



# SAACE Aims for Quality over Cost

*Consulting engineering firms and their clients should be placing greater emphasis on the provision of quality service, rather than focusing on price, maintains newly-elected president of the South African Association of Consulting Engineers (SAACE), Cecil Rose.*

**E**conomic conditions in the past led to the service provided by consulting engineers being downgraded to that of a commodity and priced in terms of time. The notion has been one of selling or buying time rather than expertise." Rose told the media that SAACE aimed to assist member firms to change their mindset from the "survival mode" of the past and rather to improve the quality and professionalism of their service so that clients would recognise the value provided by them and, therefore, be more amenable to paying for that value.

## **SUSTAINABLE BUSINESS CULTURE**

Instilling a sustainable business culture in its members is an area of focus for SAACE this year. "The

consulting engineering sector is an essential component of the construction sector which, in turn, is essential to the development of our country and the delivery of infrastructure to our communities," said Rose. "In the present economic environment it is necessary to adjust the business culture from one of survival through the difficult times in the past to one of expansion and development for the future."

Another main focus area for the association this year is the new procurement system which government has implemented through the Construction Industry Development Board. One advantage of the system is that of uniformity, and Rose believes having a single procurement system for all organs of State

will lead to greater predictability, fairness and efficiency. "The new procurement system is based on competitive bidding, and is a radical change from the past. For it to be successful and to avoid undesirable delays to delivery, it will require a major education process to bring it into the market."

## **GROWING SKILLS AND CAPACITY**

The intensification of government spending on building new infrastructure over the next three years while maintaining existing services is set to place even more demands on the consulting engineering sector. In light of this, building capacity and skills remains a significant challenge for engineering firms.

Evidence of this is that in SAACE's most recent bi-annual management survey (January to June 2006), over 90% of firms reported an intention to recruit more engineers. Nearly as many intended recruiting more technologists. A worrying trend, however, was that 95% of these firms reported difficulty in such recruitment activities. To alleviate this, member firms committed nearly R40-million to bursaries for this period. "This represents a doubling in constant value terms of the past two years," noted Rose.

A further reflection of the need to build capacity and skills is the expenditure which consulting engineering firms are committing to training their existing staff. In addition to the Skills Development Levy of 1% of payroll which all employers have to pay, the SAACE survey indicated that a further 1,5% of payroll is expended on the direct costs of training of staff. With member firms' payroll currently in excess of R3,5-billion a year, this represents a spend of over R55-million a year.

The same survey indicated that present staff levels and the utilisation of those resources are both at the highest levels that have been recorded since SAACE started recording these particular indices eight years ago. Staff levels are now at 11 400, and their utilisation is at over 95%. "This indicates a severe shortage of capacity and skills and is an unsustainable situation," reported Rose.

"While the association acknowledges that these shortages have to be addressed rapidly, it is of the view that the only sustainable approach is to devote even more effort to upskilling present staff; promoting engineering and the industry to young people; encouraging the return of skilled employees who have left the country; and bringing back older, retired engineers to assist with capacity building and mentoring within firms and client bodies."

### ASSISTING GOVERNMENT

SAACE has joined hands with other engineering associations and government to assist in capacity building efforts. One example is the partnership with government under leadership of the Department of Provincial and Local Government (DPLG) to place experienced engineers into selected underperforming local authorities. Engineers have already been deployed to five municipalities, although as many as 80 have been identified by DPLG. The intention is that the experienced engineer supports the existing officials and councillors, providing capacity and transfer skills through mentoring.

"We do not believe that the answer to the skills shortage lies in the recruitment of foreign engineers who have different levels of training and come from different environments with different practices and standards," said Rose. "We believe we have the human capital available in our country, and must allow them to derive the benefit of the increased job opportunities that are developing."

SAACE has also been called to assist in dispersing R650-million in disaster relief made available to parts of the Eastern Cape and Western Cape following devastating floods last

year. Discussions are currently being held with different stakeholders, and SAACE member firms are expected to be recruited to act as project managers.

### ETHICS AND PROFESSIONALISM

Maintaining standards of ethics, quality and professionalism among the consulting engineering sector remains one of SAACE's focus areas. Its Code of Conduct is reviewed regularly to ensure that it remains relevant and reflects present ethical standards. The Code places obligations on SAACE members in relation to the conduct of their businesses.

"The association will intensify its efforts to promote and encourage a high standard of professionalism in the conduct of our members' businesses," reported Rose. It provides toolkits such as Advisory Notes, Client Briefs and other supporting documentation to achieve these objectives. It has also included aspects of professional conduct in its Continuing Professional Development (CPD) programme for 2007.

With regards to transformation, SAACE continues to subscribe to the Construction Charter while its formal launch is awaiting finalisation of the Broad-based black economic empowerment Codes of Good Conduct by government. "The Charter provides a consistent and clear means of measuring an entity's achievements with regards to a broad spectrum of measurable empowerment criteria and allows established entities to achieve meaningful transformation despite the severe shortage of black engineers, technologists and technicians. Application of the Charter by clients will go a long way to rooting out the scourge of fronting which has been encouraged by the narrow approach of many client body's procurement policies," said Rose. 



New SAACE president Cecil Rose.