

SMME ROADSHOW

**SOUTH AFRICAN NATIONAL
ROADS AGENCY [SOC]
LIMITED**

16th November 2018

ANRAL



BUILDING SOUTH AFRICA
THROUGH BETTER ROADS

CONTENTS

- Who is SANRAL
- Procurement Policy / PPPFA Regulations
- Types of Projects
 - SMME opportunities



SANRAL

- Agency of the DoT
 - We are a State Owned Company
- Established in 1998
 - In terms of the SANRAL Act No. 7 of 1998
- Primary Mandate
 - Manage and control the National Road Network
 - Develop, Maintain and Rehabilitation of National Roads
- Currently responsible for 22 197 km (13% tolled)
- Represented by 4 Regions - and HO in Pretoria
 - KZN Office in PMB - Managing ES & KZN

CURRENT POLICY:

PPPFA Regulations 2017

Pre-qualification criteria

B-BBEE levels of contribution

Ring-fenced opportunities for EME* and QSE* sectors

Use of sub-contracting to advance designated groups

Preferential Point System (PPS)

Increase threshold: R1m - R50m [80/20 PPS]

Above R50m [90/10 PPS]

BB-BEE points for Level 3 reduced from 16 to 14

Sub-Contracting

Government is required to specify in tenders that successful contractor must subcontract a **minimum** of **30%** of contract value above **R30m** if feasible

OPPORTUNITY:

PPPFA Regulations 2017

- Organs of State are empowered to stipulate Pre-qualifying criteria to advance designated groups
- Tenders are to specifically stipulate one or more of these categories to respond:
 1. A tenderer with a specific BB-BEE rating level
 2. A QSE or an EME
 3. A tenderer subcontracting a minimum of 30% - 50% to: EMEs or QSEs owned 51% by black

(people, youth, women, people with disabilities, black people living in rural areas, underdeveloped areas or townships, military veterans) or just QSEs or EMEs in general.

OPPORTUNITY:

Types of Projects

- Conventional Projects
 - Upgrading (Improvement & New Facilities)
 - Rehabilitation
- Maintenance Projects
 - Periodic Maintenance (Resurfacing Projects)
 - Special Maintenance (Repair & Reseal Projects)
 - Routine Road Maintenance (RRM Projects)
- Community Development Projects
 - Pedestrian bridges, sidewalks, access roads, etc.

OPPORTUNITY:

Upgrades / Rehab Projects

- Contractor - CIDB Grade 8/9 CE
 - 51% black ownership & 30% management control
 - BBBEE level 1 to 4
- Subcontract a minimum of 30% of contract value above R30m if feasible (PPPFA Reg.)
- Market research to inform the designated groups to be targeted subcontracting.
 - Youth, Women, cooperatives etc.
- Community Engagements
 - Project Liaison Committee & Officer (PLC & PLO)
 - Database: local* SMME's & Labour

OPPORTUNITY:

RRM Projects

- Runs for 3 years [2 535km]
- 2017/18 - 9 RRM Projects
- Future - Unbundled to more than 13 RRM Projects
- Main contractor - CIDB Grading 8CE to 9CE
 - Subcontract 50% - CIDB Grade 1CE to 7CE (EME/QSE)
- Main contractor - CIDB Grading 6CE to 7 CE
 - Subcontract 30% - CIDB Grade 1CE to 7CE (EME/QSE)
- Community Engagements
 - Project Liaison Committee & Officer (PLC & PL O)

OPPORTUNITY:

RRM - Typical Packages

- General Maintenance
 - Clearing of drainage structures, repair/replace damaged/old road signs
- Repair/replace of fences, guardrails, etc
- Pavement Maintenance
- Vegetation Maintenance
- Earthworks (i.e. shoulder repairs)

OPPORTUNITY:

Community Development Projects

Types of Community Development Projects

- Stand alone CD Projects
- Projects linked with Conventional Projects
 - Targeting local* SMMEs (Grade 1CE - 6CE)

Implementation Models

- Designed & Supervised by a Construction Manager.
- LIC / Conventional mix
- Learnerships [Aligned to CETA & SAQA Accredited]
Small contractors development [Grade 1CE - 3CE]

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