

Agrément South Africa

PRESENTATION TO THE PARLIAMENTARY PORTFOLIO COMMITTEE

FOR

THE DEPARTMENT OF PUBLIC WORKS

Strategic Plans, Annual Performance Plans and Budgets for the 2014/15 Financial Year

02 September 2014

Presentation Layout

- Vision & Mission
- The industry's 4 levels of legislation
- Impact and Achievements
- SIP's & National Development Plan 2030
- Organisational structure
- Governance
- Quality Management System
- Technical Outputs (Certificates Approved)
- Financial Performance

Vision & Mission

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➤ Vision

To-be World Class Technical Assessment Agency.

➤ Mission

To promote the government's objectives of economic development, good governance and raising living standards and prosperity in South Africa.

This will be achieved by encouraging and facilitating the use of innovative and non-standard construction products through its certification scheme thereby capitalising on the benefits to be gained.

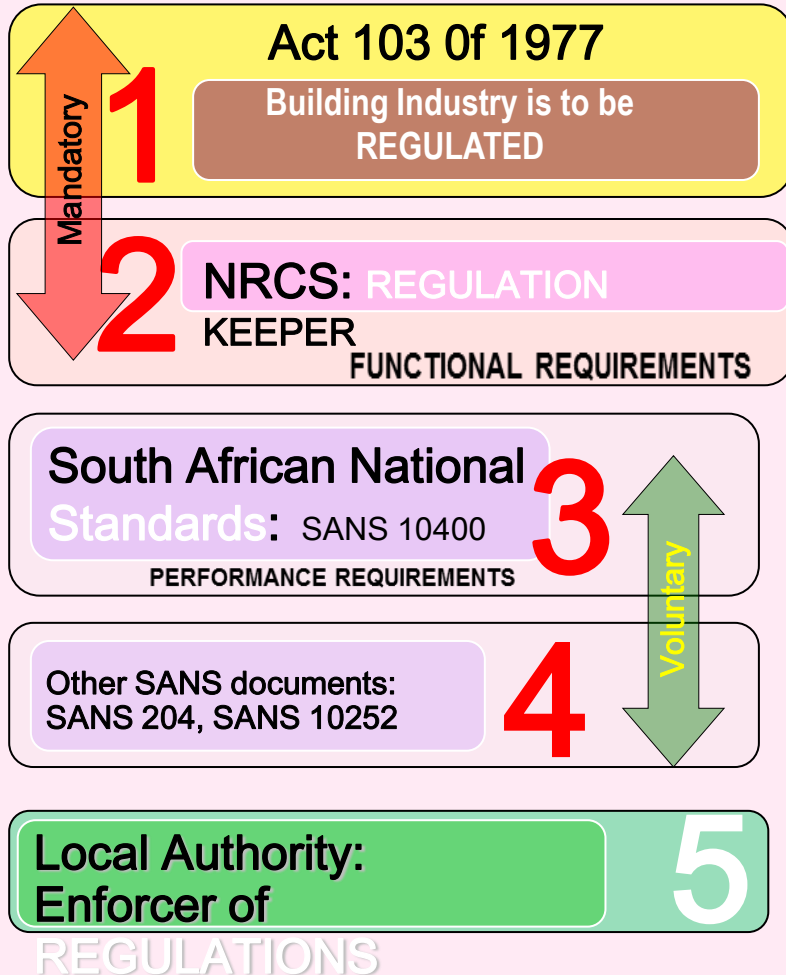
Demystify infrastructure delivery & improve infrastructure delivery.

Agrément does not build houses but facilitates innovation.

