

# Why it matters who manages the spend in government infrastructure projects

An estimated R875.70bn has been committed to a number of ambitious government infrastructure projects for the Medium Term Expenditure Framework (MTEF) until 2019/2020, according to the figures given in the national budget and publicly available information on projects and their budgets.



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Herman Berry, a member of the Building and Property Economics Committee of the Association of South African Quantity Surveyors (ASAQS) and Executive: Program, Cost, Consultancy (Africa) at AECOM, says that this is a substantial number, and represents a very welcome commitment to service delivery and upgrading our national competitiveness.

“Despite the bulk of the infrastructure spend actually being managed by engineers, the priority now must be to ensure that the projects are delivered on time and on budget — and greater involvement by professional quantity surveyors is the best way to do that,” he adds.

## Why does it matter who manages the project costs?

Berry says that the spend is spread across the key sectors of education (R50.1bn), energy (R234.5bn), health (R35.6bn), human settlements (R102.5bn), transport and logistics (R327.5bn) and water and sanitation (R125.3bn).

He points out that infrastructure spend in education, health and human settlements is primarily contracted through the Department of Public Works and the costs are traditionally managed by quantity surveyors.

By contrast, projects in the other sectors are largely under the cost control of engineers. These projects account for 83% of the projected spend in this budget (R726bn).

“It is perhaps worth mentioning that the energy and transport sectors, where quantity surveyors have no formal control over project costing and accounting, have seen some of the most spectacular cost overruns in recent years.

“Engineers are judged by the quality and aesthetics of their designs and thus, quite rightly, those are their main priorities. Cost is, however, a primary consideration for the quantity surveyor, who produces a Bill of Quantities from the engineer’s design. The Bill of Quantities remains the baseline for the project and all payments, and the foundation for the final account, which the quantity surveyor must draw up and be able to justify.”

## **Stemming corruption**

The ASAQS has previously called for all government projects worth R10m or more to have a quantity surveyor made responsible for the overall project and, particularly, the final accounts in an attempt to stem corruption. While corruption may be the cause of some cost overruns on big projects, there are many other factors at play. The real point is that a quantity surveyor has the professional know-how and commitment to scope the project costs and quantities properly, and then ensure that it remains within scope.

“These are ambitious projects, and it is highly desirable they are achieved and that the country gets what it paid for. The best way to ensure that is to get quantity surveyors involved — we are trained to ensure that a client’s money is spent as originally planned, and that any deviations are properly documented and authorised before payments are made,” Berry concludes. “We believe government should bear this in mind when it frames the terms of its tenders.”

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