



*DEVELOPMENT THROUGH PARTNERSHIP*

# Register of Professional Service Providers and Professional Service Provider Recognition Scheme Scheme

**10 November  
2015**

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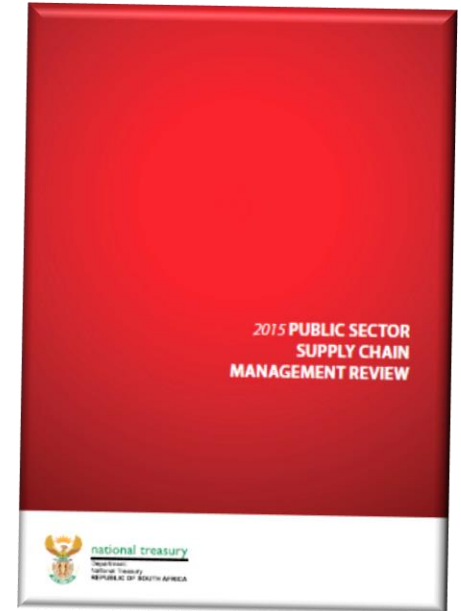
# Background

# cidb Act: Register of PSPs

The Construction Industry Development Board Act (Act 38 of 2000) Section 5(2)(g) provides for the Board to establish a *Best Practice Register of Professional Service Providers (RoPSP)*

# Stakeholder Expectations

- **5 Year Evaluation Review of the CIDB; 2014**
  - The cidb should expedite the implementation of the Register of Professional Service Providers
- **2015 Supply Chain Management Review – National Treasury**
  - A grading system for engineering services should be investigated, similar to that for contractors





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## Criteria for RoPSP

# Register of PSPs: Professional Service Disciplines

Designation	Professional Service Discipline
AR	Architecture
BS	Building Services
CE	Civil Engineering including environmental, geotechnical and transportation engineering
CH	Construction Health and Safety
CP	Construction Project Management
EE	Electrical Engineering
LA	Landscape Architecture
ME	Mechanical Engineering
QS	Quantity Surveying
SE	Structural Engineering
SS	Specialist Engineering Services

# Peripheral Professional disciplines

Designation	Professional Service Discipline
<b>EI</b>	<b>Environmental Impact Studies</b>
<b>LS</b>	<b>Surveying</b>
<b>TP</b>	<b>Transportation Planning</b>
<b>TO</b>	<b>Town Planning</b>
<b>CM</b>	<b>Construction Management</b>
<b>DR</b>	<b>Dispute Resolution</b>
<b>MC</b>	<b>Mentor to Emerging Contractors</b>



# cidb Register of PSPs: PSP Grades

Grade	Estimated Maximum Capacity for Professional Fees Value (Rm)
1	$\leq$ R 0,5 million
2	$>$ R 0,5 million and $\leq$ R 5 million
3	$>$ R 5 million and $\leq$ R 13 million
4	$>$ R 13 million

# cidb Register of PSPs: Registration criteria

- **PSP is sole proprietor or registered as a legal entity in South Africa:**
  - partnership
  - close corporation
  - private company (Pty(Ltd))
  - public company (Ltd)
  - personal liability company (Inc.)
  - trust
  - non-profit company (NPC)
  - non-governmental organization (NGO)
  - cooperative
  - external company (foreign company)

# Income Tax

- **The PSP is in possession of a valid tax clearance certificate (TCC)**
- **VAT compliant**
- **In good standing**
  - **the Income Tax Act,**
  - **the Skills Development Levy Act (SDL)**
  - **the Unemployment Insurance Fund Act (UIF)**

# Professional Council Registration

- **Responsible professionals in employment of the PSP and shareholders responsible for managing the PSP must be in good standing with the relevant Professional Council at time of registering the PSP on the RoPSP**

# B-BBEE

- **B-BBEE recognition level of a PSP (including a category “n0-Scorecard”)**
  - **individual scorecard elements of the PSP produced by a SANAS or IRBA accredited rating organisation issued in terms of the Construction Sector Charter Sector Code issued in terms of section 9(1) of the Broad Based Black Economic Empowerment Act, 53 of 2003**

# Financial Capability (Available capital) (1)

- Available capital calculated by adding any **financial sponsorship** to the sum of the net asset value of a PSP as indicated in the PSPs financial statements
  - The PSP must provide a statement of funding (statement of guarantees) for its operational costs.