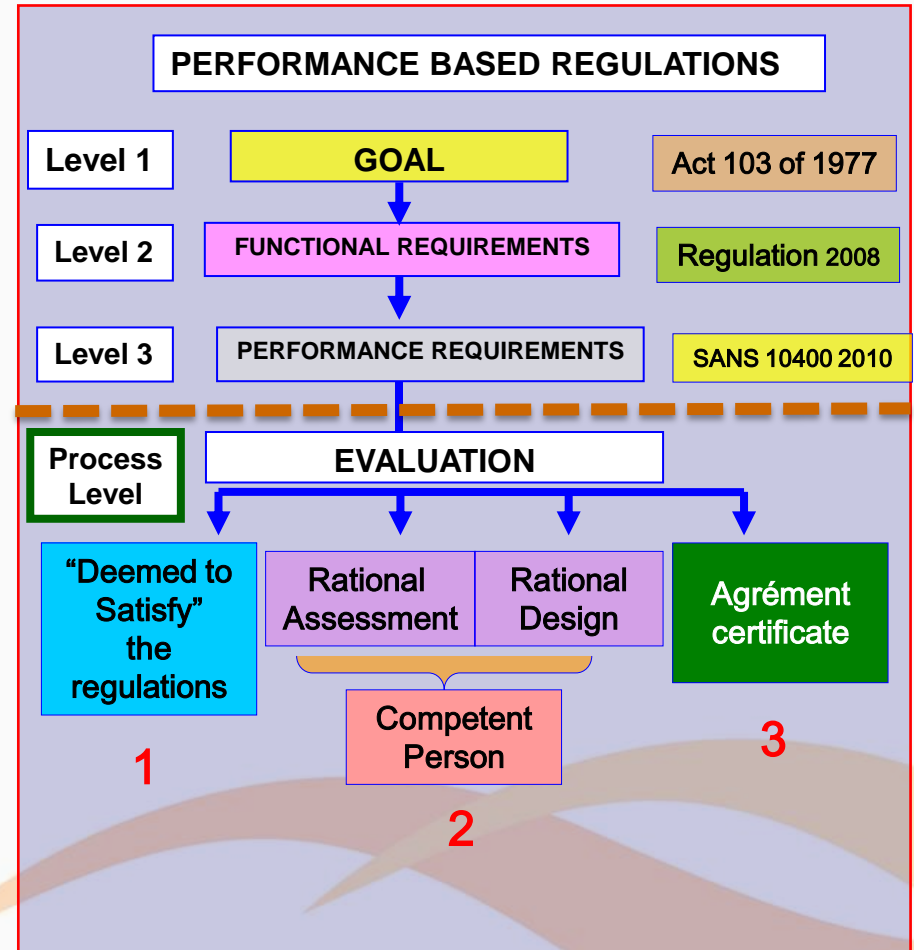
It certifies "fit for purpose" technologies.

