

FIDIC-GAMA 2017



Conference on Infrastructure

7 - 10 May | Cape Town | South Africa

African Partnerships for Sustainable Growth

Mrs Malani Padayachee-Saman
Global Partnerships –
What does it mean for South African Consulting Engineers?



#FIDIC_GAMA2017



CONTENT

- Introduction
- Profile/Membership
- Type of SA Consulting Engineering Practices – Category , Services and Scale
- Partnerships
- Local, Regional and Continent Procurement Regime
- Challenges & Risks facing local Consulting Engineers



INTRODUCTION TO MPA

- 20 Year track record, established in July 1997
- Head office in Jhb, GAUTENG, Regional Offices in WC and KZN;
- Currently 70% of client base public sector; 30% driven by scorecard
- Current staff compliment = 40, 3-year average turnover 35 mil (ZAR)

Market Edge

- Strong mentoring focus
- Involved on strategic developmental work
- Invested in latest design software
- Administrative tasks integrated
- LIC/EPWP – accreditation
- QMS/ISO 9001-2008 – currently migrating to 2015
- Level 1 B-BBEE , 135% Empowered Status,



PROFILE/MEMBERSHIP

- Industry Specific
 - CESA Member Firms
 - SABTACO Member Firms
- Other Associations
 - Chambers
 - Business Groups
 - Diversity Councils



CATEGORY, SERVICES AND SCALE

- Type A – Organizations Established Pre-democracy
- Type B – Organizations Established Post-democracy
- Type C – Organizations - Merged Post-democracy – local entities
- Type D – Organizations – Acquired by International Organizations

- Type of Service Offering
 - Multi-disciplinary service offering - limited to large organizations
 - Discipline Specific - more prevalent in SA context, limitations
 - Highly Specialized focus area – very attractive, however continuity a challenge



SCALE VS YEARS OF OPERATION

- Scale reference to SA Context - MPS View
 - Large Practices : > 450
 - Medium : 151-450
 - Small - A : 61 – 150
 - Small - B : 6 – 60
 - Micro
 - Start-ups < 5 , < 5 years Operation
 - Established < 5, > 5 years Operation
 - Sole Practitioner



PARTNERSHIPS

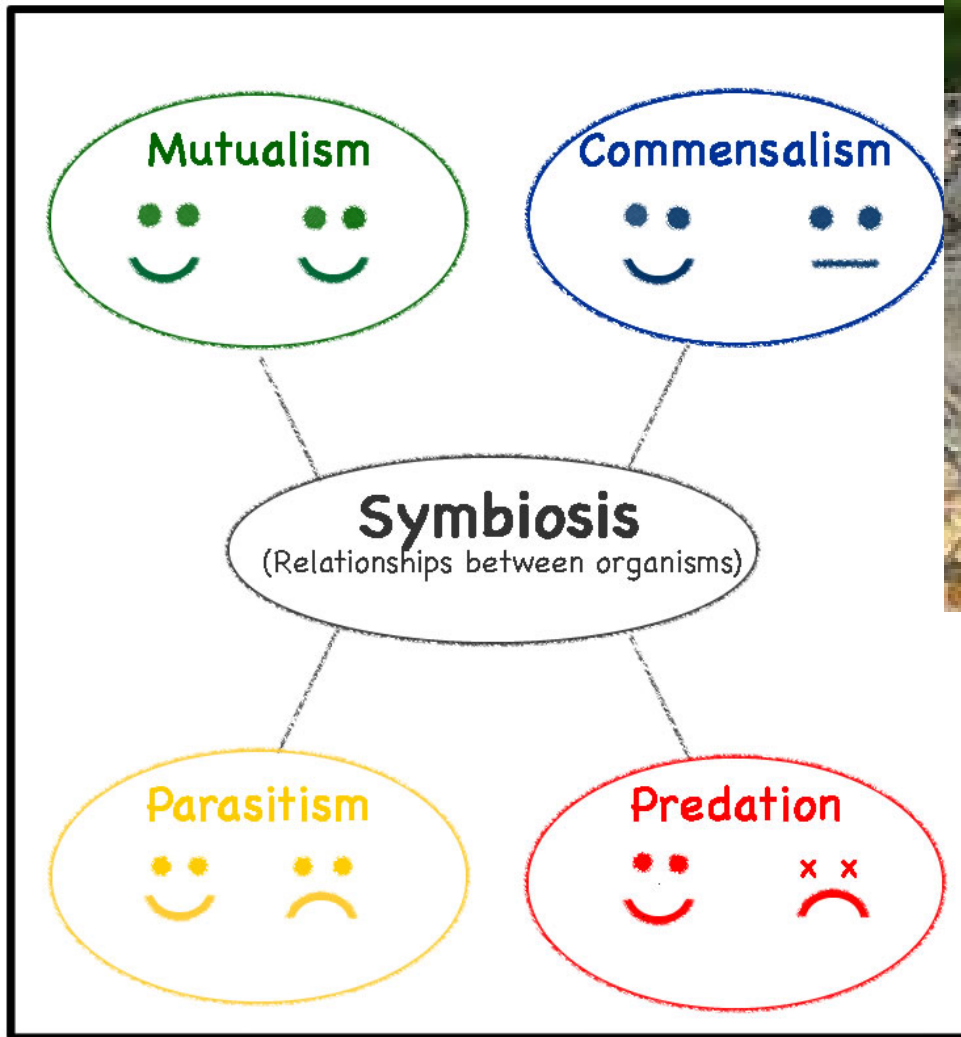
Definition:

“A type of business organization in which two or more individuals pool money, skills, and other resources, and share profit and loss in accordance with terms of the partnership agreement. In absence of such agreement, a partnership is assumed to exist where the participants in an enterprise agree to share the associated risks and rewards proportionately .”



PARTNERSHIPS

Symbiotic Relationship:





LOCAL - SIP

SIP NO	DETAILS	INPUT
1	Expanding rails line, dams and urban areas to unlock opportunities in the Northern Mineral Belt around Limpopo	Local/Int.
2	Rolling out the Durban-Free State-Gauteng logistics and industrial corridor	Local/Int.
3	Improving Ports, rail, roads and dams in EC	Local/Int.
4	Roads and other Infrastructure – North-West	Local
5	Expanding Rail and infrastructure in Saldana-Northern Cape dev. Corri.	Local/Int.
6	Boosting basic Infrastructure in poorly performing districts	Local



LOCAL – SIP

SIP NO	DETAILS	INPUT
7	Building new urban spaces and modernising public transport	Local
8	Green Energy Projects	Int./Local
9	Power stations	Int./Local
10	Improving Transmission	Int./Local
11	Agri-logistics and Infrastructure	Local
12	Hospitals and health facilities	Local
13	Ren./New Schools	Local
14	Ren./New FET, Uni, Colleges, Accom.	Local
15	Expanding Internet to poor areas	Local
16	SKA Role-out	Local/Int
17	Neighbouring Countries Assistance	Local/Int
18	New dams	Local/Int.



REGIONAL AND CONTINENT

Objectives

- Grow the Economy - Facilitation of Trade , within region and international ,
- Integrated planning and management – all sectors

Various Outcomes

- 1-stop Border posts, Shared Agri-processing
- Country focused value chain –leads to development of specialized industries that can be globally competitive
- Increase in employment opportunities , skills transfer



CHALLENGES AND RISKS

- Under Utilization of Staff – inability to secure long term appointments that can generate a base income, typically EPCM,
- Procurement and Statutory Obligations – impacting on doing business
- Limiting discounting and addressing non-payment issues – result in improved profit margins;
- Mentoring and Training - retention,
- Fast-track approach – inability to respond due to outdated technology
- Governance and Public Sector reliance – falling behind on programs, cater for all categories to prevent down raiding;
- Creation of Specialists - Nil or Minor Opportunity
- R & D Investment – Nil or Minor Opportunity – eg. bio-mimicry – biodiversity of Africa
- Inability to execute strategy due to internal resources - limitations



QUICK WINS

- Exchange or Outreach programs that can expose staff to specialist skills, advancement in technology, international business practices;
- Scare Skills = 0 unemployment rate in sector; programs to be escalated,
- Encouraging international commitments/partnering to promote the kind of engineering that contributes to lasting development in SA and Africa – OUTCOMES GAMA
- Provide support/mechanism for the SMME sector in Africa to grow – particularly small to medium to large



QUICK WINS

- Urgently address procurement regime – at Regional and Continent Level create enabling environment, particularly with DFI's, Banks,
- Policy at Local, Regional and Global Level to promote partnerships,
- Integration of the Sector – One Voice, One Mission



USE SDG as a DRIVER

Goal 17: Revitalize the global partnership for sustainable development

As partners, what would we need to do to achieve the Agenda?

- *mobilize both existing and additional resources;*
- *technology development;*
- *financial resources;*
- *capacity building;*
- *developed countries will need to fulfill their official development assistance commitments.*

Multi-stakeholder partnerships will be crucial to leverage the inter-linkages between the Sustainable Development Goals to enhance their effectiveness and impact and accelerate progress in achieving the Goals

Source World Bank Report

FIDIC-GAMA 2017



Conference on Infrastructure

7 - 10 May | Cape Town | South Africa

Thank you

Malani Padayachee-Saman

Chief Executive Officer

Email : malani@mpa.co.za

Tel: +27 (0)83 7014546

www.mpa.co.za



#FIDIC_GAMA2017