkey)

(c) Management Methods (Management Contracting and Construction Management

All these procurement are essentially variations on a theme: they assume that each project is procured on an individual basis. They only offer in apportionment of authority responsibility and risk. Little thought is currently given to the authority of the supply chain, in order to best satisfy public or clients needs. In South Africa the experience of political transition has been paralleled by the acceptance of the need to accommodate both the developed as well as the developing world in the emergent institutional arrangements pertaining to the activities of the construction industry. This impacts on the manner of procurement, forms of contracting and the management of construction projects.

Taylor and Norval, (1994) state that

> *"Other than economics, developing countries have often demonstrated the inappropriateness of normative or procedural models whose evolutionary context is not their own. One of the most lasting legacies of colonial rule must be the continuation, in virtual perpetuity, of practices and procedures which may be sound in principle but are founded on appropriate paradigms".*

In developing countries where problems within the construction industry, arising from the colonial past have long been identified. The World Bank, (1984) and Wells, (1986)

provided succinct expositions of the circumstances and institutions, which typically impede the development of domestic construction capacities in developing countries. This brought about frustrating factors such as design/resource mismatches, unintelligible procurement procedures and documentation and shortages of management and supervisory skills.

Recommendations are that the South African construction sector develops appropriate responses to these demands by acquiring institutional support for the informal contracting sector, and restructuring the formal sector.

The Macro Economic Group (MERG, 1993) in the preamble to their exposition on macro – economic policies for post apartheid provide a framework to become procedurally entrenched namely:

(a) Democratic participative decision making at project level.
(b) Job Creation arising from housing delivery and public works programmes.
(c) Human resource development – to extend the skills bases as well as enhances existing skills.
(d) Effective delivery of social infrastructure, including housing, services and community facilities.
(e) Empowerment of civil society (East meets West, 1994).

According to UNCHS, (1996) concern grew about the inability of many governments and especially in Africa, to deliver development programmes to their people at local level. The World Bank's concern for the problematic African continent, urgently requested improvement to institutional capacity. In its assessment of housing conditions it reviewed the aspect of housing quality and the number of housing units, which are sub standard and thus have to be replaced and that nine out of ten currently being produced would be given a zero value.

Harvey & Ashworth, (1993) defined procurement as that of being a set of activities commencing with the establishment of a client's requirement and objectives and end at

project completion. A further important observation added is the procurement policies are dynamic, evolving

> *"To meet the changing and challenging needs of society and the circumstances under which industry will find itself working"* (Friedman, 1992).

conceptualised empowerment through procurement activities that rely heavily on the participation of community interest in design and implementation of the work. In his evaluation of sites and services in Tanzania, Materu, (1986), concluded strongly in favour of the following success factors:

(a) Active community participation at design and implementation stages so as to facilitate ultimate capital, as well as ongoing service, cost recovery.

(b) The concurrent consideration of design, maintenance and cost recovery.

(c) Provision of economic opportunity for project participants in terms of immediate job creation, but also in long-term skills development and capacity growth.

(d) Flexible management, contractual and payment procedures, which are appropriate to an intensely uncertain indecisive environment.

One of the most significant changes currently occurring in the construction procurement is to first consider customer needs in terms of the process, normally endured to procure a bespoke product. Recently a single procurement system has developed into one with a great number of alternative systems. From this a field of knowledge has developed that embodied the term 'construction procurement systems', and is concerned with construction methods used to procure new infrastructure, buildings and structures.

Other changes in construction have seen role players accepting wider implications on society and the environment. In 1992 the World Bank described the Cape Metropolitan Area (CMA) amongst the most inefficient in the world because of management structures and wasteful practices of the past, which will not meet with the CMA's expanding population, to protect its natural environment or enable to compete internationally.

According to the Cape Metropolitan Area draft discussion it is stated that all environmental resources must be carefully managed to ensure that future development is environmentally sustainable. With the poor concentrated in areas of low environmental quality, these communities face extreme deprivation, they focus more on survival than with issues of long term environmentally sustainability. With a lack of well-located land for housing tends to force communities to settle on marginal land, adversely affecting both the environment and their own health.

2.5 Change

In the early to mid 1960's evidence suggested a time for considerable activity within the industry regarding performance and organisation which was induced by a combination of economic expansion, rapidly developing technology changing social attitudes the demand for more complex and sophisticated buildings and, not least, the client's increased need for faster completion at minimum cost (Masterman, 1992).

As from the end of the war until the early 1970's a time of sustained and almost uninterrupted economic growth enforced conventional methods of procurement, with only a relatively small number of projects being carried out by non conventional procedures despite a proliferation of reports recommending their use and the adoption of a more co-operative approach by all members of the building process.

In 1976 it was found that the overall time taken to implement an industrial project in the UK was considerably longer than in other countries and the eventual cost of developments in this country was considerably higher than all but one of the seven

countries surveyed. Reasons given for this poor performance, was considered to stem from the unnecessarily lengthy and complex design and pricing process.

The time taken for the application and the granting of the necessary statutory permits which when related to the high level of interest rates, inflation and prolonged programmes, led to the high level of cost. In the 1979 report these findings were endorsed but conceded that there had been a general improvement in the intervening 3 years, which was attributable to the effects of the recession and the resulting low level of building activity.

Recommendations made by the two studies stressed the need for reform of the planning and building regulation processes and, in the context of procurement systems, urged the simplification of design and construction procedures, the improvement of construction management, the establishment by clients of their real needs and more effective briefing of their design teams (Masterman, 1992).

In order to achieve technical innovation in construction and refining existing and producing new forms of contract, a great deal of effort was expended, but very little attention being paid, until comparatively recently, to the rationalization and reorganization of the procurement process thus allowing the conventional system to maintain a major share of the available building work. Until 1960, a client with a need for building work would commission an architect to prepare and identify their requirements. These drawings would provide the basis for competitive tenders by builders for execution of the works. This system was established in the 19th Century and has continued for more than a century and a half, customarily referred to as the traditional system (Masterman, 1992).

In 1962 Sir Harold Emerson was approached to review the problem concerning the construction industry in seeking an answer to why the alternatives to the traditional systems have evolved. In his report he included the following phrase:

"In no other important industry is the responsibility for design so far removed from the responsibility of production" (Franks, 1984).

2.6 Public Sector Procurement

> *"Public sector procurement should be structured in a manner that promotes economic reconciliation and competitiveness"*(Turner 1990).

Turner stated that procurement should be easy but is less familiar.

McDermott, Melaine and Sheath (1994) argued that two of the key assumptions contained within the common definitions, those of client choice and the availability of a range of procurement concept, as defined, is irrelevant to Third World Countries (Franks, 1990).

The fact that the quality is neglected could be understood since most Project management control systems highlight time and cost, and omit the responsibility of quality and management (Hughes and Williams, 1991). Over the years it has been experienced that a lack of quality in constructed work resulted in extensive delays to planned schedules, cost overruns and a general increase in claims and litigation (Herbsman and Ellis, 1991).

Referred to as a "Construction Quality Management Problem" Rwelamila (1992) described the loss of poor quality building as the cause of contractor's profits decreases, adding sick buildings to existing stocks due to non-detection of poor quality by consultants. Clients are faced with soaring life cycle costs (Ashford, 1989; Rwelamila, 1992;).

Countries such as Japan, USA and Western Countries - Germany, France, UK, Sweden & Denmark, and the Netherlands and in newly industrialised countries around the

Pacific basin have already started to confront their quality management problems, with Japan leading in quality management in construction (J. Franks, 1990).

The most important objective for clients of the construction industry is the attainment of quality, cost time and utility (CIB, 1982; Rwelamila and Hall 1994). Although these objectives are supposed to be construction project procurement focus points, the vast majority of construction projects procured are based on only two of these parameters namely time and cost, (Bennett & Grice, 1990) therefore, neglecting quality (Hughes & Williams, 1991). Quality is defined as the measure of the fitness of the building and its parts to fulfill the purpose defined in the client's brief, value for money or client satisfaction (Ashford, 1989).

The building client's requirements defined in the brief are normally contained in the contract documents and specifications. During the 1960's evidence suggest a considerable time of activity in the building industry with regard to performance and organisation, induced by economic expansion, rapid developing technology, change in social attitudes, the demand for more sophisticated buildings and the demand for the client's need for faster completion at minimum cost. In order to implement the change it had become essential to phrase the wording properly that would describe and give meaning to the process of procurement. It was therefore necessary to obtain the correct phrase to describe procurement. Of the following phrases were used to describe procurement:

Franks describes procurement as the amalgam of activities undertaken by the client to obtain a building, (Franks, 1990). In 1991 Hibberd stated that procurement is the "act of obtaining by care or effort, acquiring or bringing about". Moshini and Davidson, (1989) defined procurement as the acquisition of new buildings, or space within buildings either by directly buying, renting or leasing from the open market, or by building the facility to meet special need (CIB, 1992).

In 1990 Turner claimed that Procurement Systems is the tendering and selection method used in satisfying the client's objective on a given project. At the Montreal Symposium, the commission was challenged to debate hypotheses, which attempted to establish the relationship between procurement and innovation, (Davidson, 1997). The following definition was accepted as the most suitable description:

> *"Procurement is the Strategy to satisfy clients, development and/or operational needs with respect to the provision of constructed facilities for a discreet life cycle"*. (Lenard and Mohsini, 1998)

In order to cover all aspects of procurement it was important to consider all statements made and also to satisfy the need of the client. This sought to emphasize that the procurement strategy must cover all the processes, in which the client has an interest, perhaps for the whole span of the life of the building.

The way in which many clients and their advisors select the method used to control design and construction of their building projects i.e. the procurement process, can be haphazard and ill timed or logic and disciplined. One of the principle reasons for the construction industry's poor performance is the appropriateness of the procurement systems that has been chosen. In this way, it is essential for the future success of individual projects. The fact that quality is neglected, is understandable since most project management control systems emphasize cost and time and neglects quality to others (Hughes and Williams, 1991).

One of the principle reasons for the construction industry's poor performance is the inappropriateness of the procurement systems that has been chosen. In this way, it is essential for the future success of individual projects. The fact that quality is neglected, is understandable since most project management control systems emphasis's cost and time and neglects quality to others (Hughes and Williams 1991).

Due to the fact that most clients are eager to occupy buildings soon after construction has been completed, has lead to the "unbalanced approached". It is a known fact that contractors are pressurised to complete projects at the earliest convenience. Project quality management has been neglected and projects have experienced serious problems of constructed work. This has resulted in extensive delays to planned schedules, cost overruns, and a general increase of claims and litigation.

According Public Works Department the State Tender Board User Manual Directives to Departments In Respect Of Procurement ST 37, (1998) the State Tender Board is empowered to procure supplies and services for the state.

The State Tender Board does not supercede the Provincial Tender Board Acts, therefore giving provincial boards the authority to determine their own modus operandi. The impracticality of the tender board to deal with all aspects of procurement under its jurisdiction, authority is normally delegated to consumer departments or local authorities with procurement possibilities. Uniquely in South Africa alone, central and provincial tender boards are made up of representatives of buyers, sellers and labour groups as well as technical experts, which could lead and probably does lead to conflict of interest.

Moreover, a decision by one tender board could have a harmful impact on the activities of another. In building and civil construction works, preference is given to bidders who have incorporated modern technology, which inevitably cut down the site labour component especially among the low to medium skilled workers, which might be cost effective, but has undesirable social effects. It is therefore recommended that a central Procurement Compliance Office be established for the following reasons:

(a) Formulate, advise on and enforce procurement policy.

(b) Administer procurement regulation.

(c) Audit the performance of procurement officers and centres act as a link between central government, the treasury and the procurement centres/ officers.

(d) Ensure uniform application of procurement policy.

(e) Investigate complaints and irregularities.

(f) Monitor development objectives.

(g) Hereby all existing tender board legislation is to be repealed and that the State Tender Board and provincial boards be converted to provincial procurement offices (Enterprise, 1997).

As stated in the Green Paper the Government has committed itself to the objectives of development growth and democratisation, which derive from the mandate of the Reconstruction and Development Programme, which would consist of five keys, programmes namely:

(a) Meeting the basic needs of the people.

(b) Developing human resources.

(c) Building the economy.

(d) Democratising the state and society.

(e) Implementing the RDP (DPW, 1998).

It is stated that the DPW lacks capacity to manage construction procurement, which negatively impact on the image of the public sector as well as the development of industry, and is due to an inappropriate structured and skilled bureaucracy, which lacks technical and procurement skills. Construction contracts are being amongst the most complex as its management involves a wide range of specialist disciplines to achieve the objective of time, cost and quality Public sector delivery also incorporate the addition of socio-economic objectives and techniques, such as those related to the DPW's Affirmative Procurement Policy (DPW, 1998).

According to the White Paper on Public Sector Procurement Reform in South Africa (1997)

> *"Affirmative procurement comprises participative programmes aimed at the engagement of small, medium and micro enterprises owned by previously*

disadvantaged persons and the increasing of the volume of work available to the poor and the income generation of marginalised sectors of society".

Affirmative Procurement has two main legs:

(a) A development component, which ensures that the target group is capable of participation.

(b) A structured participation component which ensures that the target group in the provision of goods, services and delivery.

It further states that Affirmative Procurement should ensure that public funds are expended in such away that it benefits all segments of the South African population with regard to job creation and commercial activity, thereby making the tender process accessible to the target groups without guaranteeing work and linking the flow of money into targeted business enterprises with a commitment flow of responsibility (DPW, 1999).

In its report Standard Targeting Strategies, Strategic Procurement Systems (Feb 1999) the Green Paper on Public Sector Procurement Reform in South Africa states that targets should be set and delivery systems designed to facilitate one or more of the following:

(a) The development of small, medium and micro enterprises particularly those owned and operated by previously disadvantaged people.

(b) Increasing the volume of work available to the poor and income generation of marginalised sectors of society

(c) Affirmative action to address the deliberate marginalisation from economic, political and social power of black people, women and rural communities and to empower communities and individuals from previously disadvantaged sectors of society.

In the early stages of policy development a 10-point plan towards procurement reform was proposed and implemented in 1997 by the Government of National Unity
Taylor (1993), encompasses the following strategies:

(a) Improving access to tendering information.

(b) The development of tender advice centres.

(c) Broadening the participation base for contracts less than R7500.00.

(d) The waiving of security/surety on construction contracts having a value of less than R100 000.

(e) The unbundling of large projects into smaller contracts.

(f) The promotion of early payment cycles by government.

(g) The development of a preferencing system for small and medium enterprises owned by historically disadvantaged individuals.

(h) The simplification of tender submission requirements.

(i) The appointment of a procurement ombudsman.

(j) The reclassification of building and engineering contracts.

Since 1970 the World Bank and the International Labour organisations have been involved in employment programmes for rural construction that have sought to substitute labour for plant in a cost effective manner. To achieve socio-economic objectives in developing countries special programmes have been developed.

Because of budgetary constraints governments in developing countries are not always able to make funds available to communities or to accept a loss in revenue for such purposes. To achieve certain socio-economic objectives public procurement can benefit a variety of areas ranging from protection and development of national industry, to social policy goals such as the promotion of equal opportunity. As a regulatory tool procurement can be used to enforce existing legal obligations, or to encourage standards of behaviour beyond those required by law and have the potential to make a substantial impact.

In 1930 procurement preference schemes were introduced, to assist areas hit by the Great Depression, followed by the Second World War. Further schemes were adopted which survived in Europe until 1991. In its recent study the European Community cited five principle domestic socio-economic or political functions which public sector

procurement may be used to achieve, in addition to obtaining the required goods and services. These are:

(a) To stimulate economic activity.

(b) To protect national industry against foreign competition.

(c) To improve the competitiveness of certain industrial sectors.

(d) To remedy regional disparities.

(e) To achieve certain more directly social policy functions such as to foster the creation of jobs, promote fair labour conditions, promote the use of local labour, prohibit discrimination against minority groups, improve environmental quality, to encourage equality of opportunity between men and women and to promote the increased utilisation of the disabled in employment.

In his report Latham made fundamental recommendations on contracts for both consultants and contractors regarding the construction. He stated that endlessly, refining existing conditions of a contract would not solve adversarial problems. He proposed that all contract drafting bodies, coordinate their work and consider a merger into one National Construction Committee, drafting any new contract around the NEC form. Further recommendations were that effective reform take into account a set of basic principles and are part of a family of interlocking documents (Turner, 1997).

According to Franks, (1990) the role of the builder has increased significantly due to growth of alternative procurement building systems. Unlike previously where his activity was confined to construction work, he now is engaged as a management, construction manager, as a member of the design and build team, or as a project manager and is able to work with members of the design team. He also advises the client on aspects of buildability that may have time and cost implications. Thereby improving the overall viability of the project, which may be beneficial to the client.

Masterman, (1992) describes the implementation of projects as being far removed from the relative stability, permanence and sense of company loyalty, which usually exist in

industrial and commercial client organisations. Clients and particularly those inexperienced in implementing construction projects, should be aware of the working of the construction industry, its procedures and characteristics temporary management organizations. Inexperience of clients often exhibits characteristics, which may include:

(a) Lack of expertise in management and control of construction projects.

(b) No knowledge and understanding of the construction industry.

(c) Inability to produce a comprehensive initial brief or prioritize projects.

(d) An inconsistent and ill discipline to be involved with the project.

(e) A desire to make changes to the project and unwilling to accept the consequences of such action.

(f) Easily influenced with regard to construction matters, by external parties other than his own advisers (Masterman, 1992).

"Contracts in general contain provisions and allocate a balance of responsibility, reward and risk. Construction contracts have been produced to suit the procurement methods required and in doing so they place the balance of responsibility, reward and risk accordingly on the parties to the contract. Each contract may amend the balance and construction contracts can be classified according to two fundamentals, namely according to the allocation of responsibility and also according to the basis of reward. Risk can then be judged from where responsibility is placed and also from how reward is agreed to be paid" (Turner, 1990).

Friedman's conceptualisation of empowerment via project procurement activities relies heavily on the participation of community interest in the design and implementation of the work. Materu, (1986) in an evaluation of sites and services projects in Tanzania, concludes strongly in favour of the following success factors:

(a) Active community participation at design and implementation stages so as to facilitate ultimate capital, as well as ongoing service and cost recovery.

(b) The concurrent consideration of design, maintenance and cost recovery, provision of economic opportunity for project participation not only in

terms of immediate job creation but also in terms of longer term skills development and capacity growth.

(c) Flexible management, contractual and payment procedures, which are appropriate to an intensely uncertain and indecisive environment (Taylor, 1993).

2.7 SUMMARY

From the research it is evident that there is a dire need to transform the existing public sector procurement system in order to meet the requirements of the South African public, consequently aligning the Government's macro economic strategy and extending the principles of affirmative procurement into areas of economic development.