The Building Industry's 4 Levels of legislation + 1

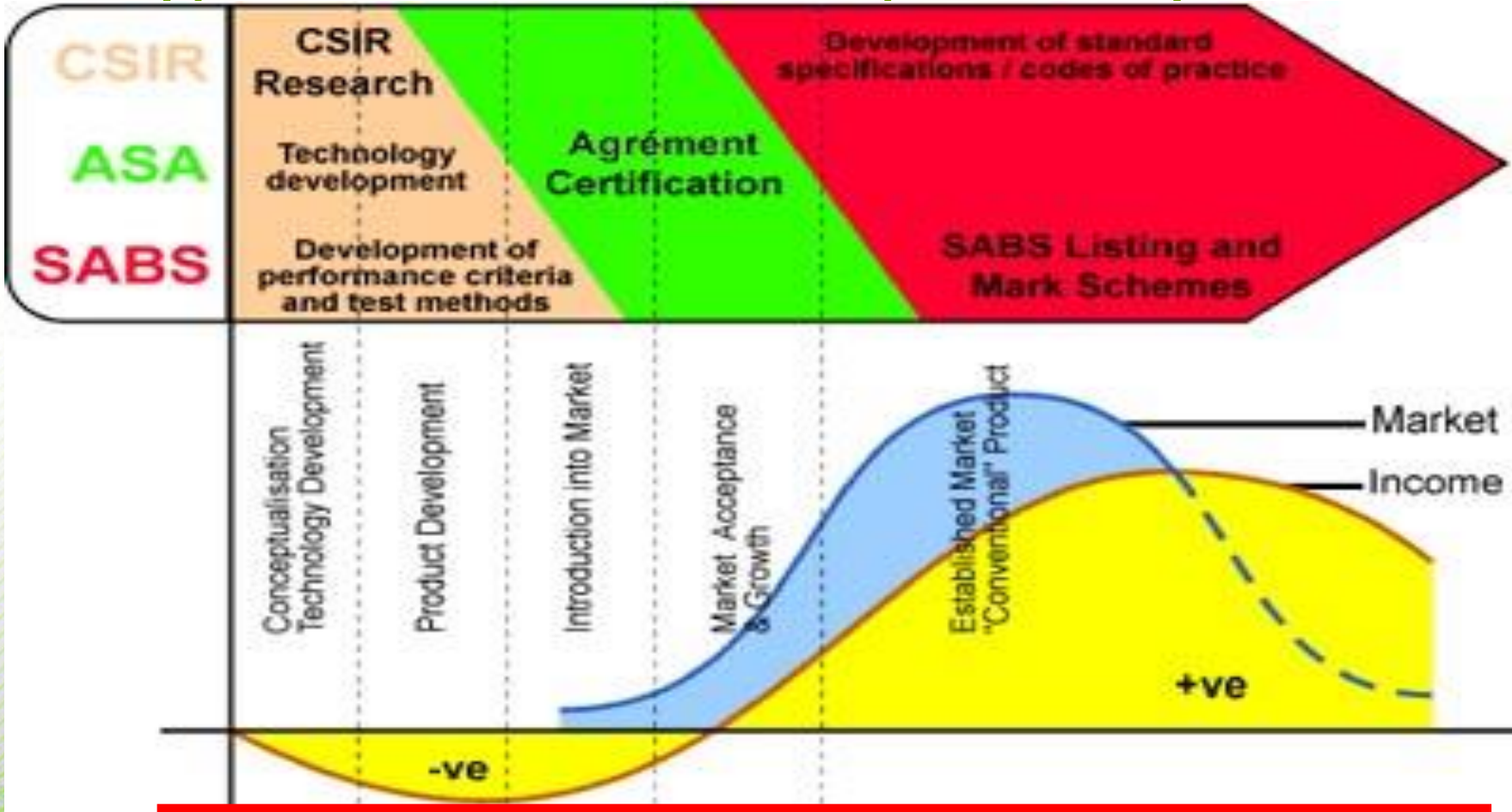
LEVELS OF LEGISLATION



SOLUTIONS TO SATISFY THE REGULATIONS



Typical Product Development Cycle



No Duplication of roles. Only Collaborative Synergies

Impact and Achievements

- **Met annual targets projections of outputs**
- **Aligns Strategy to support Key priority areas of Government & DPW: Unemployment, Poverty & Inequality – Triple Challenge.**
- Supports and aligned to government's growth path which sets a goal of 6 million job opportunities by 2019;
- **Infrastructure:** lays the basis for higher growth, inclusivity and job creation.



www.agrement.co.za SIP's & National Development Plan 2030



Recommendations Strategic Integrated Projects (SIPs) & National Development Plan (NDP) Vision 2030

- **Strengthening broader technical capacity,**
 - supporting testing and certification in the construction industry.
 - scope includes building regulations, codes & certification.
 - R&D infrastructure
- The 18 Strategic Integrated Projects (SIPs). The SIPs cover a range of economic and social infrastructure.
- All nine provinces are covered, with emphasis on poorer provinces.

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NDP: Vision Statement

“We began to tell a new story then. We have lived and renewed that story along the way.

We, the people of South Africa, have journeyed far since the long lines of our first democratic election on 27 April 1994, when we elected a government for us all.

VISION 2030

Now in 2030 we live in a country which we have remade.

We have created a home where everybody feels free yet bounded to others; where everyone embraces their full potential.

We are proud to be a community that cares.

We have received the mixed legacy of inequalities in opportunity and in where we have lived, but we have agreed to change our narrative of conquest, oppression, resistance.”