# Financial Capability (Best annual turnover) (2)

- Calculated over the two financial years immediately preceding the application
- Subject to adjustment for inflation

Grade	Estimated Maximum Capacity for Professional Fees Value (Rm)	Available Capital (Rm)	Best Annual Turnover (Rm)
1	$\leq$ R 0,5 million		
2	> R 0,5 million and $\leq$ R 5 million	0,25	4,5
3	> R 5 million and $\leq$ R 13 million	0,5	6
4	> R 13 million	1	9

# Technical Capability (1)

- **The PSP has the required number of registered professionals (Pr) in their employment relevant to the professional service discipline**
- **At least one must be the responsible person for the professional service project**



## Technical Capability (2)

Designation	Grades	Number of Registered Prof	Grade	Number of Registered Prof	Grade	Number of Registered Prof
CE or SE or EE or ME	1 & 2	1 off: Pr.Eng or Pr.Tech.Eng or Pr.Cert.Eng	3	2 off: Pr.Eng and/or Pr.Tech.Eng or Pr.Cert.Eng	4	1 off: Pr.Eng and 2 off: Pr. Eng and/or Pr. Tech.Eng and/or Pr.Cert.Eng
SS	1 & 2	1 off: Pr.Eng or Pr.Tech.Eng or Pr.Cert.Eng or	3	2 off: Pr.Eng and/or Pr.Tech.Eng or Pr.Cert.Eng	4	1 off: Pr.Eng and 2 off: Pr. Eng and/or Pr. Tech.Eng and/or Pr.Cert.Eng
CH	1 & 2	1 Pr.CHA	3	2 Pr.CHA	4	3 Pr.CHA
CP	1 & 2	1 Pr.CPM	3	2 Pr.CPM	4	3 Pr.CPM

# Track Record

		Minimum value of professional fees for project successfully completed over the past five years	
Grade	Estimated Maximum Capacity for Professional Fees Value (Rm)	PSP	Responsible Professional
1	≤ R 0,5 million		R 0,25 m
2	> R 0,5 million and ≤ R5 million	R0,5m	R 1 m
3	> R 5 million and ≤ R 13 million	R5m	R10m
4	> R 13 million	R13m	R26m

# Professional Registration of Directors

- **PSPs in grades 1 to 4, at least 51% of the shareholders responsible for the management of the PSP to be professionals registered with a relevant professional council**
- **For multidisciplinary PSP's, that also practice the relevant professional service, work must be carried out under the supervision of a responsible professional, registered in the related category of registration**

# Professional Indemnity Insurance

Grade	Estimated Maximum Capacity for Fee Value (Rm)	Minimum Professional Indemnity (Rm)
1	$\leq$ R 0,5 million	2
2	$>$ R 0,5 million and $\leq$ R 5 million	3
3	$>$ R 5 million and $\leq$ R 13 million	4
4	$>$ R 13 million	5

# Validity of Registration

- **Registration on the cidb PSP will be valid for a period of three years, subject to annual renewal on verification of**
  - legal entity status
  - a valid tax clearance certificate (TCC)
  - VAT compliance
- **PSP in good standing**
  - Income Tax Act
  - Skills Development Levy Act (SDL)
  - Unemployment Insurance Fund Act (UIF)

# Validity of Registration

- **The responsible professional/s and shareholders responsible for the management of the PSP must be in good standing with Professional Councils**
- **Letters, as proof of good standing with the relevant Professional Councils**
- **The PSP has the required number of registered professionals (Pr) in their employment relevant to the professional service discipline applied for**