In reviewing the literature Government has prioritised to address service delivery to target and address past imbalances that resulted in impoverishment of disadvantaged communities. Due to the Department of Public Work's lack of capacity to manage construction procurement factors such as tendering procedures that are not understood by communities, lack of skills training and not understanding the construction industry, remain some of the issues which impact negatively on the public sector.

It is therefore recommended that there is a need for drastic change in the planning and building regulation processes that would direct the procurement process resulting in the simplification of design and construction procedures. It is also advised that a central procurement compliance office be establish to enforce procurement policy and act as a link between central government, treasury and procurement centres.

CHAPTER 3

RESEARCH METHODOLOGY

3.0 Introduction

In Chapter 2 the problems and constraints concerning the plight of disadvantaged communities within the South African construction industry, is reviewed and related to previous and current policies aimed at the implementation of Affirmative Procurement with the focus on the post tender role of the public client.

In this chapter development of methods adopted and how they are used to test the hypotheses, will be explored. A basis of formulating a research method will be developed and a summary of methods adopted. Subsequent sections will describe the reason for the selection by comparing and contrasting the alternatives that were considered for key parts of the research design. These are participant selection, data collection techniques, data coding and processing and procedures of data analysis methods.

For the purpose of the designed methodology implemented it is therefore best to refer to the Hypothesis to be tested in this study:

> *"Given the problem therefore evokes the statement that the public client's intention, to address imbalances through APP are not effective and do not meet the objectives anticipated in the construction industry".*

For the purpose of research the hypothesis should be seen as a guide that should depict and describe methods to be used in examining the problem (Verma & Beard, 1981). The research test of the hypothetical statement would make provision for feedback for the model it is derived from, therefore substantiating the model's continued viability or its required modification.

The essence of research is its validity that has been measured and the reliability of the resource utilized for its purposes (Stacks and Hocking, 1992). According to Fellows *et al* (1997) research can be considered as "a voyage of discovery". It is therefore defined as the process of acquiring knowledge, and understanding the importance of the study. This chapter describes the various research methodologies employed during the research whilst the chapter following would analyse results and findings from surveys used.

According to Leedy and Ormrod, (2001) research is described as not being a mere process of information gathering, transportation of facts from one location to another, rummaging for information or a catchword used to get attention; but can be identified distinctly by the following characteristics:

(a) Research originates with a question or a problem.
(b) Research requires clear articulation of a goal.
(c) Research follows a specific plan of procedure.
(d) Research usually divides the principle problem into more manageable sub problems.
(e) Research is guided by the specific research problem, question, or sub hypothesis.
(f) Research accepts certain critical assumptions.
(g) Research requires the collection and interpretation of data in an attempt to resolve the problem that initiated the research.
(h) Research is, by its nature, cyclical or, more exactly, helical.

Teitelbaum, (1994) identifies two categories of research as *"library"* and *"experimental"*. The library category is being research of written material available. The experimental category may be the use of a questionnaire.

3.1 Research Design

As there are no strict rules guarding the choice of methods, the choice of research design depends on the purpose of the research. Formal methods are most suitable when precise, statistical answers are sought, which can achieve precise and reliable findings and interpretations (Nichols, 1991).

Smith, (1998) describes research design as a comprehensive data collection plan aiming to answer research questions and be able to test the research hypothesis. Designs are therefore detailed prescriptions for solving problems, which may assume either a scientific or a humanistic orientation. Counting and measuring of data refers to scientific inquiry and humanism often uses reasoned argument to unravel the peculiarities of human communication processes.

The scientific method is a viable approach to any problem only when there are facts to support it (Leedy, 1993). Best, (1981), argued the aim of the research must be assumed to further ones understanding of relationships, events and proceedings that would provide a strong base. According to Leedy, (1993) research methodology should explain the nature of the data and which method is used to arrive at conclusions. It therefore attempts to systematically solve problems in order to overcome barriers of human ignorance.

Fellows and Lui, (1997) stated that methodology lies at the heart of research and that many good ideas remain uninvestigated because the methodology is considered inadequate. Dubin's (1969) argument provided a strong methodology base that stated the aim of research must be assumed to further one's understanding of relationships, events and processes.

Leedy, (1993) states that research methods should help to explain the nature of the data, and the methods applied to process them in order to arrive at a conclusion. It is further argued that a pragmatic presentation regarding the data may be expeditiously handled if it answers the four principals regarding research data (Leedy 1993:145):

(a) What data do you need?

(b) Where is the data located?

(c) How do you intend accessing the data?

(d) Precisely and in detail?

Information obtained whilst researching depends on patterns and techniques of methodology applied. It is therefore that research is defined as the process of acquiring knowledge and understanding towards the study (Fellows and Liu, 1997). Mellvile and Goddard, (1996) describe research as the process that reveals knowledge that has been discovered by previous researches. Research is therefore seen as a process of discovery and new creations.

For any research to be beneficial, the hypothesis is seen as the guide to the research, by depicting and describing the method to be implemented whilst studying the problem (Verma and Beard, 1981). The hypothesis tested would then contribute feedback to the model from which it is derived, thereby substantiating its continued viability or the need for modification.

As described in chapter 1, the traditional building procurement system and its management structure form the model of an existing situation in the South African public sector. It is therefore that with this model the research hypotheses must substantiate its continued viability or require its modification.

According to Leedy and Omrod research methodology chosen must consider the validity of the approach, which would refer to its accuracy, meaningfulness, and credibility of the research project as a whole. From foregoing motives the intention of this study should attempt to provide a basis of understanding.

3.2 Quantitative Research Approaches

Involve the counting and measuring of communication events, and often-equated with scientific empiricism. This type of approach yields a body of numerical data that is analysed statistically by the researcher (Smith, 1998). Based on measurement of quantity or amount, i.e. the study of factual data, this research approach is mainly empirical or experimental. Quantitative research concludes the structuring of a research questionnaire or a hypothesis in order to test it against the facts of "reality" (Fellows and Liu, 1997).

Leedy, (1993) argues that the difference between the two types of research approaches is that if the data is numerical, the methodology is quantitative; if the data is verbal, the methodology is qualitative. It is further stated that the nature of the data and the problem of the research dictate the research methodology (Leedy, 1993).

Quantitative research studies typically serve one or more of the following purposes:

(a) Description. They can reveal the nature of certain situations, settings, processes, relationships, systems, or people.

(b) Interpretation. Enables a researcher to (i) gain insights about the nature of a particular phenomenon, (ii) develop new concepts or theoretical perspectives about the phenomenon, and/or (iii) discover the problems that exist within the phenomenon.

(c) Verification. This allows the researcher to test the validity of certain assumptions, claims theories, generalisations within the real world contexts.

(d) Evaluation. They provide a means through which a researcher can judge the effectiveness of particular policies, practices or innovations (Leedy and Omrod, 1993).

Leedy and Omrod, (1993) describes quantitative results as trying to make a better sense of the world by using numbers that represents aspects of the observable, physical world, such as temperature of an object, the pull gravity on physical mass or the number of people employed in an activity.

3.3 Qualitative Research Approaches

Considered as a "warm" approach to the central problem of research, the qualitative research methodology is concerned with human beings; interpersonal relationships, personal values, meanings, beliefs, thoughts and feelings. Qualitative researchers therefore attempt to attain rich, real, deep, and valid data, and from a rational standpoint, the approach is inductive (Leedy, 1997).

Numerical measure is rejected in favour of narrative data i.e. qualitative data appears in words rather than numbers. This may consist of transcripts of naturalistic conversations, communication documents such as public speeches, and media artifacts like printed editorials and videotapes of television programs (Smith, 2001). It is further stated that Qualitative analysis involves the critical and synthesis of narrative information to derive verbal rather than statistical conclusions about the content and functions of human talk.

Smith, (2001) argues that the choice between qualitative and quantitative data analysis will hinge on the extent to which the data are amenable to statistical analysis. Leedy and Omrod, (1993), describe the term qualitative research as focusing on phenomena that occur in natural settings that is the real world and therefore involve studying these phenomena.

Leedy, (1997) further states that qualitative methodology should be an alternative to the experimental method, that consider words as an element of the data resulting in theory development as an outcome of data analysis.

3.4 Triangulation

Debate continues over the relative merits and appropriate uses of qualitative and quantitative research. Recently there has been a growing emphasis on combining approaches in single studies. Goodwin & Goodwin concluded, "many studies could be enhanced considerably if a combined approach were taken." In a similar vein Reichardt & Cook admonished readers that "it was time to stop building walls between methods and start building bridges" (Leedy, 1997).

Fellows and Liu, (1997) Triangulation is described as the use of two or more research methods to investigate the same aspects of a study, and may be done by means of interviews, experiments or case studies.

Questionnaires validate the findings of the case study and provide the researcher with a clear understanding of the response. Qualitative and Quantitative approaches may be employed to eliminate disadvantages and to increase the advantages gained. The constraints and methods should be considered to make good use of available information.

Triangulation can therefore be classified as theoretically involving the use of terms of reference when analysing data. Data triangulation gathers observations using different sampling strategies to ensure that the theory is tested in various ways. Investigator triangulation involves the use of observers, interviewers and analysts in a particular study. Methodological triangulation is the use of two or more methods of gathering data in a study (Fellows and Liu, 1997).

Few guidelines exist in accomplishing the combination of qualitative and quantitative methods despite the recognition of its advantages. Though articles have been written with regard to the combination of approaches or triangulation, the implementation thereof have not been addressed (Leedy, 1997).

Triangulation is described as follows:

(a) Data triangulation attempts to gather observations through the use of a variety of sampling strategies to ensure that a theory is tested in more than one way.

(b) Investigator triangulation is the use of multiple observers, coders, interviewers, and/or analysis in a particular study.

(c) Methodological triangulation is the use of two or more methods of data collection procedures within a single study.

3.5 Research Methods

Several research methods, such as surveys, experiments, case studies, questionnaires and interviews exist for the implementation of the collection of primary data by the researcher. Leedy's, (1993) argument concerning research methods is that consideration is given to the aspect of solving a problem in a systematic effort, to overcome the barriers of human default or to confirm the validity of the solutions to the problems others have presumably solved and reaching an objective.

According to Fellows and Lui, (1997) the various methods of research allow competent management skills, team cohesion and communication, measured in terms of values and time, cost and quality, and the assurance that appropriate information is available for further study and documentation.

As different approaches focus on data collection more than on examination of theory and literature that impacts on the analysis of the findings, the results, conclusions, values and validity of the research depend on the outcome of the analysis (Fellows and Lui, 1997). Stocks and Hockings, (1992) state the essence of any research is its

legitimacy, whereby the researcher can prove the intention to measure the reliability of the resources utilised.

Bell (1993), argued that research is normally conducted with insufficient regard to the display of approaches that are available to the researcher. It is therefore true that the research design methodology chosen plays a crucial part of any research project, as it gives the overall framework for collecting and formulating the data needed for the research.

3.6 Experimental Methods

According to Fellows and Lui, (1993) two scenarios exist involving experimental research, whereby each situation is assessed individually and results are then compared. Firstly situations are manipulated by the introduction of external factors in order to change it to an appropriate logical result. And, secondly the two results are compared and then analysed. The final result would therefore be determined because of the introduction of the external factors.

During an experiment information is obtained by ensuing rules and guidelines of the applicable scientific method, thus allowing minimal potential for errors to occur (Bell, 1993). According to Leedy, (1993) basic structure of experiment is simple, as experimental research methods deal with the phenomenon of cause and effect that would be assessed within a closed system of controlled conditions, such as in a laboratory. Leedy, (1993) asserted that the researcher would therefore be able to create the exact conditions that would be required for a specific result, as well as have control over factors and be able to manipulate the results in a particular setting.

Nel, Radel and Loubser(1998) agreed that through the experimental method the researcher should determine the influence that an independent variable, such as the cost of a house, has on a dependent variable, namely, the amount of houses sold. It is stated that the experimental research method produce profound results (Kinnear and Taylor, 1983).

Emory and Cooper, (1991) agreed that the collection of primary data i.e. data closest to the truth, makes the experimental method more successful than other methods in the accomplishment of goals, as the corruption of extraneous variables is easier to control, making the convenience factor and cost of experiments more superior than other methods.

In order to improve existing conditions the laboratory environment requires future capital investments and in addition experimental studies be effectively applied to current problems and those in the immediate future. Studies of past experiences are not practical and intentions and predictions are difficult (Emory and Cooper, 1991).

According to Kinnear and Taylor, (1983) introduction of extraneous variables results in uncontrollable differential effects among treatment groups, occurring in field experiments.

3.7 Analytical Surveys

Analytical Surveys vary from highly structured questionnaires to unstructured interviews. According to Fellows and Lui, (1997) analytical surveys operate on a basis of statistical sampling. Leedy, (1993) states that the analytical survey method uses numerical values for the interpretation of primary data, and that the principles of

statistical sampling, in the selection of a representative sample be employed for economy and speed.

Analytical surveys vary from highly structured questionnaires to unstructured interviews (Leedy, 1993).

3.8 Interviews

Described as a conversation between two people whereby the interviewer initiates the interview in order to obtain specific information which would be relevant to the researcher's course of study, and it is relied upon that the interviewee is able to give accounts of their behaviour, practices and actions (Best, 1981).

Cohen and Manion, (1996) describe interviews as verbal interaction between the researcher/interviewer and the respondent. The person being interviewed should not be prompted whilst being questioned. It is an ideal method of obtaining information from people with low literacy levels. Encompassing a wide range of variables interviews may be structured and formal. Alternatively it may be unstructured, allowing interaction between the interviewer and the interviewee.

Allison *et al* (1996), recommend that interviews be recorded by one of the following ways: in the form of a list prepared by the interviewer; a memorised list of notes or notes can be recorded during the interview. Transcripts made from audiovisual recordings that will effectively record all relevant facts. Through advanced technology interviews can be conducted by telephone, telefax or electronic mail.

Cohen and Manion, (1996) suggest that the content and procedures followed are organised in advance as in the case of structured interviews. Unstructured interviews,

whilst carefully planned, are more flexible in their application and are entirely applied at the discretion of the interviewer.

Non-directive interviews minimise the control of the interview and allow the respondent freedom of expression. This format is normally preferred as the interviewee has little or no knowledge of the topic being researched. (Cohen and Manion, 1996)

Focus interviews allows the interviewer to play a more active role, and in this situation the interviewer's involvement becomes more personal, thereby providing him/her with the necessary knowledge and giving guidance to the conversation (Cohen and Manion, 1996).

Described as a distinctive research technique, the interview has three specific purposes: firstly, it may be used as the principal means of gathering information, with direct bearing on the objectives of the research study. Secondly it may be used to examine the hypothesis, or to recommend others, or as an explanatory device to aid in the identification of variables and relationships, and finally it may be used in conjunction with other methods in a research study (Best, 1981).

Wimmer and Dominick, (1994) state that successful interviews uncover the participant's perspectives on certain issues, and can be beneficial to the researcher as reasons to specific solutions and backgrounds may surface. Interviews allow for the respondent's behaviour to be observed, which can provide extensive insight of the opinions, motivations and feelings of the respondent. According to Fellows and Lui, (1997) interviews vary in their nature and can be described as either structured, semi-structured or unstructured.

3.9 Structured Interviews

Occur when the interviewer questions the interviewee by means of a questionnaire, and record the responses. It is seldom that researches go beyond set parameters of the interview, with little scope for probing those responses by asking supplementary questions and to pursue new and interesting aspects. (Fellows and Lui, 1997)

In structured interviews, questions are structured in an unchanging order and the wording thereof is repetitive. This ensures that all respondents reply to exactly the same questions and that the standardisation of the design prevents bias (Erwee, 1984).

3.10 Unstructured Interviews

According to Fellows and Lui, (1997) these types of interview briefly introduces the topic and prescribe the background of the research. All responses are recorded, and would include anything said by the respondent.

Erwee (1984) stated that the unstructured interview permits extensive investigation of the respondent in order to allow free speech and expression of detail and feelings.

3.11 Semi Structured Interviews

Vary in form i.e. from questionnaire-type of investigative interview to a list of topics and whereby all the respondents' answers are recorded (Fellows and Lui, 1997).

According to Green & Taber, (1980) and Bouchard, (1969), the primary disadvantage of interviews is the frequent effect of participants being observed in a laboratory situation other than in their own surroundings.

3.12 Questionnaires

According to Plotnik, (1993), the questionnaire is the method employed by researches, administering the subject in a series of written questions, which is so designed as to obtain information about opinions, attitudes and specific aspects of their behaviour. Described as being similar to an intensely structured interview, except that the respondents read the questions and mark their answers on paper rather than responding verbally to the interviewer.

Leedy, (1993) states that questionnaires are instruments that enable the researcher to gather data beyond which is out of reach, without knowledge of the source where the information originated from.

Questionnaires are therefore described as a completely impersonal probe and it is therefore that it has to be governed by practical guidelines (Allison *et al*, 1996) and the use of unquestionably clear language. This is due to the fact that what is understood by the researcher may not be insignificant to the respondent.

Questionnaires should therefore be designed to achieve a certain research objective, as questions posed are often unskillfully written resulting in a low response rate (Allison *et al*, 1996).

Plotnik, (1993) stated that long and complicated questions be avoided specifically if surveys are conducted telephonically. Questionnaires used in postal surveys need to be unambiguous, clear and well explained and should be understood by all participants, as opportunity for further clarification may never arise.

According to Fellows and Liu, (1997) there are two primary formats of questionnaires being either open and is so designed to enable respondents to answer all questions

fully. Or it may be described as closed that it allows the researcher to limit the amount of responses.

Best, (1981) stated that questionnaires should be clear and concise and should be uncomplicated and easy for the respondent to answer. Questionnaires could therefore be administered through postal means to respondents, or to groups and individuals personally by the researcher. It could also be used in more localised and intimate settings. More specifically questionnaires should not require extensive data gathering by the respondent to facilitate answering the questions.

According to the type of information required questions vary in content. The four basic types of questions are factual questions; questions on opinions and attitudes; information questions (normally used to test the respondent's knowledge of certain events) and behavioral questions (Stacks & Hockings, 1992).

3.12.1 Advantages of Questionnaires

Identified by Erwee, (1984) for its administrative simplicity and ease of data process characteristics of questionnaires. The structured question format is designed to control response bias and to increase the reliability of the data. The respondent's answers would allow the respondent to embark on further appropriate questions. Control is therefore exercised over the context in which questions are asked and answered. Respondents are therefore not restricted when answering questions. Respondents would therefore be able to check the validity of information given on the basis of non-verbal cues (Fellows and Lui, 1997).