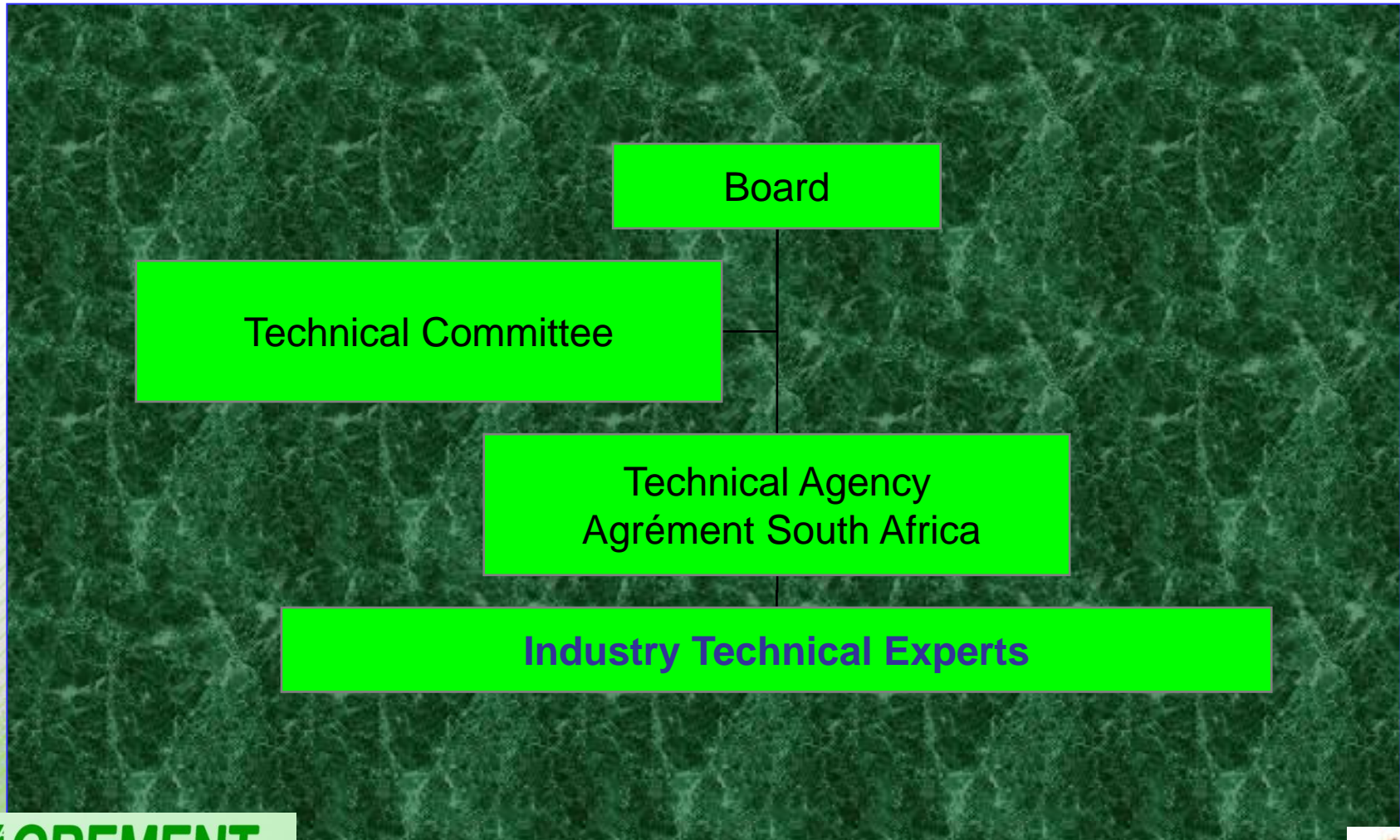
SIP's & National Development Plan Vision 2030

- **Create Jobs:** Create 11 million more jobs by 2030:
- Lower the cost of doing business and costs for households
- **Expand Infrastructure**
- **Speed up and expand renewable energy** and waste recycling & ensure buildings meet energy-efficiency standards
- **Transform urban and rural spaces:** Stop building houses on poorly located land and shift more resources to upgrading informal settlements, provided that they are in areas close to jobs

A government that works well does much more than deliver more houses.