# Validity of Registration

- Professional registration of directors
- Professional Indemnity Insurance



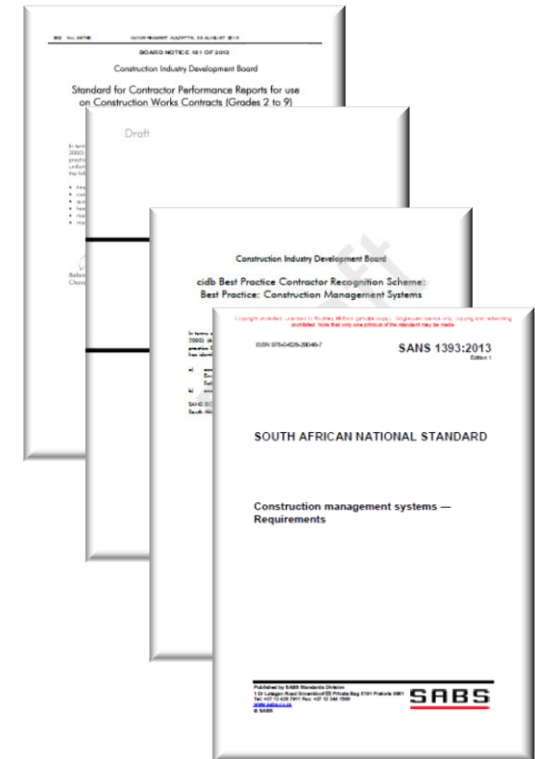
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## PSP Recognition Scheme



# PSP Recognition Scheme

- **Best Practice: Management Systems: SANS ISO 9001, 14001 and OHSAS 18001, BS 10500 (SANS 1734) Integrity Management System**
- **Best Practice: Membership of Voluntary Association**
- **Standard for PSP Performance Reports**
- **Standard for Financial and Project Management Systems (under development)**





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# **SANS ISO and SANS OHSAS Management Systems PSP Recognition Scheme**

# Recommendation

- **Board approve certification to SANS ISO 9001, SANS ISO 14001 and SANS OHSAS 18001 Management Systems as best practice for large PSP enterprises (Grade 4)**



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# Integrity Management Systems

## PSP Recognition Scheme

# Recommendation

- **Board approve certification to BS 10500 (SANS 1734) Specification for an Anti-Bribery Management System (ABMS) as a best practice for large PSP enterprises (Grade 4)**



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# Membership of Voluntary Association PSP Recognition Scheme

# Recommendation

- **Board approve certification to membership of a voluntary association recognised as such by the councils for the professions in terms of any of the professions' Acts as best practices for Professional Service Provider enterprises in Grades 2 to 4**



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# PSP Performance Reports

## PSP Recognition Scheme



# PSP Performance Reports

- **Provides for a uniform and consistent method of assessment of the performance of a PSP with respect to:**
  - **time management**
  - **management of resources**
  - **co-operative relations**
  - **standard of service**

# PSP Performance Reports

- The standard sets out:
  - the process and responsibilities by which the PSP performance report is to be completed
  - the information required

# Recommendation

- **Board approve that the Standard for PSP Performance Reports be published in the Gazette as a best practice for PSPs (Grades 1 to 4)**



Construction Industry Development Board

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## Consultations

# Consultations

- **Public sector clients (22 May 2014)**
- **VA and professional bodies (23 May 2014)**
- **Public sector clients (16 February 2015)**
- **Professional Councils (19 February 2015)**
- **Professional councils and VA (4 March 2015)**
- **Professional councils and VA (17 March 2015)**
- **Public sector clients (6 July 2015)**
- **Professional councils and VA (8 July 2015)**
- **CBE and professional councils presidents (17 July 2015)**



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**Status**

# Status

- Next round of consultations to include “peripheral professions”
- Pilot for PSP Performance Reports



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**Thank You**