According to Fellows and Lui, (1997) open questions are appropriate if the researcher has a limited knowledge of the particular subject. As to where closed questions are

processed and administered easily because of being formatted and coded previously. Closed questions are exact and to the point, resulting in clear responses that enable the researcher to group and quantify them in a similar nature. Open questions impose no restrictions on a response and are appropriate for pilot work. They also assist in determining motives, expectations and true feelings.

A disadvantage of open questions is that they are time consuming and limits the number of questions. Success therefore of the response depends on the interviewer's competence. It can be misleading and responses are often incomplete. Though open questions are easy to ask it is difficult to answer and even more difficult to analyse.

As to where structured questionnaires often lead to loss of rapport and frustration, because respondents are often forced to make artificial choices which they would not make in reality, it is therefore that structured questions are often less subtle and the respondent can easily discern the intention of the question.

3.13 The Survey Method

Leedy, (1993) describes a survey as follows: the researcher poses a series of questions to willing participants; summarizes their responses with percentages, frequency counts, or more sophisticated statistical indexes and then draw inferences about a particular population from the responses of the sample.

Lui, (1997) claims that surveys are operated on the basis of statistical sampling and collection of information regarding the specific aspect of the behaviour of the subject. And according to Smith, (1988) survey research examines a single sample for the purpose of inferring conclusions about the population from which the sample was drawn.

Survey methods such as basic research, which explores theoretical relationships, that does not concern it with typical implication and is normally conducted in laboratory settings. Whereby applied research concerns itself with both theoretical and practical sides of communicative life and explores theoretical relationships for the purpose of understanding and problem solving (Smith, 1997).

Advantages of using surveys is that it investigates problems in realistic settings and information can be collected from a large variety of participants, which also allows the researcher to examine a large amount of variables that can be analysed statistically, such as life styles, attitudes, motives and intentions (Wimmer and Dominic, 1994).

Major survey types used are either descriptive that relates to what the researcher sees, observes and can be described and concluded in words. Analytical survey methods are used to guide projects towards discovering new truths, and using numerals to allow the researcher to examine interrelationships between variables and to draw explanatory inferences. This approach requires the examination of two or more variables in order to test the research hypothesis (Leedy, 1992).

3.14 Case Studies

Allen and Santrock, (1993) describe this method of research as an in-depth analysis of thoughts, fears, feelings, belief or behaviour of an individual within the research subject. Case study research only occurs when a number of studies have been analysed, and that reveals consistency, resulting in general conclusions. Various data collection techniques can be used when researching by means of case studies, and would include interviewing the subject, direct observation of the subject, examination of records and psychological testing (Allen and Santrock, 1993).

According to Wimmer and Dominic, (1994) successful studies provide researchers with three-dimensional pictures, which illustrate three-dimensional factors and events that are crucial to determine the success or failure of an organisation. According to Wimmer and Dominic, (1994) the use of triangulation, which is a combination of data collection techniques, is advantageous to the implementation of a case study as this type of method enhances the validity of the research finding.

Fellows and Lui, (1997) stated that case studies involve the collection of a variety of data and, unlike questionnaires and interviews where large numbers of cases have been researched for statistical purposes, case studies are the particular occurrence of the topic or problem of the research.

The method referred to as triangulation that facilitates generalisation of the findings of the research study may be accompanied by interviews and questionnaires in the collection of primary data (Leedy, 1997).

Cohen & Manion, (1989) stated that, unlike experiments that manipulate variables to determine their significance, case studies represents samples of individuals. It is therefore that case studies would observe the characteristics of an individuals unit for the purpose of analysing and investigating the diverse phenomena that constitute the life cycle of the unit with a view of establishing generalisations about the wider population to which that unit belong.

According to Stacks and Hockings, (1992) the use of case studies is more than sufficient when the study is focused on small groups. Due to their greater demand for individual participation, which leads to greater involvement in the group and therefore the interviewer can observe whether each participant have a clear understanding of the research topic.

All information collected should be systematically classified so that qualitative comparisons could be made. The disadvantage of case studies is that it is highly subjective, and therefore limits the number of studies when research is subject to resource constraints. It is time consuming and requires training and experience to in observing, recording and writing (Fellows and Lui, 1997).

Case Studies, whilst being of great benefit in the social sciences, are often effectively used in natural sciences or to validate existing technology, which this work is focused on (Fellows and Lui, 1997).

3.15 Observation Methods

According to Ewe (1984), the observation process entails the recording and giving recognizance of the respondent's behaviour. It is a rare method of research and depends on observational techniques, which are used in conjunction with other data collection processes. However, observational methods continue to characterise most research.

3.16 Participant Observation Methods

This method is employed when the observer is physically engaged in the activities being observed. Unknown to the participants, the researcher forms part of the group observing the activities (Fellows and Lui, 1997).

3.16.1 Advantages

According to Fellows and Lui, (1997) observation techniques are more reliable than experiments and surveys, as it occurs over an extended period of time in natural environments, resulting in intimate and informal relationships being developed with the subject matter being observed.

3.16.2 Disadvantages

If the researcher is the sole observer, values, opinions and experiences may distort the outcome of the observation (Fellows and Lui, 1997).

3.17 Non-Participant Observation Methods

In this method the observer is required to be excluded as part of the group and it is therefore made known to the participants of the observer's role (Fellows and Lui, 1997).

3.18 Historical Research Methods

According to Leedy, (1997) historical research methods deal intently with currents and counter currents of present and past events, and closely look at the interpretation of facts that are supported by rational explanations, rather than to what events occurred. Historical researches focus mainly on documentary evidence.

3.19 Benchmarking

McNair and Liebfried, (1992) describe benchmarking as an external focus on internal activities, functions or operations in order to achieve continuous improvement, whereas measurement focus on what is to be accomplished with emphasis on time, resources and energy and also provides feedback on progress toward objectives.

3.20 Sampling

Testing the hypothesis involves sampling from the population by collecting and involves collecting data and executing analyses. The objective of sampling is to provide a practical means of data collection and processing components of the research study that is to be conducted, whilst ensuring that the sample provides a realistic representation of the population (Fellows and Lui, 1997).

Where no surveys of the population exist, the representativeness of any sample would therefore be uncertain. Statistics could therefore be used to test its representativeness. Measurement of characteristics of a sample is referred to as statistics whilst those of a population are referred to as parameters (Fellows and Lui, 1997).

Leedy, (1993) stated that sample size depends on the degree to which the sample population approximates the qualities and characteristics of the general population. An important aspect of sampling is the size of the sample studied (Fellows and Lui, 1997).

Fellows and Lui, (1997) stated that it is necessary to obtain data from only a portion of the total population with which the research study is concerned. This section of the population is referred to as the sample. The context of the research study verifies the population concerned with the problem. In sampling the research study would be to

firstly define the population. In cases where the population is small, it would therefore be possible to research the population in full. However, in the majority of research projects any sample taken must be representative of the population.

CHAPTER 4

4.0 RESEARCH FINDINGS

4.1 The Case Study of a community housing project in Harare, Khayelitsha in Cape Town. The initial project evolved around empowering the community by establishing an association so to enable them to construct their own housing units through developing participative skills.

A number of South African (48%) households earn less than R800, 00 per month. This is a vital statistic as to why the South African government introduced a housing subsidy scheme, which would assist in the establishment of formal settlements for the many shack dwellers in the informal settlements. This would also in turn create jobs within the Construction Industry and revive the ailing building industry.

In 1985 the apartheid government established Khayelitsha on the Cape Flats for the purpose of creating a black township to house large numbers of the population outside the greater part of Cape Town. Situated ±50 km from the City, Khayelitsha borders Mitchell's Plain, Eerste River, and Macassar. With minimal facilities, poor infrastructure and vacant sites allocated with only precast toilets, communities were left to fend for themselves. Areas such as Harare, Site C, Site B, and Maccasar, to mention only some, were to be established.

Over the years the control of the area has changed five times namely: The Department of Community Development (DOCD); the Western Cape Development Board (WCDB). In 1986 after two years of existence the boards were abolished. The Cape Provincial Administration (CPA) then took control of the area. In 1988 the Lingelethu West Town Council was established to oversee formal housing in the area.

The division of the Cape Metropolitan Area into local government regions caused controversy over budget restraints and led to it still being decided whether the area

would be included in the City of Tygerberg or form part of the Cape Metropolitan Area.

After local elections were held in 1995, the Township of Khayelitsha was incorporated into the Tygerberg Substructure. Approaching and delivery proved a headache for local authorities as decisions concerning the area were made in Pretoria.

Initially 5000 Core houses were planned measuring between 25 and 30m^2 with provision for extensions of up to 60m^2, and the promise of assistance such as financial and technical support. Due to the abolition of the Development Boards and the responsibility being shifted to the Cape Provincial Administration all promises made in the process were lost by the take over of the new bodies. Statistics released in 1992 revealed that most residents in the Township were unemployed (Lingelethu West Council, 1995). Between 1984 and December 1994, 10 619 formal housing units were built, of which 4, 173 were constructed by private developers, and the remaining 6,446 units fall under the Lingelethu West Council jurisdiction (Lingelethu West Council, 1995).

In 1996 The City of Tygerberg decided to transfer some 25 000 properties to the residents of Khayelisha, allowing owners of state developed land to be able to purchase the property with a maximum state funded discount of R7 500,00. Thus effectively affording property rights to many who had occupied the sites for more than ten years (The Argus, 1995).

This left communities with not much choice but to organise themselves into community groups to uplift their living standards.
The scheme of subsidisation allowed the participation of all stakeholders and therefore includes communities, government at all levels as well as non-governmental organisations. In comparison with the formal sector where services such as refuse removal, sewerage facilities and the provision of roads , the informal communities display a marked lack of adequate amenities.

The large influx into the Township of Khayelitsha and the short supply of housing in the area led to the establishment of many informal settlements. As the town grows at an unprecedented rate, with more people seeking jobs to improve their lifestyle, it is evident that the government's delivery will not be able to cope with this large influx adding to the already large backlog.

As government policy is to establish a sustainable construction process, that will eventually enable all people the security of formal housing units and so to overcome the huge backlog.

Government housing subsidies amounted to R17 500,00 per unit and is paid out to approved beneficiaries. On completion of each individual unit contractors would be remunerated from the subsidy scheme.

Due to the fact that the subsidy provided is insufficient for construction of appropriate dwelling units that would accommodate affected beneficiaries, it was essential that Community Based Organisations be established.

Key Stakeholders

Beneficiaries of the Ihkwezi Housing Project
City of Tygerberg
Provincial Housing Board
Peoples Housing Project
Community Projects Office - Peninsula Technikon

Beneficiary information

The Ihkwezi Housing Project was first established at Harare, Khyalitsha as a voluntary association for people who want to participate in a community approach to housing delivery and who qualify for the consolidation subsidy. Constituted in 1997 as a body representing its members living in informal housing, the organisation has 300 active members.

Management Structure

Name of Developer - Ihkwezi Housing Project Committee
Management Committee - comprising 5 members with specific portfolios that would see to the day-to-day management
Technical information/support - Peoples Housing Process; Community Projects Office; Finance administrator.

Aims & Objectives

(a) To facilitate the development of understanding the Ihkwezi Executive Committee and its membership of the government subsidy scheme and housing delivery in general.
(b) To build to capacity and so improve the wellbeing of its members.
(c) To build a productive and co-operative development partnership between the organisation and all other stakeholders.
(d) To demonstrate the effectiveness of community based development projects.

Responsibilities

Serving all members and obtaining clear mandates with regards to needs and priorities.
Identifying areas requiring specialist assistance.
Implementing mechanisms in terms of communications an information gathering.
Through a mutual group process the beneficiaries will be directly involved in construction, dividing themselves into mutual groups of 15 households each consisting of two teams, targeting at least 2 houses per month. Skilled builders identified to provide expertise and support. The Building Federation of South Africa (BIFSA) conducted further training in basic bricklaying and carpentry.

Responsibilities of Stakeholders

Stakeholders such as Provincial Housing Board, Peoples Housing Process and non-Governmental Organisations would facilitate an understanding of required skills to manage the housing delivery process, identifying suitable training and workshops on technical issues, such as the project cycle, government subsidies and roles and responsibilities of the community, developer project manager and consultants in the development. Stakeholders were requested to treat all information as and being transparent.

Resources

Community to establish a saving scheme, whereby all members are required to contribute on either a weekly or monthly basis.
Sweaty equity.
Willingness to work at any given time if allowed.
To supply and share the use of skills, tools and equipment.
Prepared to participate in the on-site manufacture of building materials.

The construction program is scheduled to run over 1 year after the completion of phase 1, which would see the expansion of the association's membership, and phase 2 will be considered if further funds are made available.

Standards

Minimum sizes of house to be built would be between $45m^2$ and $55m^2$. National building regulations to be adhered to and beneficiaries would follow municipal by-laws for setbacks from plot boundaries and all building plans to be submitted to the Tygerberg Municipality for approval.

Monitoring and Evaluation

The process of monitoring and evaluation will be separated with evaluation being conducted after the completion of the project and will be related to realistic performance indicators which will be agreed with the relevant participants in the approved project.
Project indicators are set out as follows:

(a) Project progress in relation to scale and time.
(b) Project costs related to an agreed budget and cash flow plan.
(c) Relevant quality standards in the design and construction.

(d) Employment levels (Creation of Temporary & Permanent Jobs).

(e) Training skills.

(f) Capacity Building.

Methods of monitoring

(a) Project activity programme related to time scale in Barchart format.

(b) Regular reports in standard format from facilitator.

(c) Financial reports indicating budgets approved vs. actual monthly expenditure.

(d) Regular site visits with visual reports.

(e) Technical report by consultants on completion.

(f) Minutes of meetings held by project team (community committee and consultants).

(g) Records of training by training agent and daily employment records by construction supervisor.

(h) Evaluation.

(i) Evaluation would be scheduled to be conducted at the end of the project, that would enable an external team of three persons, selected by the implementing agent, to undertake as objective an assessment of the project in relation to the Public Works Programme criteria.

The task of the evaluators will be in the form of a report, which will be presented to the implementing agent for issue to the community committee and to the province.

Sustainability

The sustainable development of the project must be assessed at the community facilitation stage. This will avoid the commitment of energy from all participants being wasted on dormant assets.

(a) Feasibility Study

Each project must have a projection of the operating expenses needed to maintain the function of the asset developed. The information would give input to the design, which should take cognisance of the capacity of the community to maintain the asset.

(b) Design

Where design consultants are engaged the process of design will have to be sensitive to the lifespan and community capacity of construction and maintenance. This needs to be done during the facilitation process with the relevant stakeholders to ensure acceptance of responsibility and accountability of the asset.

(c) Project Ownership

Where the asset is such that controlled use, (roads; Bridges; Environmental Projects), the design should be appropriate and the asset should be owned and be maintained by the appropriate local authority. The community would therefore be allowed to take legal ownership via legal entity, and would have the authority and responsibility of their own asset.

Beneficiaries, together with all stakeholders, i.e. Housing Department, Peoples Housing Process and the Community Project Office undertook to facilitate and oversee the project. Various self-help programmes were initiated and communities began to organize socially and politically. Of the beneficiaries were elected as executive committee members, who together with all key role players, would steer the project from implementation to completion.

Finance would be provided from the housing subsidy for the purpose of offsetting each project and would be handled by an accountant appointed by the community. Skills training occurred on site and a building support centre was established within close proximity of all housing units. Design and specifications were based on relevant characteristics performance requirements. Procurement of materials had to be correctly planned, so to ensure that correct estimates were therefore obtained. The project leader was to assist during the implementation stage.

At the outset of the project the elected chairperson managed to obtain funding from the provincial housing department to the value of R80 000, 00, intended for the purpose of procuring building materials. The money was used to purchase a batch of blocks produced locally. On inspection by project leaders it was discovered that the blocks were of an inferior quality and could not be used for construction. The balance of the money still remains unaccounted for. No skills training were implemented, and design drawings were never submitted for approval to the local authority. The Public Works Department however, still further funded the project, despite the non-compliance.

Being a community project most of the construction occurred over weekends with little or no supervision and quality control was unlikely due to this fact.
On inspection by the Community Projects Office the following observations were made:

(a) Storage of materials became a high fire risk.
(b) Materials were short delivered.
(c) Poor workmanship resulting in bad building practice became the order of the day.
(d) Certain plots provided were not adequate to provide suitable housing for beneficiaries.
(e) Building lines were not adhered to.
(f) Local authority did not do any inspections or did not stop building operations due to the fact that no plans were approved.
(g) Lack of Provincial inspectors site visits

Analysing the text, it is clear that clear guidelines should be followed regarding the construction of building contracts, contracts are not properly awarded and without any contract documents. Financing of contracts should be given more attention. Inspection of building work in progress and on completion should bear valid signatories. Beneficiaries should also be signatory that the work has been fully and satisfactorily completed.

4.2 Case Study of an Emerging Contractor – Zacon Construction Pty Ltd. Established 1998 was conducted a female emerging contractor, that procured work from the Provincial Department of Public Works in Cape Town After completing some government projects the company was awarded the Nursing Home contract in Athlone.

Workforce: Office Staff - 12
Labour force - 250

The following interview was conducted on the 12th August 2004 between the researcher and the sole proprietor of Zacon Construction. The interviewer was referred to Mrs Allie by another source, and on request was granted an interview to discuss the government's procurement policy with regard to the awarding of contracts to Zacon Construction.

All information recorded in this case study was given verbally to the interviewee, and permission was granted to publish the given information.

According to Government's affirmative procurement policy it is the intention to empower all previously disadvantaged individuals who, through the past history, were not afforded opportunities with regard to the building construction industry. Government policy is therefore set out to achieve equity and fairness in awarding of tenders. Its attitude would be based on the following:

(a) Preserve high standards.
(b) Be fair and efficient.
(c) Fair and professional standards to be used in awarding contracts.
(d) Make available sufficient information for purpose of tendering and its process
(e) Make available broad criteria intended for evaluation of tenders and notify outcomes promptly.
(f) Pay promptly for work to be done in accordance with contracts.

It should also be noted that, in dealing with previously disadvantaged individuals, it is important that the following should be noted regarding the tender process: procurement procedures should be simple, cost effective, inexpensive, transparent and free of corruption.

The latter would lead to slanted specifications, the approval of inappropriate tenders, breaching confidentiality and obtaining personal gain.

Zulfa Allie, a young black entrepreneur, reigns from a family of construction workers. Her late father-in-law owned a building construction business. To pursue her endeavors, Mrs Allie established Zacon Construction Pty Ltd., fulfilling her father- in-law's wish of taking over the family business. Self-taught and being able to communicate in a language known to the construction industry, she empowered herself to take up the challenge which, through government policy, afforded new opportunities to previously disadvantaged individuals, women and children.