It makes it possible for communities including women and youth to build and own their own houses by demystifying construction.

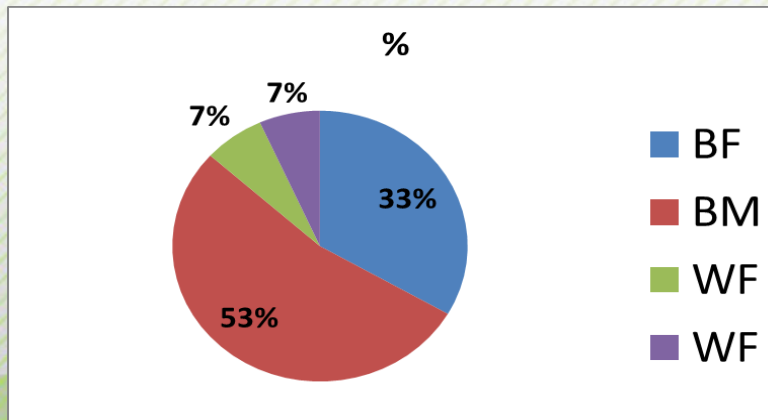
Organisational structure



Transformation

- Agrément South Africa continued its strong emphasis on the development of human resources to enhance the skills level and efficiency of technical staff.
- The technical committee has improved hugely in terms of both the number and skill of experts.

Percentage of staff either black or female: 93%



	No.	%
Black Females	5	33%
Black Males	8	53%
White Males	1	7%
White Females	1	7%
Total	15	100%

Governance

- Annual report 2012 tabled in parliament September 2013.
- The Minister of public Works approved the Agrément South Africa's 2014/15 – 2018/19 strategic plan.
- Strategic and Annual Performance Plan 2014/15 – 2018/19 was delivered to the Parliamentary Stores in March 2014 for tabling.
- By undertaking technical assessments of innovative systems for and on behalf of the Government, Agrément South Africa has made a great contribution in the safe introduction of innovative technologies in the country with commensurate benefits.

Innovative systems have potential to teach people the ways and gives them the means to take control over their own future accommodation by allowing them to build their own houses.

Governance Matters: Values

- Agrément South Africa has excellent support systems, business enterprise processes & very strong linkages with global best practice organizations, processes and individuals.
- Agrément South Africa is very well governed with strong internal control processes and systems.
- The Board addresses issues of corporate governance to ensure compliance with treasury & national requirements.
- This ensures proper fiduciary management within the Agrément South Africa.
- Agrément is making a contribution to build a better South Africa!

Board Governance

- 8 Board members.
- Appointed for a **period of three years**.
- **Current term expires in September 2014.**
- Current Chairperson is Mr. Pepi Silinga.
- **Strategic planning session** held annually.
- Board focussed on consolidating its previous strategic plans and moving the Agency forward.
- The Board's Technical sub-committee focused on key objectives & ensured Agrément South Africa was **well governed**.
- **Financial statements are audited and received a clean audit report.**



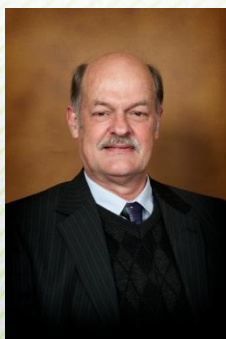
Ms Nteboheng Ngcobo
Civil Engineering
Lecturer,
University of
Johannesburg

Mr Mninawe Pepi Silinga
CEO
Coega Development
Corporation



Dr Jeffrey Mahachi
Advisor
NHBRC

Mr MF Makamo
Manager
SABS



Mr Hans Ittmann
Logistics Consultant

Ms Mariana Marneweck
Environmental Liability
Consultant



Ms Adelaide Ranape
Senior Legal Manager
Barlow World Africa

Mr DC Fredericks
Managing Director
OHS E-Consulting



Quality Management System

A requirement for certification by Agrément South Africa:

- Is that each certificate holder has a quality management system in place that is documented in a quality manual.
- The quality management system and the implementation thereof as described in the quality manual must be approved by Agrément South Africa.
- No certificate will be granted until a satisfactory quality manual has been received and the quality management system approved by the Board of Agrément South Africa.
- The applicant must comply with Agrément South Africa's quality management system which is broadly based on the **SANS 9001: *Quality management system***.
- Assures credibility of the certificate.