Despite having the knowledge of the construction world, there was no infrastructure in place, and essentials such as obtaining financial support, tax number and workmen's compensation, among other. It was of utmost importance that these structures be put in place immediately. Mrs Allie became the first black woman in the Western Cape to enroll in the Emerging Contractors Development Programme, and completed category level 1 to exit level between 1999 and 2000.

The first project awarded was the Strandfontein police station, with a tender amount of R2 million awarded to Zacon Construction, who was lowest in the budget. With the cost of the contract Zacon had to deal with other consultants as appointed by Provincial Government. The infrastructure made provision for a Khula guarantee that, together with Standard Bank, would provide bridging finance to historically disadvantaged individuals who did not have collateral.

The Khula guarantee required a mentor who would be paid for from government funds. An individual from the Construction Development Board was appointed to perform this duty.

A new bank account was to be opened in the name of the appointed mentor, and prior to commencement of the project an amount of R28 000,00 which was available from the bridging finance, was to be deposited in the account. This amount would have to be paid in monthly installments. As contract documents appeared to be flawed relationships between consultants and contractors turned sour.

The second contract awarded was the Tableview police station at a tender price of R1.8 million. Both projects were completed and handed over within the project time. Mrs Allie claims that monies owing to Zacon were always paid late and that this affected her operations and her own payments to her clients and workforce.

The last and final project awarded in 2002 was for the refurbishment of the Nurses College in Klipfontein Road, Surrey Estate. Though Zacon Construction was the second lowest tender, the project worth R7.2 million was awarded to them. Unaware that the project was 28% below budget and not being warned of the financial implications Zacon accepted the project for the given amount. At this stage there was no mentor available.

As per the given specification the following flooring was specified :Vinyl polyfloor excel 2000 p.u. According to Zacon the specification was incorrect as the trade name was either one of the three listed: polyfloor excel, polyflor 2000 or polyfloor pu. As the floor was supplied by a company in the United States, it was therefore required that the contractor send someone to do an Ardex skills training course for the purpose of laying the floor. This would be at the expense of the contractor and was not to be a cheap exercise.

Trying to negotiate the use of a local product, the project manager, who also performed the duties of all other consultants, rejected the proposal. Due to changes in specification, time delays caused contingencies to become extras, resulting in increasing cost and penalties. Specialist contracts were awarded to contractors using previously disadvantage individuals as a fronting. This gave the impression that projects were awarded through the implementation of the preferential procurement policy.

In 2003 Zacon was placed under liquidation and all it's assets ceased, and to this day Nurses Home project still remains incomplete. Zacon claims that they have only been

paid a portion of the money owing to them and that most of the staff and labour force remain unemployed.

Questionnaire Results

Homeowners Survey

77.8% of those interviewed were the sole owners of the property, and a large percentage (93.8%) received housing at no cost, of those surveyed only 47.9% was employed, so it would be unlikely that the 52% of unemployed would be able to afford to purchase a house. Only 1.5% of respondents had tertiary education, this hampered skills training to a large degree. 65% of respondents earned less than R1000.00 per month clearly indicating the poverty line experienced among the disadvantage. 60% of households had up to 4 and more occupants. Thus many homeowners were dissatisfied with the size of the house.

Developers Survey

50% of respondents interviewed were acquainted with general construction, of which there is a demand for within communities. 66.7% were sole owners of the business, whilst 76% were first time entrepreneurs that previously work in construction on a labour only basis. Established contractors employed as much as 33% of the work force. 58% of contractors could not obtain financial assistance whilst 42% were unable to receive aid from the Public Works Department. Most of the work undertaken by these contractors was located in the Western Cape. Ownership of these construction companies was male dominated.75% did not own plant equipment and made use of hiring companies. The awarding of projects by the Department of Public Work was a sore thumb to most contractors, as certain tenderers seemed more privileged than others. 67.5% of construction workers remained unqualified due to the fact that no further skills training is pursued, this resulted in poor standards and deterioration of the industry.

CHAPTER 5

ANALYSIS AND SYNTHESIS OF RESEARCH RESULTS

5.0 Introduction

In previous chapters, problems and constraints that the South African construction industry is experiencing, with regard to the Government's failure to address the implementation of the Affirmative Procurement Policy, has been researched and include all internal and external aspects of the policy framework. It further examined government policy and its intention to alleviate the problem. This chapter presents the empirical validation of the theoretical analysis underpinning the research. The following chapter examines and analyse the survey results.

To appreciate the research methodology and the design process used, the hypothesis to be tested reads as follows:

> ***"The statement that the public clients attempts, to address previous imbalances, through the post tender stage, are not effective and do not meet the objectives anticipated".***

The purpose therefore of this research is to provide validity and data, which add significance to the literature review previously completed.

As the survey targeted emerging contractors and homeowners from previously disadvantaged individuals, it was exceedingly difficult to conduct the survey, as many respondents were not aware of the affirmative procurement policy and the implementation thereof. In the Western Cape these policies had only been introduced at the beginning of 1998. Other policies such as the 10-point plan, which had been partially implemented, added further confusion to emerging contractors.

5.1 Data Collection

5.1.1 Home Owners Survey

The survey addressed ownership, amount paid, previous residence and problems with current building structure. Respondents were asked to forward educational and income details, and had close ended Yes/No answers for easy and quick responses.

5.2.1 Sample size - Developers Survey

The sample chosen was randomly selected from the ECDP list of contractors, which contained 206 registered construction companies. To broaden the spread of the sample the number of contractors constituting the sample population was en large the contractors registered with WECBOF.

Random selection of contractors was used for the sample size, taking into consideration time constraints, which would influence the outcome of the survey. 100 emerging contractors were selected, as this number would assume that the size would be representative of the population. The structure of the sample size consisted of 10 mailed surveys, 18 telephonic surveys and 90 personal surveys.

TABLE 5.1.1 Identification Information

Question	Frequency	Yes	No
Do you own this property?	72	56 (77.8%)	22 (22.2%
Are you a tenant?	61	16 (26.2%)	45 (73.8%)
Did you pay for this house?	64	45 (6.3%)	82.2 (93.8%)
Have you always stayed here?	56	17 (30.4%)	39 (69.6%)
Was your previous house built of brick & cement?	65	13 (20%)	52 (80%)
Were there any problems with previous accommodation?	70	55 (78.6)	15 (21.4%)
Are you currently employed?	71	34 (47.9%)	37 (52.1%)
Are you satisfied with the construction of the house?	70	13 (18.6%)	78.1 (81.4%)

The data collected as indicated in Table 5.1 relates to personal information regarding the homeowner. The survey was conducted in the low income group as indicated in Table 5.1.3 so to establish the community's response to ownership, financial constraints, the use of conventional material, problems with regard to construction and employment.

As most of the recipients are subsidised by the state, a high percentage (93.8%) although having tenure and ownership did not pay for their houses. 80% of all respondents had lived in informal settlements and 52.1% were unemployed. A low percentage (13.8%) was satisfied with the construction of their house.

TABLE 5.1.2 Education

Valid	Frequency	Valid Percent
Below Std 5	21	30.9%
Std 5 – 7	20	29.4%
Std 8 – 9	17	25.0%
Std 10	9	13.2%
Tertiary level	1	1.5%
Total	68	100.0%

Most respondents (31%) did not complete standard 5, and only 13.2% completed matric, and 1.5% had a tertiary education. The majority of respondents had not completed standard 5, which indicate a high incidence of illiteracy. This data is significant as implication here is that may prospective tenderers will have difficulty with filling in forms.

TABLE 5.1.3 Income Earning

Valid	Frequency	Valid Percent
Less > R1000	34	65.4%
R1000– R1500	12	23.1%
R1500– R2000	3	5.8%
R2000– R2500	3	5.8%
Total	52	100.0%

A large percentage (65.4%) of respondents monthly income was less than R1 000.00 with only 5.8% of those surveyed earning in excess of R2 000.00.

65.4% of the homeowners earned less than R1 000.00 per month, clearly indicating the large number of people living below the poverty line. As stated in TABLE 5.1.3, high unemployment levels contribute fully to this fact. This information means a high poverty level, which further means that most prospective tenderers would not be able to access finance for new business endeavours.

Table 5.1.4 Number of occupants

Valid	Frequency	Valid Percent
Between 1-4	42	60.0%
Between 4-6	23	32.9%
Between 6-12	5	7.1%
Total	70	100.0%

Large majority of households (60%) did not exceed more than 4 persons. This could possibly due to the fact that the survey was concentrated in areas of low cost housing, and can be attributed to the size of the dwelling units, as in most cases, housing units consisted mainly of a single room, which served as dual purpose with a bathroom attached. Most respondents would therefore have additional makeshift units attached, so to be able to accommodate larger families. It can be extrapolated from the data that in housing procurement very little cognizance is taken of the occupant's real needs.

TABLE 5.1.5 House Acquisition

Valid	Frequency	Valid Percent
Community	16	22.5%
Local government	48	67.6%
Local authority	2	2.8%
Acquaintances	5	7.0%
Total	71	100.0%

67.6% were awarded government subsidized houses, but aired the view of their dissatisfaction of the quality and size of units. 7% had repurchased their house from family or friends at a profit. There was greater satisfaction expressed with those who purchased, as opposed to the larger groups that were awarded houses it would seem that there is a great amount of dissatisfaction expressed with the aspect of production, which is adherent in procurement in the post tender stage.

5.3 Developers Survey

In this section of the survey the research establishes the contractor's main purpose of business with reference to the type of construction that is focused on within the industry. The construction industry offers different opportunities for different markets that arise from the size and type of jobs available together with experience and skills operable within different markets. Services therefore rendered by contractors would open up the labour market and create more work opportunities. Defining the categories of projects to be undertaken by contractors would profile the company's experience, financial status and the ability to render the service required.

Table 5.3.1: Type of contracting company

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	General Contractor	22	48.9	50.0	50.0
	Specialist Contractor	8	17.8	18.2	68.2
	Labour only sub-contractor	3	6.7	6.8	75.0
	Labour and material sub-contractor	11	24.4	25.0	100.0
	Total	44	97.8	100.0	
Missing	9999.00	1	2.2		
Total		45	100.0		

It is clear from Table 5.3.1 that a number of different contractors actively operate within the construction industry in the Western Cape. 50% of all respondents interviewed were employed as general contractors, specializing in building construction, where there tend to be a large demand. The fact that these different types of contractors exist, suggest that there is a demand for the various types of services and products that are offered. Labour and material subcontractors covered 25% of respondents, which further suggest that these services are required, therefore creating more job opportunities.

Table 5.3.2: Initial business venture

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	32	71.1	76.2	76.2
	no	10	22.2	23.8	100.0
	Total	42	93.3	100.0	
Missing	9999.00	3	6.7		
Total		45	100.0		

Information would be gathered regarding entrepreneurial skills of the owner(s) prior to establishing this business. 76% of respondents were first time entrepreneurs, the quantity of this result tend to be high in the light of the fact that our democracy is still so young, but could also be attributed to the fact that many of those interviewed had previously worked for either family or friends who owned a business. It is important to know if the company is registered and whether it operates in the formal market and adhere to standards and codes of conduct.

Table 5.3.3: Ownership

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	26	57.8	66.7	66.7
	no	13	28.9	33.3	100.0
	Total	39	86.7	100.0	
Missing	9999.00	6	13.3		
Total		45	100.0		

67% of respondents were sole proprietors of the business who took advantage of the governments emerging contractors development programme with the hope of becoming competitive in the job market, either starting from scratch whilst others had inherited the family business. Only 13.3% were employed by the business either through long-term relationships or only as part of the labour force. Due to the uncertainty of the job market some respondents preferred being self-employed as this appeared to be more beneficial in job creation.

Table 5.3.4: Age of company

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0-5 year	9	20.0	20.5	20.5
	5-10 years	21	46.7	47.7	68.2
	10-15 years	5	11.1	11.4	79.5
	15-20 years	2	4.4	4.5	84.1
	More than 20 years	7	15.6	15.9	100.0
	Total	44	97.8	100.0	
Missing	9999.00	1	2.2		
Total		45	100.0		

The age of the company was calculated from the date the company was established, up to the date of the survey. From table 5.3.4 it is clear that the most of companies (47.7%) appear to be established as recently as 5 – 10 years ago. The results as shown in Table 5.8 could be attributed to political changes in the country's political structure. As previously mentioned (Chapter 2) the mostly black disadvantaged could not own business within the construction industry. With the new dispensation of 1994, the intention of the government was to reverse these policies, and to terminate all discriminatory regulation that existed.

Table 5.3.5 Employment statistics

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	between 1 and 11	11	24.4	33.3	33.3
	between 11 and 21	11	24.4	33.3	66.7
	between 21 and 31	3	6.7	9.1	75.8
	between 31 and 51	3	6.7	9.1	84.8
	between 299 and 361	5	11.1	15.2	100.0
	Total	33	73.3	100.0	
Missing	9999.00	12	26.7		
Total		45	100.0		

Of the respondents interviewed, those who employed 33% of the workforce were better-established contractors. It was also evident that these employers were able to obtain more lucrative contracts, which resulted in a larger workforce. To cut on overheads, other contractors preferred working with selected employees, and also sought those who were multi-skilled. In cases where the labour force was large (15%) was attributed to projects where subcontractors were employed on projects where it was enforced to make use of local labour from disadvantaged backgrounds. This would be a once off and the labour force would be laid off on completion of the work.

Table 5.3.6: Building Construction specialisation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Housing	23	51.1	57.5	57.5
	Multi contracts	12	26.7	30.0	87.5
	Community buildings	3	6.7	7.5	95.0
	Industrial	2	4.4	5.0	100.0
	Total	40	88.9	100.0	
Missing	9999.00	5	11.1		
Total		45	100.0		

From the table it can be gathered that various emerging contractors operate within the construction industry, which stipulate that there is a growing need for the services of building contractors and the products offered. Table 5.3.6 clearly indicates that the housing sector, with 58% appear to attract most emerging contractors, though this seem to be the trend most respondents claimed not to be given the opportunity attempt larger contracts. Community buildings with 8% were by and large contracted to the recipients of such facilities and were not awarded through government tenders.

Table 5.3.7: Business establishment assistance

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	14	31.1	42.4	42.4
	no	19	42.2	57.6	100.0
	Total	33	73.3	100.0	
Missing	9999.00	12	26.7		
Total		45	100.0		

58% of respondents were unable to obtain either monetary or financial assistance from both institutions as well as technical assistance from the Department of public works Business was either established through savings accumulated over the years, or surrendering insurance policies or through assistance from family or friends. Of the 42% that was able to seek assistance, some respondents were not prepared to disclose their source.

Table 5.3.8: Operational location within the Western Cape Metropolitan area

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Northern Suburbs	3	6.7	7.7	7.7
	All over Western Cape	27	60.0	69.2	76.9
	Boland	3	6.7	7.7	84.6
	Cape Flats	2	4.4	5.1	89.7
	West Coast	1	2.2	2.6	92.3
	Karoo	1	2.2	2.6	94.9
	Eastern Cape	1	2.2	2.6	97.4
	Former Transkei Metropolitan area	1	2.2	2.6	100.0
	Total	39	86.7	100.0	
Missing	9999.00	6	13.3		
Total		45	100.0		

Economic growth in the Cape Metropolitan area has seen a boom in the building industry over the years, which have created employment throughout. As from table 5.3.8 it appears that the concentration of building construction is wide spread within the province with 69% of contractors employed within the metropolitan area of Cape Town. Of these respondents a fair amount were from rural and outlying areas that migrated to the metropole in search of employment.

Table 5.3.9: Contractor age brackets

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	between 20 and 30	9	20.0	22.0	22.0
	between 30 and 40	13	28.9	31.7	53.7
	between 40 and 50	12	26.7	29.3	82.9
	between 50 and 60	7	15.6	17.1	100.0
	Total	41	91.1	100.0	
Missing	9999.00	4	8.9		
Total		45	100.0		

Contractors' ages varied with the majority of respondents being in the 30-40 year age group (31.7%) and were followed shortly by the 40-50 age group of 29.3%. Most of those surveyed had spent all their life within the construction industry. 17.1% of contractors between the ages of 50-60 remained within the industry.

Table 5.3.10: Construction company gender breakdown

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	male	44	97.8	100.0	100.0
Missing	9999.00	1	2.2		
Total		45	100.0		

All respondents interviewed were male and sole owners of the company; women were represented within companies as office administrators and most were office bound. Male domination appears to be rife within the emerging contractors' emporium. The reason could be contributed to the fact that many of these companies were established with little or no assistance, and had come about from inheritance.

Table 5.3.11: Language preference

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	English	29	64.4	64.4	64.4
	Afrikaans	11	24.4	24.4	88.9
	Xhosa	3	6.7	6.7	95.6
	Other	2	4.4	4.4	100.0
	Total	45	100.0	100.0	

The majority of contractors (64.4%) used English as a medium of communication this despite the fact that documentation from the authorities was published in all official languages. Respondents preferred the use of English for the purpose of tendering and completing application forms, though in most cases English was not their first language.

Table 5.3.12: Highest standard passed at school

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	St 5 (gr.7)	1	2.2	2.9	2.9
	St 6 (gr.8)	2	4.4	5.7	8.6
	St 7 (gr.9)	2	4.4	5.7	14.3
	St 8 (gr.10)	2	4.4	5.7	20.0
	St 9 (gr.11)	2	4.4	5.7	25.7
	St 10 (gr.12)	26	57.8	74.3	100.0
	Total	35	77.8	100.0	
Missing	9999.00	10	22.2		
Total		45	100.0		

74% of all respondents had completed matric, with only 2.9% finishing grade seven. A high majority of respondents had completed an equivalent qualification namely National Technical Certificate this is due to the fact that subjects offered at technical schools were better related to the building industry.

Table 5.3.13: Plant and equipment ownership

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	10	22.2	25.0	25.0
	no	30	66.7	75.0	100.0
	Total	40	88.9	100.0	
Missing	9999.00	5	11.1		
Total		45	100.0		

A majority of contractors (75%) did not own plant equipment the reason given was due to high overhead cost, maintenance and storage. Most contractors preferred hiring

equipment when the need arises, and as some projects were completed on a labour only contract, it was left up to the client to hire plant equipment.

Table 5.3.14: E-mail access

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	23	51.1	65.7	65.7
	No	12	26.7	34.3	100.0
	Total	35	77.8	100.0	
Missing	9999.00	10	22.2		
Total		45	100.0		

The advent of e-mail brought about a new revolution within the building industry. 68% of contractors interviewed either had direct access or used alternative on-line services.

Table 5.3.15: Professional affiliation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	14	31.1	43.8	43.8
	no	18	40.0	56.3	100.0
	Total	32	71.1	100.0	
Missing	9999.00	13	28.9		
Total		45	100.0		

Only 44% of respondents were members registered with an association. Most raised the issue of not being able to afford the fees charged to become an affiliate member. The low percentage could be due to the fact that most respondents were new to the

industry and may not be familiar with Contractors Associations. The majority did not see the benefit of being affiliated to any association.

Table 5.3.16: Access to institutional finance

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	14	31.1	48.3	48.3
	no	15	33.3	51.7	100.0
	Total	29	64.4	100.0	
Missing	9999.00	16	35.6		
Total		45	100.0		

As first time business owners from a previously disadvantaged community a total amount of 52% respondents were never able to obtain financial aid from major institutions. This pattern has been followed throughout; respondents claimed that institutions were reluctant when approached and that too many hurdles were to be overcome prior to obtaining loans.

Table 5.3.17: Access to personal finance

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	29	64.4	67.4	67.4
	no	14	31.1	32.6	100.0
	Total	43	95.6	100.0	
Missing	9999.00	2	4.4		
Total		45	100.0		

Finance was normally obtained from life savings or short loans for the purpose of starting up small contracts. The inability of emerging contractors to obtain finance easily caused delays on projects due to the fact that contractors had to complete a considerable amount of work before settling claims, which brought about workers and accounts being paid late, this also attributed to the fact that emerging contractors were limited to the amount of work that could be undertaken.

Table 5.3.18: Access to sureties and retention monies

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	26	57.8	60.5	60.5
	no	17	37.8	39.5	100.0
	Total	43	95.6	100.0	
Missing	9999.00	2	4.4		
Total		45	100.0		

Contractors surveyed 61% had access to sureties and retention money, though some were of the opinion that retention monies were kept for to long a period before being released back to the contractor.

Table 5.3.19: Surety provision

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	18	40.0	41.9	41.9
	no	25	55.6	58.1	100.0
	Total	43	95.6	100.0	
Missing	9999.00	2	4.4		
Total		45	100.0		

42% of all respondents had to provide surety prior to being allocated work from the Public Works Department. As most contractors were registered with the department it was clear that this was a requirement.

Table 5.3.20: Type of surety

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Quality	2	4.4	15.4	15.4
	Institutions	4	8.9	30.8	46.2
	Contract guarantee	7	15.6	53.8	100.0
	Total	13	28.9	100.0	
Missing	9999.00	32	71.1		
Total		45	100.0		

From the response it was not clear whether the respondent understood what surety meant as most answers given clearly showed that respondents were confused with personal security.

Table 5.3.21:Value of surety

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	R35 000	1	2.2	33.3	33.3
	R40 000	1	2.2	33.3	66.7
	R300 000	1	2.2	33.3	100.0
	Total	3	6.7	100.0	
Missing	9999.00	42	93.3		
Total		45	100.0		

From table 5.3.20 it can be gauged that a minimal amount of only 33% was required. This in fact was not affordable by most contractors as many were unable to access finance as seen from above tables.

Table 5.3.22: Project retention monies

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	30	66.7	71.4	71.4
	no	12	26.7	28.6	100.0
	Total	42	93.3	100.0	
Missing	9999.00	3	6.7		
Total		45	100.0		

71% of projects required retention despite the fact that some contracts awarded were of small nature contractors was still compelled to adhere to the requirements as set out in the tender document.

Table 5.3.23: Retention period

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	3 to 6 months	15	33.3	48.4	48.4
	12 months	7	15.6	22.6	71.0
	on completion	3	6.7	9.7	80.6
	Depends on specification	5	11.1	16.1	96.8
	None	1	2.2	3.2	100.0
	Total	31	68.9	100.0	
Missing	9999.00	14	31.1		
Total		45	100.0		

48% of the respondents claimed that between 3 to 6 months retention period was given after completion of the project and a minimal amount of 3% did not require retention. Some respondents showed dissatisfaction of having to wait as long as 6 months, as many of the projects awarded were of such a nature that final accounts could be settled sooner.

Table 5.3.24: Official tendering assistance

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	15	33.3	36.6	36.6
	no	26	57.8	63.4	100.0
	Total	41	91.1	100.0	
Missing	9999.00	4	8.9		
Total		45	100.0		

Most respondents (63%) did not receive any assistance despite the public works endevours to empower previously disadvantaged individuals, whilst only 37% took advantage of the assistance offered by government departments

Table 5.3.25: Official purchasing assistance

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	13	28.9	31.7	31.7
	no	28	62.2	68.3	100.0
	Total	41	91.1	100.0	
Missing	9999.00	4	8.9		
Total		45	100.0		

Most respondents (68%) did not receive any assistance despite this being a vital part of contracting which would assist contractors with pricing, whilst 32% did.

Table 5.3.26: Official accounting assistance

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	8	17.8	20.0	20.0
	no	32	71.1	80.0	100.0
	Total	40	88.9	100.0	
Missing	9999.00	5	11.1		
Total		45	100.0		

80% of those surveyed did not receive assistance as stated earlier, it is therefore left to contractors to use whatever methods are available to them, which resulted in discrepancies, as respondents claimed not to be aware of assistance offered by the authorities.

Table 5.3.27 Official skills training assistance

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	11	24.4	27.5	27.5
	no	29	64.4	72.5	100.0
	Total	40	88.9	100.0	
Missing	9999.00	5	11.1		
Total		45	100.0		

It appears from Tables 5.3.22, 5.2.23, 5.2.24 and 5.3.25 that the responses remained largely negative. The majority of respondents (73%) did not receive any training in any of the abovementioned skills; respondents blamed the state department for not communicating this information to them.

Table 5.3.28: Business-establishing assistance

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	14	31.1	42.4	42.4
	no	19	42.2	57.6	100.0
	Total	33	73.3	100.0	
Missing	9999.00	12	26.7		
Total		45	100.0		

42% of respondents claimed not to have received assistance when they first started their business, factors such as acquiring finance for plant, material and labour was also not forthcoming from the department of public works. Businesses were, once again either established through savings accumulated or through assistance from family or friends. Others were not prepared to disclose their sources of assistance.

Table 5.3.29: Standardized drawings and specifications

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	33	73.3	86.8	86.8
	no	5	11.1	13.2	100.0
	Total	38	84.4	100.0	
Missing	9999.00	7	15.6		
Total		45	100.0		

The majority of surveyed (87%) positively responded to the standardization of specifications. It became evident that respondents did not want to give a negative perception of their abilities.

Table 5.3.30: Tender submission information

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	31	68.9	83.8	83.8
	no	6	13.3	16.2	100.0
	Total	37	82.2	100.0	
Missing	9999.00	8	17.8		
Total		45	100.0		

On the contrary it appears that a large amount of respondents have the necessary information for submitting tenders available to them, this despite the fact that from earlier information gathered respondents were more negative about the awarding of tenders. Only 16% of respondents did not have tender information available.

Table 5.3.31: Tender submission time frame

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	27	60.0	87.1	87.1
	no	4	8.9	12.9	100.0
	Total	31	68.9	100.0	
Missing	9999.00	14	31.1		
Total		45	100.0		

A majority 87% of respondents were of the opinion that the time frame given to resubmit tenders were sufficient with only a small minority of respondents (13%) did not find that time given to resubmit tenders to the public works department, this could be due to the fact that tenderers did not understand the language and would not admit this.

Table 5.3.32: Perception of Department of Public Works contract awards

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	22	48.9	59.5	59.5
	no	15	33.3	40.5	100.0
	Total	37	82.2	100.0	
Missing	9999.00	8	17.8		
Total		45	100.0		

60% of respondents were of the opinion that projects were unfairly awarded as family and acquaintances known to the authorities always appear to obtain jobs. This could be due to information leaked prior to submission of tenders.

Table 5.3.33: Language usage

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	37	82.2	100.0	100.0
Missing	9999.00	8	17.8		
Total		45	100.0		

A high percentage (82%) of respondents claimed to understand the language used in tender documents though it appeared that of those interviewed were skeptical to admit that they did not whilst grasp the language and terminology used.

Table 5.3.34: Perception of changes in the Public Works Department

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	11	24.4	42.3	42.3
	no	15	33.3	57.7	100.0
	Total	26	57.8	100.0	
Missing	9999.00	19	42.2		
Total		45	100.0		

In establishing whether emerging contractors were aware of the changes in the public works department, 58% claimed to have no knowledge of such publications, which could be due to communities not having access to daily local newspapers and was only exposed to community papers that were issued on a weekly basis.

Table 5.3.35: Government Publication consulted

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Department of Public Works	5	11.1	83.3	83.3
	Website	1	2.2	16.7	100.0
	Total	6	13.3	100.0	
Missing	9999.00	39	86.7		
Total		45	100.0		

A huge number of respondents (83%) obtained work from the Department of Public works through tenders, whilst only 16.7% successfully negotiated through using the business network website, this remain contradictory to statements made earlier by the same respondents.

Table 5.3.36: Provision of improved access to work opportunities

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Lowest	1	2.2	11.1	11.1
	below average	1	2.2	11.1	22.2
	average	2	4.4	22.2	44.4
	highest	5	11.1	55.6	100.0
	Total	9	20.0	100.0	
Missing	9999.00	36	80.0		
Total		45	100.0		

Table 5.3.37: Provision of financial opportunities

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Lowest	2	4.4	28.6	28.6
	average	1	2.2	14.3	42.9
	above average	3	6.7	42.9	85.7
	highest	1	2.2	14.3	100.0
	Total	7	15.6	100.0	
Missing	9999.00	38	84.4		
Total		45	100.0		

Table 5.3.38: Provision of credit opportunities

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	lowest	2	4.4	22.2	22.2
	below average	1	2.2	11.1	33.3
	average	2	4.4	22.2	55.6
	above average	1	2.2	11.1	66.7
	highest	3	6.7	33.3	100.0
	Total	9	20.0	100.0	
Missing	9999.00	36	80.0		
Total		45	100.0		

Table 5.3.39: Provision of surety obligation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	lowest	2	4.4	33.3	33.3
	below average	1	2.2	16.7	50.0
	average	1	2.2	16.7	66.7
	above average	1	2.2	16.7	83.3
	highest	1	2.2	16.7	100.0
	Total	6	13.3	100.0	
Missing	9999.00	39	86.7		
Total		45	100.0		

Table 5.3.40: Provision for early payment

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	lowest	3	6.7	33.3	33.3
	below average	2	4.4	22.2	55.6
	above average	4	8.9	44.4	100.0
	Total	9	20.0	100.0	
Missing	9999.00	36	80.0		
Total		45	100.0		

Table 5.3.41: Official assistance for skills training

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	11	24.4	27.5	27.5
	no	29	64.4	72.5	100.0
	Total	40	88.9	100.0	
Missing	9999.00	5	11.1		
Total		45	100.0		

More than 73% did not receive assistance with tendering and purchasing and 28% did not have skills training. This indicates that most contractors were of the opinion that help was not forthcoming from the authorities and that communication between the two parties were non-existent.

Table 5.3.42: Formal apprenticeship

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	14	31.1	32.6	32.6
	no	29	64.4	67.4	100.0
	Total	43	95.6	100.0	
Missing	9999.00	2	4.4		
Total		45	100.0		

Only 32.6% pursued tertiary education with 67.4% not being qualified in the field of construction. This could be due to the fact that most companies do not pursue further skills training with employer or other factors such as financial and other constraints. Respondents without qualifications claimed to be self-skilled in various contracting skill that would be acquired on site.

Table 5.3.43: Trade qualifications

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Aircon and Refrigiration	1	2.2	8.3	8.3
	Carpentry	5	11.1	41.7	50.0
	Tiling	1	2.2	8.3	58.3
	Welding	1	2.2	8.3	66.7
	Plumbing and Bricklaying	4	8.9	33.3	100.0
	Total	12	26.7	100.0	
Missing	9999.00	33	73.3		
Total		45	100.0		

Most respondents opted for carpentry followed by bricklaying and plumbing with other specialist trades lagging behind. From the survey it became clear that those interviewed were obviously of the opinion that the trades mentioned above were easily self taught whilst in the employ of the contractor.

Table 5.3.44: Deterioration of Construction Industry quality standards

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	30	66.7	71.4	71.4
	No	12	26.7	28.6	100.0
	Total	42	93.3	100.0	
Missing	9999.00	3	6.7		
Total		45	100.0		

Most respondents (71%) were not of the opinion that the building standards were drastically deteriorating, with reference to the poor workmanship encountered specifically in the construction of low cost housing. This was also blamed on authorities that did not do proper checks whilst buildings were under construction. Delayed payment after completion of projects further added to contractor's despondency.

Table 5.3.45: Specification of poor standards causes

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Poor workmanship and materials	16	35.6	64.0	64.0
	Unskilled labour	9	20.0	36.0	100.0
	Total	25	55.6	100.0	
Missing	9999.00	20	44.4		
Total		45	100.0		

Respondents appeared to agree that quality and standards were declining at a steady rate, and that the lack of skills training added to the problem. Other issues such as lack

of monitoring construction sites by local authority and on site supervision whilst work is in progress.

Table 5.3.46: Incidents of construction phase problems

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	35	77.8	81.4	81.4
	No	8	17.8	18.6	100.0
	Total	43	95.6	100.0	
Missing	9999.00	2	4.4		
Total		45	100.0		

From the table it is clear that most respondents encountered various problems when trying to obtain work from the Department of public works. Most stated the difficulty of obtaining work from the PWD (81.4%). Some did not wish to mention the source of obtaining work for fear of victimization. Though some respondents did mentioned obtaining contracts through the tendering process others referred to networking opportunities that were available.

Table 5.3.47: Construction phase problems

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Pricing	3	6.7	8.8	8.8
	Delays	11	24.4	32.4	41.2
	Mistakes on plans	2	4.4	5.9	47.1
	Poor workmanship and materials	7	15.6	20.6	67.6
	Tender information	2	4.4	5.9	73.5
	Unskilled labour	4	8.9	11.8	85.3
	Client satisfaction	5	11.1	14.7	100.0
	Total	34	75.6	100.0	
Missing	9999.00	11	24.4		
Total		45	100.0		

Skills training remain one of the largest stumbling blocks within the industry, which goes accompanied with other problems such as material availability, incorrect and insufficient information on drawings that cannot be rectified immediately all add to the delay in completing projects.

CHAPTER 6

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

6.0 Introduction

In the preceding chapters it has been indicated that the Department of Public Works is required to implement structures that would bring about policy changes in the construction industry, so to afford SMME's and ABE's equal opportunity within the industry. The introduction of the Affirmative Procurement Policy (APP) by the National Department of Public Works was to facilitate increased participation by small scale and previously disadvantage communities.

From the research it has become evident that most emerging contractors are faced with similar problems. As that of the industrial sector, strategies aimed at developing small and medium size enterprises are based on the impact these businesses have on growth and development across the economic spectrum.
Levels of living between rich and poor in overseas countries can be compared to that of South Africa. It is therefore that the need arises to efficiently promote equity among all people, and therefore overcoming the effects of discriminatory policies, which would create jobs and actively involve communities.

The background to this research examines the impact of the application of the policy of the Affirmative Procurement Policy, which focused on the nature of building construction in South Africa. Its role in reconstruction and development and the intervention of the Department of Public Works to ensure the implementation of these policies and proposed intervention procedures aimed at establishing an environment for reconstruction and growth in the building industry, focusing on previously disadvantaged and marginalised sectors of the community.

The research has shown that the evolution of SMME's significantly influenced the type of problems and constraints encountered within the construction industry.
In the literature review the research focuses on the nature of the construction industry in South Africa, in so doing investigates and evaluates the Affirmative Procurement Policy and its role in the Reconstruction and Development Program, thus providing employment and business opportunities to both marginalised individuals and communities.

An evaluation of economic trends, policies and procedures advantaged established business, which did not allow meaningful participation of small, medium and micro enterprises and particularly those owned by previously disadvantaged persons.

Evaluating the medium and long-term growth within the construction industry it has become evident that the industry has many advantages if a new procurement policy in line with the government's macro-economic plan is implemented.

In analysing the weaknesses in the construction industry, a distorted vision of ownership stemming from discriminating policies and procedures of the apartheid system, thereby blockading entrance of emerging contractors into the mainstream of the industry.

Through the 10-point plan, interim strategies proposed the formation of two bodies,namely the Emerging Contractors Development Programme (ECDP) and the Construction Industry Development Board (CIDB) to facilitate the transformation of emerging contractors to fully-fledged enterprises. Therefore the role of the state as policy formulator was identified with regard to service delivery, human resource and skills development.

The role of the Small, medium and micro enterprises in the South African construction industry were considered together with constraints concerning emerging contractors. Concerted efforts from various stakeholders were considered in order to counteract the imbalances within the industry failed, but set a good precedent for the Government to implement the procurement reform programmes through the construction industry.

Information gathered for this research was done by way of two questionnaires designed to gather data from both homeowners presiding in disadvantaged communities, in addition to emerging contractors. The homeowner's information focused mainly on ownership, income and quality of construction whilst the developer's survey focused on selected problems and constraints encountered by emerging contractors. These included access to job opportunities, finance, technical skills, tendering advice, access to information, contract administration, credit for materials and release from surety obligation.

6.1 Conclusion

6.1.1: Home Owners & Developers Survey

1. Conducted with the impoverished communities where unemployment is rife and many people live below the breadline
2. it has been established that most tenants were first time homeowners who benefited from the government's Reconstruction and Development Programme.
3. Most of the respondents interviewed earned a salary of less than R1000, 00 per month.
4. Based on the information obtained from the survey it appears that a large majority of those surveyed were despondent about the construction and quality standards of the housing unit supplied by the state. This was due to the use of inferior building materials, shoddy workmanship, unskilled labour and lack of supervision whilst construction was in process.

5. Beneficiaries were never consulted about their needs, prior to obtaining a house, mass housing projects were awarded to large contractors, and communities were never approached to participate in decision-making.
6. Housing supplied fell far short of meeting with national building regulations. Because of the inadequacy of the units supplied, respondents were obligated to erect makeshift structures to accommodate families.

The response received from the developer's questionnaire supported the hypothesis to be tested:

> *"Given the problem therefore evokes the statement that the public client's intention to address imbalances are not effective and do not meet the objective anticipated in the construction industry."*

It is therefore that when evaluating the outcome of APP the majority of emerging contractors indicated negativity towards the Public Works Department's affirmative procurement policy.

1. With at least 57% of contractors being established for more than 10 years the results of the survey has confirmed that contractual work awarded, remain mainly housing or other menial projects, and that major projects were granted to established enterprises.
2. Contractors were of the opinion that the tendering system was not foolproof and that many loopholes exist. Projects therefore were awarded to family and acquaintances, or through fraudulent means.
3. Limited resources are available to emerging contractors and constraints such as obtaining finance from major institutions remained a huge stumbling block within the industry, resulting in non-conformance.
4. Small, medium and micro enterprises were not entertained by the financial institutions, which hampers job creation throughout the industry. Contractors are therefore compelled to make use of any other financial aid, such as short-

term loans or financial assistance from families. Due to the delay of obtaining finance it is inevitable that many projects are forfeited in the end. The issue of delayed payments for work completed further compounds the problem.