Quality Management Validity review

Concept & Element

To ensure that all factors relating to the validity of certificate are systematically managed so that Agrément certification maintains its credibility.

Conformance monitoring (ongoing quality inspection and reporting) and consequential corrective actions.

Periodic validity review and consequential decision-taking.

2014
www.agrement.co.za **Quality management Implementation**

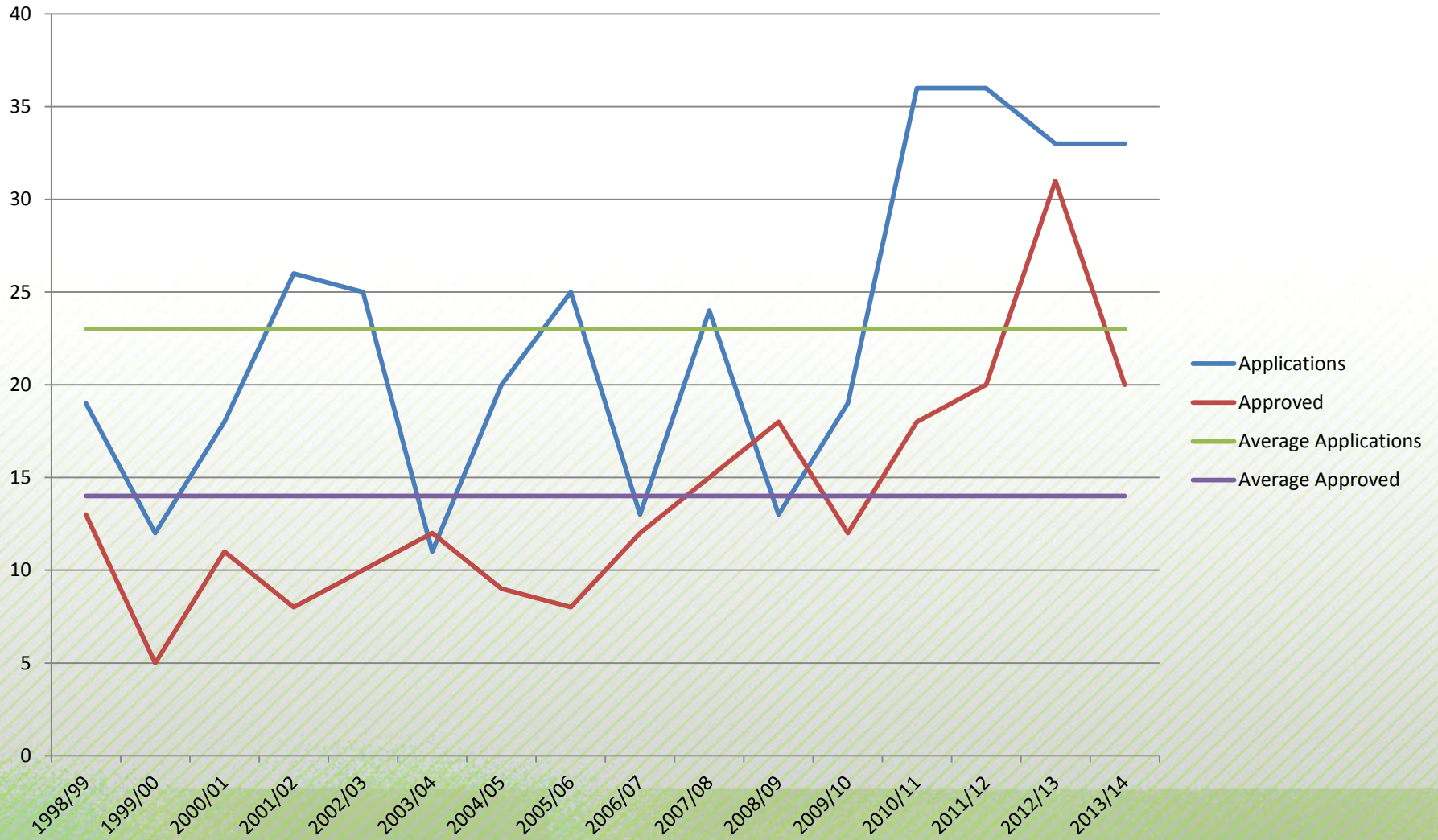
The certificate holder must include, and elaborate on, the following for manufacturing and erection/installation processes, where applicable:

- management responsibility
- contract review
- design control
- purchasing
- process control
- inspections, testing and measuring equipment
- control of non-conforming products
- corrective and preventive action
- product identification, control and traceability
- control of records
- handling, storage, packaging and transportation
- training
- internal quality audit.

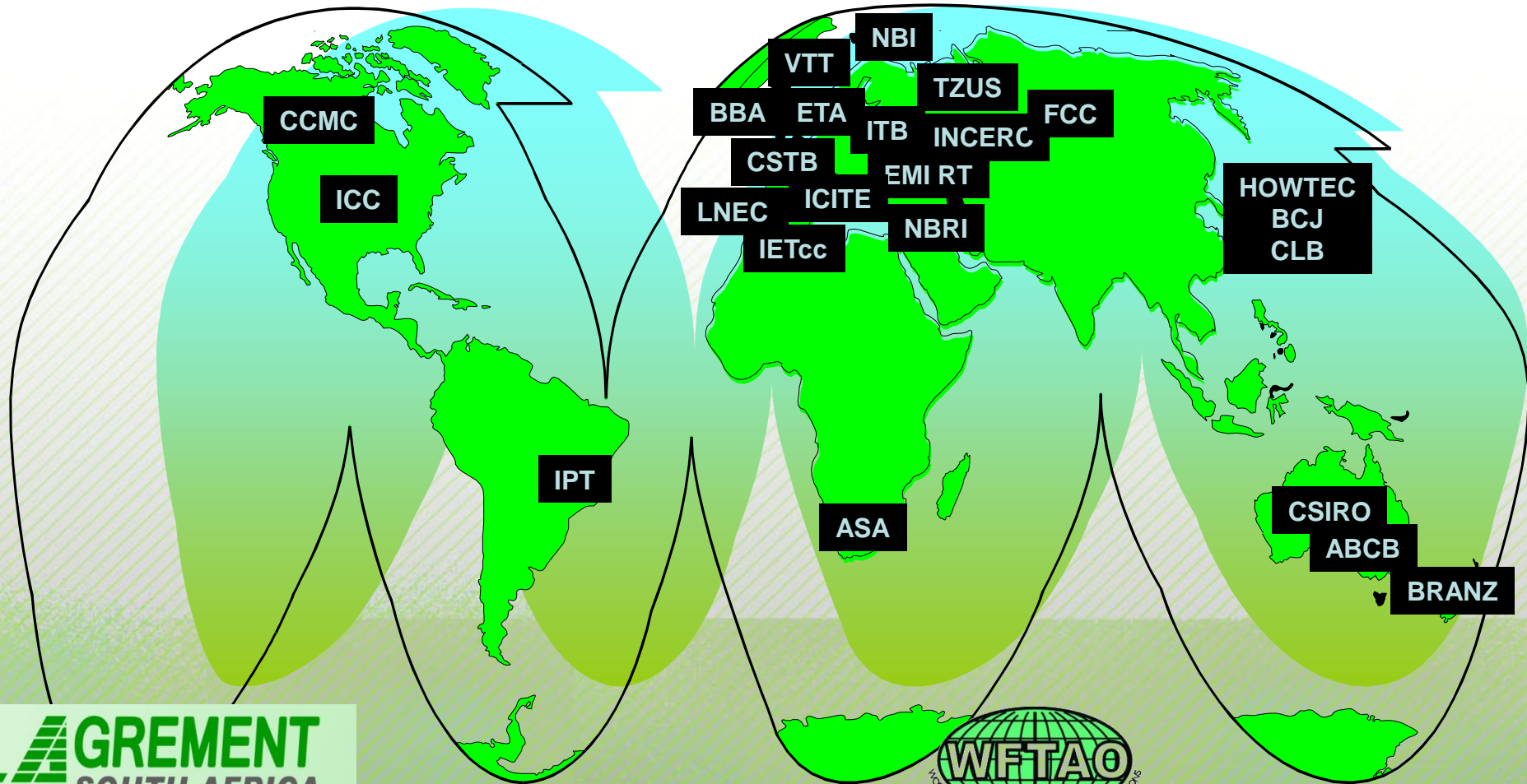
	Target 2014/15	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Applications received:	12	17	17	29	36	33	33
Evaluation offers made:	12	16	15	24	33	30	30
Evaluation offers accepted:	12	12	7	19	16	24	24
Certificates issued:	12	9	12	15	20	31	31
➤ Building products:	86	65	71	84	94	95	95
➤ Building systems:	95	70	80	98	102	116	116
➤ Roads products:	15	10	11	15	16	17	17
No. of Board meetings	4	3	4	3	4	4	4