5. With regard to training, purchasing, accounting and skills training it became evident that previously disadvantaged individuals did not benefit from this. A fair amount of respondents remain unskilled despite the many training courses offered by the department of public works.

6. Other contributory facts are that many do not serve a formal apprenticeship, and that employers do not encourage further training. This could be due to poor marketing of such courses or erroneous targeting of contractors within communities. Contractors were of the opinion that short courses in skills training could be done after hours and over weekends, so that trainees would still earn a full wage at the end of the day. The lack of skills training contributes considerably to poor workmanship.

7. Contrary to the above, respondents reacted positively to the standardization of drawings and specifications, and also to the time granted to resubmit tenders back to the department of public works. Also the fact that surety obligation was not indicated as a problem, surety obligation does not seem to be a major constraint to contractors

8. The findings of the survey established that many respondents were not aware of the affirmative procurement policy, albeit most of those interviewed resided and worked in the Western Cape. The survey provided clear evidence that the construction industry remains dominated by males and that females played a menial role within the industry.

6.2 Recommendations

This section includes recommendations with regard to the Department of Public Work's Affirmative Procurement Policy, that flow from the literature review, the analysis of the survey data and its conclusions.

(a) Information regarding the process of Affirmative Procurement Policy should be documented in simple terms and language that is easily understood, and distributed to all small, medium and micro enterprises, so that they can meaningfully participate in the process of procurement reform.
(b) The introduction of training workshops focusing on contract administration and tendering skills, financial accounting and technical skills as well as specialist skills training.
(c) The introduction of national registers to control and encourage emerging contractors to participate in developing programmes.
(d) The intense distribution of government publications with regard to project information, and all other building construction related matters.
(e) Negotiation between government and financial institution, making access to finance more available to previously disadvantaged individuals (PDI's).
(f) Continuous monitoring and evaluation of construction projects to prevent poor workmanship and the lowering of standards within the industry.

The recommendations comprise a fairly extensive list implying a considerable amount of redress which needs to be done if any meaningful change is to be enacted in the post tender procurement process. These suggestions would ensure a more concerted effort in realizing the intentions of Governmental Policy.

6.3 Further Research

It is apparent that problem areas exist in the areas of finance availability, quality of workmanship and product, awareness of tender processes, skills requirements and skills acquisition and training and access to work available. These factors introduce an element of uncertainty and insecurity in the construction procurement process which is seriously aggravated by the fact that the Construction Industry in itself is burdened by the skewness resulting from past policies. Further research in these problem areas is essential if government efforts at redressing these imbalances are to be fruitful.

REFERENCES

Allison B, O' Sullivan T, Owen A, Rice J, Rothwell A and Saunders C (1996), De Montfort University, *Research Skills for Students*. Kogan Page Ltd., London UK

A.N.C. (1994), *The Reconstruction and Development Programme*, Umanyano Publications, Johannesburg. RSA.

Ashford, J.L. (1989). *The Management of Quality in Construction*, E. & F. N. Spon, London

Barat J, 1982: *The Financing of Urban Development in Brazil. The case of Sao Paulo Meatropolitan Area*. Third World planning review, Vol. 4, No..2 May 1982.

Barrie, D.S. and Paulson, B. C. (1978) *Professional Construction Management.* McGraw-Hill, New York, USA.

Bel, J. (1993), *Doing Your Research Project*, 2nd edition, St. Edmundsbury Press Ltd.

Bennet J. & Grice, A. (1999) *Techniques: New Directions* Ed. P.S. Brandon B.S.P., Oxford, U.K. pp243 - 262 Oxford, U.K.

Bennet, J. (1995) *" Construction Project Management"* Butterworths; Edited: P.S. Brandon, B.S.P, Oxford,. UK.

Bennet, J. and Grice, T (1990). *Procurement Systems for building, in Quantity Surveying Techniques:* New Directions, Edited: P.S. Brandon, B.S.P, Oxford, U.K. pp. 243-262

Bouchard T.J. (1969), *Personality, Problem Solving and Performance in small groups,* Journal of Applied Social Psychology Monograph, Vol. 53, pp. 1 – 29, Theory building, London, The Free Press Dubin, R. (1969)

Building & Real Estate, Singapore, pp. 11-13for Act 520 of 1994 to establish Lembaga Pembangunan Industri Peminaan Malaysia (CIBD),

Cape Metropolitan Council, (1993). *"The Way Forward"* Cape Metropolitan Area Interim Report Cape Town.

Chartered Institute of Building (1982) *Capital Project Procurement Manual*, NSW Government Printing Service, Sydney

Carpenter, A (1993): *Facts About the Cities The Way Forward* Cape Metropolitan Council *(1993)* Interim Report Cape Town.

Cattel, K.S.(1997) *The Development of Black South African Small-Scale Construction Enterprises.* (Unpublished Discussion Paper.) Department of Construction Economics and Management, University of Cape Town.

Chartered Institute of Building (1982); *Techniques: New Directions* (Ed. P.S. Brandon, B.S.P., Oxford, U.K

Chartered Institute of Building, (1982). *Project Management in Building*, CIOB. Ascot, UK

Cohen L. and Manion L. (1996), *Research Method in Education,* Fourth Edition. Published by Croom Helm Ltd., London.

Community Based Public Works Department (CBPWD), (1998), *Reconstruction and Development Programme.*

Construction Industry Board (1997) *Framework for a National Register,* Information Bulletin. No. 4/97

Construction Industry Development Board (CIDB 1997) CIDB (July 1997 Edition),

Construction Industry Development: Reference Group (1998). *Planning for Growth and Development* – Document 4, meeting, 6th October.

Construction Policy Steering Committee (CPSC) New South Wales Government (1993) *Contractors*, Thomas Telford, London.

Cox, A. and Townsend, M. (1998). *Strategic procurement in Construction, Towards better practice in management of construction supply chains,* Thomas Telford Publishing, London

Culp, G. L. *et al.* (1993) *"Implementing TQM in Consulting Engineering Firm."* Journal of Management in Engineering, Vol. 9, No. 4, pp. 340 -356

Davenport, D. (1994) ' *Assessing the efficiency of international procurement systems Procurement system.* Symposium University of Hong Kong, Hong Kong CIB publication 175, 203 11

Davidson, C.H. (1997). *Procurement a Key to Innovation*: Proceedings of Symposium held at the Universite de Montreal, IF Research Corporation, Montreal, Canada.

Department Public Works, (1999). *Strategic Procurement Systems* Page 1 of 2. Published Department of Public Works, Pretoria, RSA

Derbyshire B, (1991). *Taking Control in the Favelas.* Architectural Journal, 25 June1991

Draper, K. (1984). *Systematic Quality Appraisal in Quality & Profit Building Designs,* Eds. P. Brandon & J. Powell, E & FN Spon, London, UK.

Emory, W. C. and Cooper, D. R. (1991) *Business Research Methods*, Fourth Edition, Irwin, Boston.USA

Enterprise (1997) *The Power of State Buying* 60 Enterprise, June, 1997) Public Sector Procurement pp.58-60, ISSN 1017- 0758,

Enterprise: *Networking for Africa's Entrepreneurs & Leaders*, (1997). 110: *Public Sector Procurement* pp.61-62, ISSN 1017- 0758,

Erwee, J. A. (1984) *Research Design, Methodology and Techniques – A Students Guide to Empirical Research,* Institute for Planning Research, University of Port Elizabeth, Port Elizabeth, RSA.

Fellows R. and Liu A. (1997), Research *Methods for Construction.* Published

Blackwell Science Ltd. Oxford. U. K.

Filho and Polinesio (1998) *Curituba: City Without Frontiers,* First International Conference on Construction Development (Volume 1), School of Building and Real Estate, Singapore, pp. 11- 13 for Act 520 of 1994to establish Lembaga Pembangunan Industri Peminaan Malaysia (CIBD)

Franks J. *Building Procurement*, British Library Cataloging Data, James, second Edition (1990) Ascot, Berks. UK.

Franks, J. (1984), *Building Procurement Systems* .The Chartered Institute of Building, Ascot, Berks. UK

Friedman, J. (1992) *Empowerment.-- the politics of alternative development:* Chartered Institute of Building Ascot, Berks. UK

Gounden, S, (1996). *Reconstruction & Development Programme: The Construction industry & related Procurement reform,* Journal of Construction Procurement

Government Gazette (1998) *The Green Paper on Public sector procurement Reform in South Africa,* (GG17928 vol 382 Notice 691, 1997, Pretoria RSA .

Government Gazette: White Paper: *Creating and Enabling Environment for Reconstruction, Growth and Development in the Construction Industry*, Department of Public Works, in collaboration with the Department of Water Affairs, Forestry, Housing and Constitutional Development, Volume 407, Pretoria, 21 May 1999. 20095.

Government Gazette: White Paper: General Notice, Notice 90 of 1998, Department of Public Works, *Towards the 21st Century*; Volume 391, 14 Jan 1998

Green, S. G. and Taber, T. D. (1980) *The effects of Social Decision Schemes on Decision Group Process*, Organisation Behaviour and Human Performance, Vol 25, pp. 97 – 106

Green *Paper on Public Sector Procurement Reform in South Africa* (1997) (GG17928 vol. 382 Notice 691 of 1997, Pretoria, 14 April 1997)

Group Areas Act. No. 41 of 1950 amended and consolidated in No. 77 of 1957. Harvey, R. C. & Ashworth, A. (1993): *The Construction Industry of Great Britain*, Newnes: Butterworth and Heinemann U.K.

Herbsman, Z. and Ellis, R.D. (1991). *The cost, time and quality of integrated bidding systems – an innovation in contract administration in Management, Quality and Economics in Building*, Eds. A. Bezelga and P.S. Brandon, pp. 150-161, E &f. N. Spon Ltd., UK.

Herbst K, 1992: *Brazil's Model City*. Planning. September, First International Conference on Construction Development (Volume 1), School of Building and Real Estate, Singapore, pp. 11- 13 for Act 520 of 1994to establish Lembaga Pembangunan Industri Peminaan Malaysia (CIBD)

Hindle, RD and Rwelamila, PD. (1998). *Resistance to Change, Architectural Education in Turbulent Environment Engineering*, Construction & Architectural Management. House, Department of Construction Economics and Management, University of Cape Town

Hughes, W. (1990) *Designing Flexible Procurement Systems*, Proceedings of CIB W92 Procurement Systems Symposium, Zagreb, Yugoslavia

Hughes, T. and Williams, T. (1991). *Quality Assurance*, BSP Professional Books UK

International Conference on Construction Industry Development (Volume 1), School of Building and Real Estate, University of Singapore (US), US School of Building & Real Estate, Singapore, pp. 355-365

Latham, M. (1994) *Constructing the team joint review of procurement and contractual arrangements in the United Kingdom construction industry*: final report, The Stationery Office. London U.K.

Lee, S. (1997) *Singapore List of Trade Subcontractors* (SLOTS), Proceedings of the First Singapore.

Leedy P. D. & Omrod J. E. (2001) *Practical research: planning and design,* 7th edition p.cm IBSN 0-13-960360-0 Macmillan Publishing Company, New York.

Lemon, A. (1976). *Apartheid: Geography of Separatism,* Saxon House, Press Hants, England

Masterman JWE (1992) *Building procurement Systems*, E & F Spon, AN Imprint of Chapman & Hall 2-6 Boundary Row, London; First Edition

Materu, I. (1986) *'Sites and Services Projects In Tanzania* – a case study of implementation', Third World Planning Review 8(2): 121 - 37

Mc Dermott, P. Melaine, Y. and Sheath, D. (1994)' *Construction procurement systems what choice for the Third World*', in S.M. Rowlinson (ed) East meets west: proceedings of CIB W92 Procurement system symposium University of Hong Kong, Hong Kong CIB publication 175, 203 11

Miles, D.W.G. & Edmonds, G.A.(1984) *Foundation for change: aspects for construction in developing countries,* London Intermediate Technology Publications.UK

Moshini and Davidson, (1989). *Strategic and Emergent issues in Construction Procurement;* CIB W92- Procurement Systems.

Nel, P.A., Radel, F. E. and Loubser, M. (1998) *Researching the South African, Market,* University of South Africa, Pretoria RSA.

Nichols, P. (1991) *Social Survey Methods: Field Guide to Development Needs*, Oxford U.K.

Norval George H. M. *East meets West* – Procurement Systems Symposium Hong Kong, 1994.

Plotnik, R (1993) *Introduction to Psychology,* 3rd Edition, Brooks and Cole Publishers, California. USA.

Rabinovitz J.1992: Curitiba: *Towards Sustainable Urban Development. Environment; City Without Frontiers,* First International Conference on Construction Development (Volume 1), School of Building and Real Estate, Singapore, pp. 11- 13 for Act 520 of 1994to establish Lembaga Pembangunan Industri Peminaan Malaysia (CIBD)

Rakodi, C (1993) *'Planning for whom?'* Devas N. and Rakodi C. (eds) Managing fast growing cities,: Longman Scientific and Technical 207 – 35. New York

Robbins G.W. and Tilton, L.D. 1941: *Los Angeles Preface to Master Plan. The Pacific South West Academy*, World Ritchie Press Los Angeles.

Rougvie, A. (1987). *Project Development*, Mitchell, London UK

Rwelamila PD (1984) *The management of small construction firms in Tanzania,* : Department of Construction Economics & Management, University of Cape Town.RSA

Rwelamila, P. D. and Meyer, C. (1996) *Procurement & Balancing Project Parameters in Botswana and South Africa*, Unpublished Report: Department of Construction Economics & Management, University of Cape Town. RSA

Rwelamila, P.D. (1994). *An appropriate quality management system: - the primary solution to 'sick' public buildings in the Botswana Construction Industry,* Unpublished public lecture, Botswana Polytechnic, 29 June, Gaborone Botswana.

Rwelamila, P.D.and Hall, K. (1994) *An inadequate traditional procurement system? Where do we go from here?* Proceedings of CIB W92 Procurement System Symposium, Hong Kong, pp. 107-114, December.

Rwelamila, P. D. (1992), *The factors affecting productivity in the Botswana Construction Industry – the case of Gaberone.* Journal of Technology, No. 1, pp, 23-28
S.A. Government, (1953). The Documents Act South Africa.

Smith M .J (1988) *Contemporary communications research methods.* Bibliography: p. Research I Title. P91.555 1988 001.51'01'8 87-16047 ISBN 0- 534-0861-1

State Tender Board (1998) *User Manual Directives to Departments In Respect Of Procurement* ST 37 Revised edition; August 1998)

State Tender Board (1999) *Strategic and Emergent issues in Construction Procurement*; CIB W92 Feb.1999 Study of implementation', Third World Planning Review 8(2): 121-37

Taylor R.G. (1993). Department of Property Development and Construction Economics University of Natal *Developing Appropriate Procurement Systems for Developing Communities*

Teitelbaum Harry (1989), ARCO: *How to Write* a *Thesis,* T3rd Edition. Macmillan, New York.USA.

The "Pass Laws" Section 10 of Black Areas Urban Act number 25, (1945) as amended The Documents Act (1953) The Group Areas Act And Job Reservation Legislation Act, (No 41 of 1950, amended and consolidated in No. 77 of 1950)

Turner, Allan. E. (1990) *Building Procurement:* The Macmillan Press Ltd Houndsmill, Basingstoke, Hampshire RG21 2x5 and London

Turner, Allan. E. (1997) *Building Procurement*: 2nd Edition The Macmillan Press Ltd Houndsmill, Basingstoke, Hampshire and London

United Nations Centre for Human Settlements (UNCHS)(HABITAT)(1996). *An Urbanising World,* Oxford University Press, UK. Unpublished Msc. in Construction Management Thesis, Brunel University, London UK

Study of implementation', Third World Planning Review 8(2): 121-37 Verma, G. K. & Beard, R. M. (1981) *What is Educational Research? Perspectives on Techniques of Research.* Aldershot, Gower. UK.

Ward L. (1992) *New Centre for Migrant Life,* Topic No. 196, Los Angeles

Watermeyer, R. B. (1992) ' *Contractor development in labour based construction,*' unpublished paper

Wimmer, R. D. and Dominic, J. R. (1994) *Mass Media Research: An Introduction,* 4th Edition, Belmont California, Wadsworth, USA.

The Implementation of the Affirmative Procurement Policy : The Post Tender Role of the Public Client

QUESTIONNAIRE

As far as possible indicate your response to questions with an X in the appropriate column unless otherwise required.

SECTION 1 : COMMUNITY / HOMEOWNERS SURVEY

1.1 Home ownership

	YES	NO
Do you own this property?		
Are you a tenant?		
How much have you paid for this house?		
Have you always stayed here?		
Was your previous house built of brick/cement – alternative		
Were there any problems with previous accommodation?		

1.2 Level of education

What is the highest standard passed at school:	
Below Std. 5	
Std. 5 - 7	
Std. 8 - 9	
Std. 10	
Tertiary level	

1.3 Employment

	YES	NO
Are you currently employed?		

1.4 Remuneration

What is your monthly income:	
Less than R1000	
R1000 – R1500	
R1500 – R2000	
R2000 – R2500	
More than R2500	

1.5 Occupancy

How many occupants live here:	
Between 1 and 4	
Between 4 and 6	
Between 6 and 12	
Other	

1.6

How did you obtain this house:	
Community	
Local Government	
Local Authority	
Acquaintances	

	YES	NO
Are you satisfied with the construction of this house?		

The Implementation of the Affirmative Procurement Policy : The Post Tender Role of the Public Client

QUESTIONNAIRE

As far as possible indicate your response to questions with an X in the appropriate column unless otherwise required.

SECTION 2 : DEVELOPERS SURVEY

2.1 Type of Company

	YES	NO
General Contractor		
Specialist Contractor		
Labour only sub-contractor		
Labour and material sub-contractor		

2.2 How long is your company in existence?

0-5 years	
5-10 years	
10-15 years	
15-20 years	
More than 20 years	

2.3 Ownership

	YES	NO
Is this your first business?		
Are you the sole owner?		
If **NO**, state the number of partners		
Are you a member of an association?		
How many people do you employ?		
Are you able to obtain finance from any of the major institutions?		
What type of building construction do you specialize in? (housing, community high rise etc.)		
Which part of the Western Cape Metropolitan Area do you operate in?		

2.4 Personal Information

Age									
Sex						M		F	
Language preference	English		Afrikaans		Xhosa		Other		

Highest standard passed at school (Std. 1-10)	

Tertiary qualification(s) obtained	University		Technikon		College		
Type of qualification obtained	Certificate		Diploma		Degree		

State your main source of income:	

2.5 **Experience / Training**

	YES	NO
Were you employed in the construction industry prior to establishing your current company?		

	YES	NO
Have you served a formal apprenticeship?		
If **YES**, in what trades?		

Did you receive any formal entrepreneurial education or training prior to the establishment of this company?

	YES	NO
Do you agree that the construction industry in itself is a major problem in adding to the poor standards?		
If **YES**, specify		

	YES	NO
Do you experience many problems during construction?		
If **YES**, what are these problems?		

What procedure do you follow once the tender has been awarded?

	YES	NO
Do you have access to finance?		
Do you have access sureties and retention monies?		
Did you need to provide surety?		
If **YES**, explain the type of surety and the value thereof		

	YES	NO
Is there retention on the projects?		
What length of time is given as retention period?		

2.6 Payment Procedures

Briefly describe the payment procedure for the contract	
How long after work has been completed are you paid for services?	

		WEEKLY	FORTNIGHTLY	MONTHLY
When do you pay your :	Workers			
	Suppliers			
	Plant hire			

	YES	NO
Do you have an account to enable you to purchase materials?		
Do you have your own plant?		
Are specifications and drawings standardized?		
Are you able to complete projects on time?		
Are projects within budget?		
Does finished product meet the specified quality standards?		

	YES	NO
Have you received any assistance from the authorities with regard to:		
Tendering		
Purchasing		
Accounting		
Skills Training		

2.7 Work History

How did you know about a tender?

	YES	NO
Do you understand the language used?		
Do you have the information available for the purpose of submitting the tender?		
Do you have access to e-mail?		
Was the time frame sufficient to submit the tender back to Public Works?		
Do you fully understand the terminology used in the tender document?		
Is it difficult to obtain contracts from the Department of Public Works?		

What should be changed to afford you the opportunity to obtain this type of work?

Why do you thing you have not been successful in obtaining work from the Department of Public Works?

2.8 **Entry into the Industry**

What motivated you to start your current business?

	YES	NO
Did you receive any sort of assistance in establishing your business?		
If **YES**, what sort of help?		

	YES	NO
Do you still receive assistance?		

List the problems encountered when trying to obtain work from Public Works

	YES	NO
Are you aware of changes in the Public Works Department concerning the Construction Industry?		
If **YES**, when and how did you get to know about them? (e.g. newspaper, government publications)		

List the Government Publications that you consulted concerning the proposed changes in the construction industry.

	YES	NO
Are you aware of the Emerging Contractors development programme (Sakhasonke) from the Public Works Department?		

If **YES**, to what extent do Emerging Contractors Development Programme provide or facilitate the following? **(Scale 1 is the lowest and 5 the highest)**

	1	2	3	4	5
(a) Improved access to work opportunities					
(b) Tendering advice and easy access opportunities					
(c) Training in business, contract administration and technical skills					
(d) Finance to operate emerging contractors business					
(e) Credit for materials					
(f) Release for surety obligation					
(g) Early payment					

Contra	Name of business	Business postal address	Telephone	Cellular	Fax	Assigned C
A1001	A & B PLUMBERS	54 ST JOHN'S RD LANSDOWNE 7764	0217979505	0829204243	0217979505	Category 3
A1002	ATLANTIS PAINTER'S & DECORATO	P.O.BOX 996 REYGERSDAL ATLANTIS 7349	0215774003	0824150124		Category 2
A1003	BARNES ROOFING & WATERPROOFI	P O BOX 14316 KENWYN 7790	021619076	0837002869	021619509	Category 3
A1004	BLOU TERREINDIENSTE CC	4 BUCCANEER STR MACASSAR 7134	0218573925			Category 2
A1005	BOJAH BUILDING CONTRACTORS	P O BOX 17138 RAVENSMEAD	0219332069	0829564318	0219332069	Category 1
A1006	CYRILEC ELECTRICAL SALES CC	35 DEFIANT CIRCLE ROCKLANDS MITCHELL'S	021326774		021326774	Category 1
A1007	J J HERBERT	15 ABRAHAM STR RAVENSMEAD 7490	0219316233	0837710632	0219316233	Category 1
A1008	HANSEN PAINTSERVICES	12 SUNSET CRESCENT NEW MACASSAR 7130	0218573978	0832742625		Category 1
A1009	HERBIES BUILDERS	9 STEPHENSON STR EXT. 23 BELHAR	0219525716			Category 1
A1010	GRANT'S BUILDING & MAINTENANC	28 LETHABA RD MANENBERG 7764	0216336580	0828831116	0216990622	Category 1
A1011	M A BROWN PLUMBING	257 5TH AVENUE LOTUS RIVER 7945	0217050386			Category 1
A1012	C.A.D.S	6 SENTINEL CLOSE HOUTBAY HEIGHTS HOUT	0217901999		0217901999	Category 1
A1013	STRELITZIA	11 GONUBIE RD SURREY EST ATHLONE 7764	0216337337		0216970320	Category 1
A1014	ZONDELELA	18 LANSUR RD HANOVER PARK 7780	021612469	0827018376		Category 1
A1015	NV RENOVATORS	93 WILLIAM STR PAROW 7500	0219308337	0829342872	0219308337	Category 1
A1016	MANDLA CONSTRUCTION	P O BOX 60194 FLAMINGO SQ TABLE VIEW	021312538		0215579126	Category 1
A1017	D B PROPERTIES	P O BOX 6286 PAROW EAST 7501	0219135489	0824156480		Category 1
A1018	EAGLE BUILDING CONSTRUCTION	70 TULBAGH CRES EXT. 21 BELHAR 7490	0219521437			Category 1
A1019	GOODLUCK TINZI BUILDERS	SHOP 15 IMARIKE CENTRE LANSDOWNE RD H	0213615744			Category 1
A1020	ZABANTU BUILDING CONSTRUCTIO	P O BOX 11110 MACASAAR KHAYELITSHA 778	021318454	0827738506	021312510	Category 1
A1021	ANDRIES BOOYSEN RENOVATORS	39 LEEUKOP STR TAFELSIG MITCHELL'S PLAI	021329729			Category 1
A1022	L A BUILDERS	52 ST JOSEPHS RD LANSDOWNE 7748	021731523	0829670086		Category 1
A1023	R P PLUMBING	P O BOX 54564 STRANDFONTEIN VILLAGE 778	021333093	0837287786	021333841	Category 1
A1024	S & S BUILDERS	P O BOX 19536 LENTEGEUR MITCHELL'S PLAI	021313569	0837018701		Category 2
A1025	M S J PLUMBING	23 EMILY HOBHOUSE ST GOODWOOD 7460	0215910698	0837312373	0215910698	Category 1
A1026	HENDRICKS & SONS	P O BOX 44923 CAPE TOWN 8000	0216919621	0826749091	0216919621	Category 1
A1027	G & S CONSTRUCTION	9 CLEVILLY RD ATHLONE 7764	0216968939		0216914444	Category 3
A1028	CLIFF'S PLUMBING	6 FERNESS RD OTTERY	021731966	0833756988		Category 1
A1029	CLOVER CONSTRUCTION	P O BOX 1658 WORCESTER 6850	021968092		0219751277	Category 3
A1030	CUBE CIVIL CONSTRUCTION	14 ALBERMARLE STR HAZENDAL 7764	0216970094	0829677454	0216970094	Category 1
A1031	FALAM JOINERY & BUILDING MAINT	P O BOX 286 ATHLONE	0216912059		0216912059	Category 1
A1032	F K MAINTENANCE	P O BOX 22845 KENWYN	0219055257	0824546305	0219055083	Category 2

Contra	Name of business	Business postal address	Telephone	Cellular	Fax	Assigned C
A1033	GRAHAM'S BUILDING & MAINTENAN	19 AQUAMARINE RD ROCKLANDS MITCHELL'S	0213914312	0829672736		Category 1
A1034	MFD PLUMBING	80 DORP STR CAPE TOWN 8001	021221459			Category 1
A1035	A TALIEP	26 COMET RD SURREY ESTATE ATHLONE 776	0216383504	0832842716	0216379058	Category 1
A1036	JOE'S PAINTERS & PLUMBERS	P O BOX 31190 GRASSY PARK	0217050562	0829741589		Category 1
A1037	MANPOWER CONSTRUCTION CONT	P O BOX 68 ATHLONE 7764	021217440	0828098164	021217440	Category 2
A1038	MASHIPHATISANE	P O BOX 30 GUGULETHU 7750	0216376836	0829308694	0216376836	Category 3
A1039	MARTIN ADAMS BUILDING CONTRA	37 GREBE STR PAARL 7646	0218625754	0827715133	0218620195	Category 3
A1040	THOMPSON BROTHERS ELECTRICA	E14 JORDAAN CIRCLE KHAYELITSHA 7785	021361114			Category 1
A1041	MARTIN PAINTERS	6 MELKBOS CLOSE BELHAR 7490	0219522339	0829342886		Category 1
A1042	VALLEY PAINTERS & DECORATORS	P O BOX 1213 KUILSRIVER 7560	0219081431	0827723136	0219081431	Category 1
A1043	TERMINIX CC PEST CONTROL	33 AMANDEL RD WESTRIDGE MITCHELL'S PLA	021314016	0834477364	021318355	Category 1
A1044	E & E SERVICES	74 MILLDENE STR RAVENSMEAD 7490	0219327375			Category 1
A1045	LATIEF'S PAINTERS & DECORATORS	65 COMMERCE WAY BELHAR 7490	0219523900	0829342657		Category 1
A1046	J ALEXANDER PAINTERS	257 5TH AVENUE LOTUS RIVER 7945	0217050386	0829544716		Category 1
A1047	NELSON'S RENOVATORS	11 AGAPANTHUS CRES BELHAR 7490	0219525446	0837648963	0213862466	Category 1
A1048	KARRIEMBOUS	101 WALE STR CAPE TOWN 8001	021221927	0837281929	021221927	Category 1
A1049	WILLIAMS BUILDER	71 ANGELA RD VALHALLA PARK 7764	0219343646			Category 3
A1050	GREG PLUMBING	37 BRAMPTON RD PLUMSTEAD 7800	0217617814	0837016040	0217617814	Category 2
A1051	M & S BUILDING CONSTRUCTION	P O BOX 5335 CAPE TOWN 8000	0216375505			Category 2
A1052	V I LOMBARD PLUMBERS	10 PERIVALE RD LOTUS RIVER 7945	0217061126	0832703133	0217061126	Category 1
A1053	WHEDAK PROJECT MANAGEMENT (	P O BOX 45710 OTTERY 7808	021739365	0834539955	021739364	Category 3
A1054	JOYFULL HOMES	9 CARP RD ZEEKOEVLEI	0217065110			Category 2
A1055	T J ENTERPRISES	19 ABRAHAM STREET RAVENSMEAD 7500		0837410037		Category 1
A1056	LOLIWE CC T/A VUSUMZI CONSTRU	5 APPOLLO WAY IKWEZI PARK KHAYELITSHA		0829700959	0214183937	Category 1
A1057	CHEYELESTE CC t/a SAMRU ASPHAL	P O BOX 84 EERSTE RIVER 7100	0219091562	0824938361	0219047982	Category 1
A1058	I.S.A. BUILDING CONSTRUCTION	11 PASADENA WAY OTTERY	021733839	0837648773	021733839	Category 1
A1059	BRIAN'S REPAIRS	32 WAGNER RD RETREAT 79450217019398				Category 2
A1060	STAR DELTA ELECTRICAL CONTRA	P O BOX 93 IMARIKE 7752	021312538		021312547	Category 1
A1061	MEC & G ENGINEERING WORKS CC	P O BOX 145 EERSTE RIVER 7100	0219040082	0825731150	0219040083	Category 3
A1062	R C BUILDING SERVICES	P O BOX 38376 GATESVILLE ATHLONE 7764	0216387695	0829379250		Category 1
A1063	F.S. BUILDERS	3 BRUNEL CLOSE WOODLANDS MITCHELL'S P	021319829	0829361098		Category 1
A1064	A & I BUILDERS & RENOVATORS	1 ELLA STR CAPE TOWN 8001	021232516	0837273644		Category 1

Contra	Name of business	Business postal address	Telephone	Cellular	Fax	Assigned C
A1065	A & S DE BEER PAINTERS	P O BOX 397 RETREAT 7965	0217054464		021312547	Category 2
A1066	WATERMARK PLUMBERS	P O BOX 2090 SUMMER GREENS MILNERTON	021521652	0832725548	021521652	Category 1
A1067	TOWER ROOFING & PAINTING C C	P O BOX 295 SOUTHFIELD 7800		0837634980	0219031413	Category 3
A1068	DAVID AMERICA PAINTERS	P O BOX 167 GATESVILLE 7764	0216378904	0825746075	0216378904	Category 2
A1069	LE GRANGE & SAMSON BUILDERS C	P O BOX 14321 KENWYN 7790	0217058912	0824406483	0217058912	Category 2
A1070	N H BUILDERS	P O BOX 19549 LENTEGEUR 7786	0213767924	0824163524	0213767924	Category 1
A1071	L G A ELECTRICAL SERVICES	P O BOX 520 KASSELSVLEI 7533	0219061742	0832618676	0219061742	Category 1
A1072	ELDEIN	20 HATFIELD STR HIGHBURY KUILSRIVER 758	0219039015		0219039015	Category 2
A1073	THE PLUMBING CORPORATION	P O BOX 465 EPPININDUST 7475	0215352166	0824415686	0215352791	Category 2
A1074	INGRAM'S PEST CONTROL	P O BOX 17106 RAVENSMEAD 7504	0215561564	0829789702	0213862470	Category 1
A1075	PHUTHUMA PROJECTS	P O BOX 1403 SALDANHA 7395	0228143162	0825790014	0228144393	Category 1
A1076	S A PROJECT MASTER BUILDERS	107 BESTER HOMES OLD CROSSROADS 7755	021312538			Category 3
A1077	KUPISO BUILDERS & PAINTERS	P O BOX 24288 LANSDOWNE 7778	021316101		021316106	Category 1
A1078	S.I. BUILDING & MAINTENANCE	90 2ND AVENUE BELGRAVIA ESTATE	0216964232			Category 1
A1079	A & S PEST CONTROL	P O BOX 140 MAITLAND	0215112321	0829665781	0215112321	Category 1
A1080	M & N ELECTRICAL	124B ST KILDA RD CRAWFORD 7780	0216970049	0828932314	0216970049	Category 1
A1081	ABDUL-BAQUI MOOS CONTRACTOR	P O BOX 23017 CRAVENBY ESTATE 7508	0219315666		0219332974	Category 1
A1082	M A CARPET CLEANING	257 5TH AVENUE LOTUS RIVER	0217050386			Category 1
A1083	TEEJAY WELDING CONSTRUCTION	5 FINCH CRES PELIKAN PARK 7945	0213963845	0827720027		Category 1
A1084	RASSTECH SERVICES C C	P O BOX 754 WESTRIDGE 7802	0213767827		0213767542	Category 2
A1085	NOLITHA ELECTRICAL	P O BOX 21104 MONTANA 7490	0215101704	0828536412	0215103037	Category 1
A1086	BARTHI'S HOME IMPROVEMENTS &	P O BOX 38453 GATESVILLE 7766	0216334072	0837914503	0216334072	Category 3
A1087	M HOLT'S HOME IMPROVEMENTS	25 YELLOWWOOD STR WILDWOOD MITCHELL	021311483	0832725339	021311483	Category 2
A1088	M & B FIRE APPLIANCES	P O BOX 1402 DASSENBERG ATLANTIS 7350	0215723455	0837253512	0215723455	Category 1
A1089	NHP CONSTRUCTION	209 WETTON RD WETTON 7780	021739795	0824448459	021737060	Category 3
A1090	PHINEAS & PUMELELE ELECTRICAL	P O BOX 35126 KHAYELITSHA 7784	021316100		021316106	Category 1
A1091	STEAMWORLD	6 MYMONT CRES UNIT A3 ATHLONE IND 2, 776	0216913053	0825762548	0216913090	Category 2
A1092	GEMINI SITECLEARING	P O BOX 191 RETREAT	0217052366			Category 1
A1093	MODERN PRODUCTS	P O BOX 14314 KENWYN 7790	021739251	0825503164	021735902	Category 3
A1094	AIRFORCE AIRCONDITIONING	36 WHITE RD RETREAT 7945	021752851	0829512664	021752851	Category 3
A1095	MITCHELL'S ENGINEERING	P O BOX 439 KRAAIFONTEIN 7569	0215108914	0826500823	0215110403	Category 1
A1096	WP ALL WEATHER COURTS	P O BOX 2237 CLAREINCH 7740	021727660	0827722649	021727666	Category 3

Contra	Name of business	Business postal address	Telephone	Cellular	Fax	Assigned C
A1097	KANDAHAR CC t/a KGS PROJECTS	P O BOX 549 RONDEBOSCH	0216970313	0825531337	0216970314	Category 3
A1098	S A MAINTENANCE	79 DURBAN RD WORCESTER 6850	023173253	0829611322	023173253	Category 1
A1099	TAURIQ'S t/a BROWN'S	P O BOX 31019 GRASSY PARK	0217061148	0824911421	0217061180	Category 3
A1100	F & S BUILDING & ELECTRICAL CON	68 LEAFMORE RD KENWYN	0217977019		021730724	Category 1
A1101	MARINE PLUMBING	60 7TH AVENUE BELGRAVIA ESTATE	0216962880		021331655	Category 1
A1102	DE KOCK WELDING WORKS	P O BOX 1540 DASSENBERG 7350	0215774300	0825563801	0215773235	Category 3
A1103	ECONO SEAL - A - WALL C C	P O BOX 183 MITCHELL'S PLAIN TOWN CENTR	0213974521	0829609583	0213974640	Category 2
A1104	REFUGE ENGINEERING & DRAFTING	2 VOORHOEDE CLOSE WESTRIDGE MITCHEL	021319223	0837634980		Category 1
A1105	LABUSANI ENGINEERING	P O BOX 50368 WATERFRONT 8002	0214187655	0824911826	0214188066	Category 2
A1106	FLEXITEX PAINTERS & DECORATOR	P O BOX 835 WESTRIDGE	0216923989	0836588439		Category 2
A1107	COMET PLUMBING	3 MURRAY RD MOUNTVIEW 7764	0216923665	0827718351		Category 2
A1108	CLEON ELECTRICAL	9 BOUNDARY RD WETTON 7780	021738838			Category 1
A1109	UBUNTU PAINTER'S & DECORATOR	P O BOX 2004 CAPE TOWN	0214481324		0217613742	Category 1
A1110	A.R. PIPING	P O BOX 486 PAROW 7499	0219342066	0829692926		Category 1
A1111	THE WEEPING WILLOW LANDSCAPI	3 COOT WAY ZEEKOEVLEI 7945	0217065450		0217065450	Category 2
A1112	BLONS BUILDING CONSTRUCTION	P O BOX 20769 KHAYELITSHA 7784	0213612368			Category 1
A1113	M NDODA BUILDERS	Q14 SITE B KHAYELITSHA	0213612368			Category 1
A1114	L. A. 's MAINTENANCE & BUILDING S	16 - 8TH AVENUE FAIRWAYS 7800	0217059190		0217059190	Category 2
A1115	CLASSIC PLUMBERS	36 TUNNY CRESCENT STRANDFONTEIN	021331655	0829200545	021331655	Category 2
A1116	CW DECORATORS	11 DALTON STR EXT 23 BELHAR	0219522881			Category 1
A1117	D KLEINSMITH BUILDERS	21 SILO STREET RAVENSMEAD 7490	0219323460	0881115447	0219336339	Category 1
A1118	TAURUS HOME IMPROVEMENT	BUILDSMART P O BOX 93 PHILLIPI	021312538		021312547	Category 1
A1119	S A BUILDING LIFT & HOIST MAINTE	SUITE 162 POSTNET BAG 1001 CLAREMONT 7	0217059404		0217059404	Category 1
A1120	D M BUILDERS	33 LE ROUX AVENUE GRASSY PARK 7945	0217054073		0217052560	Category 1
A1121	S T CONTRACTORS	21 SIDEGO CRES HIGHBURY KUILSRIVER	0219039850	0825522012	0219039850	Category 1
A1122	THE KLEEN MACHINE	P O BOX 531 GATESVILLE 7766	0216370173		0216370173	Category 1
A1123	PAARWATER BUILDING	33 PRINS STR BELLVILLE SOUTH	0219515438		0219514127	Category 1
A1124	ONE STEP CONSTRUCTION	P O BOX 23048 NONKQUBELA 7793	0213874432			Category 1
A1125	MARTIN BUILDERS	8 ROODEHEK STR VOORBRUG DELFT	0219544261	0822558571	0219544261	Category 1
A1126	ALFA BUILDERS	P O BOX 4077 DELFT	0219561882		0213912903	Category 1
A1127	LEGEND DECORATORS & RENOVAT	20 KWEPER CRT WESTRIDGE MITCHELL'S PL		0829347040	0216974090	Category 1
A1128	R.Y.L. BUILDING SERVICES	P O BOX 24290 LANSDOWNE	021737380		0217967711	Category 1

Contra	Name of business	Business postal address	Telephone	Cellular	Fax	Assigned C
A1129	ZENZELE CONSTRUCTION	P O BOX 93 PHILLIPI 7752	021617015		0217617081	Category 1
A1130	A TAPE PAINTERS & DECORATORS	35 HEERLIK STR KENSINGTON 7405	0215936862			Category 1
A1131	ANFA MAINTENANCE SERVICES	15 ALICE RD GRASSY PARK 7974	0217056426	0837623852	0217056426	Category 1
A1132	RODERICK WALL PLUMBING & DRAI	9 COLT RD STRANDFONTEIN	021334094	0837868203		Category 1
A1133	ROY'S OIL & GAS	P O BOX 712 WESTRIDGE 7802	021311611	0827773938	021315555	Category 1
A1134	B.L.T. BOILER SERVICES	64 DE LA CRUZ STR HIGHBURY STR KUILSRIV	0219039517	0834575601	0219032780	Category 1
A1135	ARNIES REFRIGERATION	P O BOX 742 WESTRIDGE 7802	021479889	0824940949	021479889	Category 1
A1136	C.J.'s HOME CARE INDUSTRIAL CLE	P O BOX 269 MITCHELL'S PLAIN 7789	021344485	0837260377	021344485	Category 1
A1137	EASYFLOW PAINTERS & RENOVATO	7 ELLISPARK BEACONVALLEY MITCHELL'S PL	0213762219			Category 1
A1138	F.B. BUILDERS	76 LION STR CAPE TOWN	021244715			Category 1
A1139	BUSINESS & PROPERTY SERVICES	3 DAKOTA CRES KENSINGTON	0215933309	0829532382	0215933309	Category 1
A1140	THE ELECTRO TECHNIC	3 MOUNTCLARE STR SYBRAND PARK 7700	0216974696	0824937744	0216974696	Category 1
A1141	OLYMPIC GENERAL SERVICES	P O BOX 772 MAITLAND	0219091738	0824448294	0219091738	Category 1
A1142	CONSTRUCTIVE BUILDING MAINTEN	P O BOX 14859 KENWYN	0217010666	0829514663	021725840	Category 2
A1143	AFRICAN PAINTING & BUILDERS	NY103 NO 34 GUGULETU 7750	0216383798			Category 2
A1144	PRIMROSE BUILDERS	6 YORKSHIRE RD WETTON 7740	021733833			Category 1
A1145	MORRIS BUILDING & PAINTING CON	P O BOX 40298 ELONWBENI 7791	0213871929	0829694452	0213610164	Category 2
A1146	STATUS PLUMBING & BUILDING SER	45 CASHER AVENUE CRAWFORD 7764	0216967146	4686681	0216970804	Category 1
A1147	WESTRIDGE ROOFING & WATERPR	5 BLACKBERRY CLOSE WESTRIDGE MITCHEL	021310521		021310521	Category 1
A1148	PLUMBWELL	22 LABARUGE STR HELENA HEIGHTS SOMER	0218552672	0825666802	0218552672	Category 2
A1149	ABRAH DRAIN CLEANING	P O BOX 14708 KENWYN 7790	0217618761	0836583999	0217618760	Category 3
A1150	WAYNE'S PAINTERS & RENOVATOR	4 DRUIF STR WYNBERG 7800	0217613882		0217970661	Category 1
A1151	D & A RENOVATORS	34 LEEUBEKKIE STR ROOSENDAL DELFT	0219563060		0217064618	Category 1
A1152	M.S.RYKLIEF	9 VAN DE LEUR STR BELHAR	0219523334			Category 3
A1153	S.J.N. CONTRACTORS	1 KLIP RD OTTERY	021732761	0826584223	021732761	Category 1
A1154	M.S. WELDING WORKS	35 HECTOR STR LOTUS RIVER 7945	021735544			Category 1
A1155	BG PAINTERS & DECORATORS	6 TWEED CLOSE PORTLANDS MITCHELL'S PL	021319627			Category 1
A1156	R B ENGINEERING	55 5TH STR WELCOME ESTATE 7764	0216330859		0216330859	Category 2
A1157	AUTSHUMATO DEVELOPMENTS CC	285 LOWER KLIPFONTEIN RD ATHLONE	0213761201	0837260585	0213767039	Category 1
A1158	ABOOBEKAR EBRAHIM BUILDERS	6 MISROLE AVENUE GRASSY PARK 7945	0217055725	0824962113	0217055725	Category 2
A1159	EERSTE RIVER STEELWORKS	4 KORHAAN STR ELECTRIC CITY EERSTE RIV	0219049077	0837525832	0215511201	Category 1
A1160	ALLIE'S ROOFING & WELDERS	70 SURRAN STR HANOVER PARK 7764	0216916355	0829687202		Category 1

Contra	Name of business	Business postal address	Telephone	Cellular	Fax	Assigned C
A1161	B & B CONTRACTORS	78 ACRE RD KENSINGTON 7405	0215932679	0837514894		Category 1
A1162	SIBANYE AFRICA(GOOD HOPE)PTY	P O BOX 54622 STRANDFONTEIN	0213936937	0829549676		Category 1
A1163	YETHU CONSORTIUM	P O BOX 42923 PHILLIPI 7764	0216913541		0216913541	Category 3
A1164	M.A.M. DECORATORS	6 HAMPDEN AVENUE KENSINGTON 7405	0215939762		0215119853	Category 1
A1165	A.D. HARDWARE & BUILDING CONT	15 CANOE WAY STRANDFONTEIN	021335356	0829566543	0213936206	Category 1
A1166	ADAMS ELECTRICAL	P O BOX 387 WOODSTOCK 7925	021474594	0825792378	021474594	Category 1
A1167	I.M. BUILDERS	2 EDISON LANE WOODLANDS MITCHELL'S PL	021315213		0217052560	Category 1
A1168	M.M.ISAACS CARPET CLEANING	41 GLADSTONE STR CLARKE'S ESTATE ELSIE	0219319305			Category 1
A1169	MATPRO PLASTERING AND TILING C	P O BOX 24136 LANSDOWNE	0216970803	0829618260	0216970804	Category 3
A1170	GROUP FOUR ENGINEERING SERVI	P O BOX 481 EPPINGINDUST	0215352079	0824943700	0215352078	Category 2
A1171	HIGH MAST & POLES	24 WELTEVREDEN RD HYDE PARK COLORAD	021347311	0829670061	021347311	Category 2
A1172	ODD JOBS AND MAINTENANCE SER	18 ST LOUIS WAY GRASSY PARK	0217054994			Category 1
A1173	M.H.J PLUMBERS	69 PLUTO RD SURREY ESTATE ATHLONE	0216378792	0829391212	0216332509	Category 1
A1174	ADVANCED SECURITY TECHNOLOGI	P O BOX-2850 DURBANVILLE	0219146450	0824608856	0219146442	Category 3
A1175	BUILDING MAINTENANCE CORPORA	P O BOX 2850 DURBANVILLE	0219146450	0824608856	0219146442	Category 2
A1176	DOMINGO CONSTRUCTION & MANA	P O BOX 38124 GATESVILLE 7784	0216913518	0833035269	0216915188	Category 3
A1177	MASWI-A-KAE DESIGNS	P O BOX 44824 CLAREMONT 7735	021614910		0215511201	Category 1
A1178	Y ARENDZE & sons	21 HELY STR MAITLAND 7405	0215104138	0824906344	0215104138	Category 2
A1179	R.B.L. BUILDERS	34 WAAIERTJIE CRES ROOSENDAL DELFT	0219563546	0822558571	0219545461	Category 1
A1180	ELECTROCOM	P O BOX 549 RONDEBOSCH	0216970313	0825531337	0216976314	Category 3
A1181	RNB ENGENEERING	P O BOX 38022	0219054117	0836272084	0219054198	Category 2
A1182	M & Y CONSTRUCTION	12 YORK RD LANSDOWNE	021732270	0827746010	021735672	Category 1
A1183	DEE-VEE PROJECTS	P O BOX 404 EERSTE RIVER 7100	0219042637	0822588837	0219040586	Category 1
A1184	A.A. PAINTING & REPAIRS	10 CORONATION RD WALMER ESTATE 7925	021474940			Category 1
A1185	DAMONZE SECURITY	P O BOX 5595 CAPE TOWN 8000	0216919608	0833257278		Category 1
A1186	VERGO'S DEVELOPMENT CORP	69 RIO AVE MALIBU VILLAGE BLUE DOWNS	0219092383	0825782460	0219092383	Category 1
A1187	DOMINGO PLUMBING	107 ATHON WALK HANOVER PARK 7780	0216923137		0216923137	Category 1
A1188	A & M PLUMBING & BUILDING CONT	13 YORKSHIRE RD LANSDOWNE 7764	021731961	0829693045	021731961	Category 1
A1189	JUMBA CONSTRUCTION	P O BOX 209 NONKQUBELA CAPE TOWN 7793	0213610654		0213612100	Category 1
A1190	PESTOKILL	P O BOX 206 RETREAT 7965	021727324		021722735	Category 1
A1191	SUNAL BUILDERS	P O BOX 206 SOUTHFIELD 7880	0217051253	0829705243	0217051253	Category 1
A1192	J.P. ROOFING	133 MORNAY STR RAVENSMEAD 7500	0219328712			Category 1

Contra	Name of business	Business postal address	Telephone	Cellular	Fax	Assigned C
A1193	A to Z STEEL & WELDING	C/O KLIPFONTEIN & ORION RD SURREY ESTA	0216374903			Category 2
A1194	M.N.K. ELECTRICAL	5 BROADWAY RD BERNADINO HEIGHTS KRAA	0219871158	0825770734	0219871158	Category 1
A1195	G. BENJAMIN BUILDERS	P O BOX 10066 MALIBU VILLGE	0219093575	0837728902		Category 1
A1196	CAROLLISEN & ASSOCIATES	P O BOX 139 BLACKHEATH	0219052826	0829244856	0219052826	Category 1
A1197	THREE BROTHERS CONSTRUCTION	PHAKAMANI RD KHAYELITSHA 7784	0213625491	3616137		Category 1
A1198	A.D. CONSTRUCTION	8 SANDPIPER AVE GRASSY PARK 7945	0217058704			Category 1
A1199	L.Z. BUILDERS	L404 SITE B KHAELITSHA	0213628868			Category 1
A1200	G.C.H. PLUMBING MAINTENANCE	11 FLORIDA RD COLORADO PARK 7785	021340431			Category 1
A1201	Q & A FINISHERS	26 DEVON RD LANSDOWNE	021733435	4184616		Category 2
A1202	A.E. BUILDERS	243 8lh AVENUE GRASSY PARK	0217063618			Category 1
A1203	G.R. CONSTRUCTION	8 ANDROMEDA WAY ROCKLANDS M/PLAIN 77	0216912842			Category 1
A1204	M.F. BUILDING SERVICES	8 FRANTZ RD WELCOME ESTATE ATHLONE 77	0216370531	0824920126	0216370531	Category 3
A1205	EXCLUSIVE ENTERPRISES	SHOP A1QUEENS CORNER DURBANVILLE	021963709	0822554625	021963709	Category 1
A1206	ISMAIL'S GARDENING & LANDSCAPI	4 BORNITE RD PENLYN EST LANSDOWNE	0216919523			Category 1

Sakhasonke

EMERGING CONTRACTORS DATA REGISTER

To be completed by all contractors wishing to participate in the Emerging Contractor Development Programme

- For assistance refer to the support document
- Please complete this form in English to facilitate data processing

1. Contractor Reference — (For office use only)
2. Name of Business
3. Previous Name (s) of Business-if any
4. WCS Reference — (For office use only)
5. Year/Month Business Established — 19
6. Business street address
7. Business postal address
8. Telephone — ( )
9. Cellular — ( )
10. Fax — ( )
11. Contact Person
12. Type of business *(Please tick appropriate block)*
    - ☐ Sole Proprietor
    - ☐ Close Corporation
    - ☐ Partnership
    - ☐ Limited Liabilities
13. Business Registration Number *(If available)*
14. Available Credit
    - ☐ Less than R2 500
    - ☐ R2 500 - R5 000
    - ☐ R5 000 - R10 000
    - ☐ R10 000 - R25 000
    - ☐ R25 000 - R50 000
    - ☐ R50 000 - R100 000
    - ☐ More than R100 00
15. Performance Surety / Guarantee *(Tick if applicable)* ☐
16. Surety / Guarantee Amount — R
17. Business Classification *Please tick appropriate block*
    - ☐ Engineering/Construction
    - ☐ Goods ☐ Services
18. Tax Number
19. Vat number

Sakaansnke

22. SHAREHOLDERS / OWNERSHIP

Surname	First Names	South African ID No.	SA Citizen *(Tick if yes)*	Other ID or Passport Number *(for SA Citizens only)*	Gender		PDI *(Tick if yes)* *	% Share/ Owned	Voting %	Date of Ownership
					M	F				
			☐				☐			
			☐				☐			
			☐				☐			
			☐				☐			
			☐				☐			
			☐				☐			
			☐				☐			
			☐				☐			
			☐				☐			
			☐				☐			

* *PDI* - *Previously Disadvantaged Individual*

23. MANAGEMENT PERSONNEL

Management Position	Surname	First Names	SA ID No.	SA Citizen *(Tick if yes)*	Formal Qualification ☐☐	Years Experience After formal qualification	PDI *(Tick if yes)* *	% of Time Devoted to Firm	Home Address
				☐			☐		
				☐			☐		
				☐			☐		
				☐			☐		
				☐			☐		
				☐			☐		
				☐			☐		
				☐			☐		
				☐			☐		
				☐			☐		

Sakhisonke

24. INDIVIDUALS RESPONSIBLE FOR FINANCIAL AND BUSINESS DECISIONS

Financing Decisions

Activity	Surname	First Names	PDI * (Tick if yes)	Length of Service (Years)
Cheque Signing			☐	
Signing and Co-Signing for loans			☐	
Acquisition of lines of Credit			☐	
Sureties			☐	
Major Purchase or Acquisitions			☐	
Signing Contracts			☐	

Management Decisions

Activity	Surname	First Names	PDI * (Tick if yes)	Length of Service (Years)
Estimating			☐	
Marketing and Sales Operations			☐	
Hiring and Firing of Management			☐	
Hiring and Firing of Non-Management			☐	
Supervision of Office Personnel			☐	
Supervision of Field/Production Activities			☐	

25. LIST OF COMPANIES / PERSONNEL WHO PROVIDE THE FOLLOWING SERVICES

Service	Company	Surname	First Names	Telephone
Accounting				
Legal				
Auditing				
Banking				
Insurance				

26. IDENTIFY ANY AMOUNTS OF MONEY LOANED TO YOUR FIRM, INDICATING THE LOAN SOURCE, DATE AND AMOUNT

Loan Source	Address	Telephone	Date of Loan	Loan Amount

Sakhasonke

27. LIST OF SKILLED EMPLOYEES PERMANENTLY EMPLOYED BY THE BUSINESS

A skilled person is defined as a person from an artisan level upwards

Surname	First Names	SA Citizen	Position	Skills/Qualification	PDI *
		☐			☐
		☐			☐
		☐			☐
		☐			☐
		☐			☐
		☐			☐
		☐			☐
		☐			☐

28. I.D. ANY OWNER/MANAGEMENT OFFICIAL WHO IS AN EMPLOYEE OF OR HAS DUTIES IN ANOTHER BUSINESS ENTERPRISE

Surname	First Names	Individual's Other Business Duties	Name of Other Business	Address of Other Business	Nature of Other Business

29. ANNUAL TURNOVER (At least previous three years if possible)

Enter year and Tick appropriate block

19	Less than R 100 000	R100 000- R300 000	R300 000- R500 000	R500 000- R1 500 000	R1 500 000 R2 000 000	More than R2 000 000
19	Less than R 100 000	R100 000- R300 000	R300 000- R500 000	R500 000- R1 500 000	R1 500 000 R2 000 000	More than R2 000 000
19	Less than R 100 000	R100 000- R300 000	R300 000- R500 000	R500 000- R1 500 000	R1 500 000 R2 000 000	More than R2 000 000