STRATEGIC OBJECTIVE		STRATEGIC PLAN TARGET	ACTUAL PERCENTAGE PERFORMANCE			2014/15 QUARTELY PERFORMANCE	
			2011/12	2012/13	2013/14	Target	1 st
Corporate Governance	Finances	% amount of revenue collected	100	100	100	100	100
		Manage all debtors to ensure payments are received within 90 days (% compliance)	100	100	100	100	100
		Payments done within 30 days (% compliance)	100	100	100	100	100
	Resource management	Expenditure to income ratio equal or better than budget (% compliance).	100	100	100	100	100
		Investments in terms of approved investment policy and strategy (investment benchmark as approved by ASA)	100	100	100	100	100
	Human capital development	Improvement in employee satisfaction (%) - conduct employment satisfaction survey	100	100	100	100	100
	Technical output (certification of products and systems as being fit for purpose)	Applications for assessment received	100	100	100	100	100
		Evaluation offers processed (% of application)	90	90	90	90	90
		Offers accepted/rejected (% of offers processed)	90	90	90	90	90
		Offers issued within 15 working days (% of offers processed)	90	90	90	90	90
		Certificates issued (% of target)	90	90	90	90	90
		Certificates issued within contract period (% of issued)					100
		Technical Committee meeting of Agrément Board including industry experts (% compliance)	100	100	100	100	100
		Review of assessment criteria and make reference to latest national standards (% compliance).	100	100	100	100	100
Identify appropriate systems which have been used successfully in other parts of the world that are suitable for fast-tracking development in South Africa	100	100	100	100	100		
Sustainability and stability of Agrément South Africa	Improve technical assessment	Participation in World Federation of Technical Assessments Organisation (WFTAO)	100	100	100	100	0
		Collaboration with International research organisation	100	100	100	100	100
		Study tours & participation in projects undertaken by developed states	100	100	100	100	0
	Business management solutions	Application of Enterprise Resource Planning Solutions in financial, human resources and project management (% compliance)	100	100	100	100	100
	Improve service delivery	% of certificate holders subjected to quality audit	100	100	100	100	100
		% improvement in customer satisfaction (conduct customer satisfaction survey)	100	100	100	100	100
		% of certificates subjected to three yearly reviews as per the Board approved schedule	100	100	100	100	100

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World Federation of Technical Assessments Organizations



What is WFTAO

- WFTAO is the World Federation of Technical Assessment Organisations, a worldwide network for co-ordinating and facilitating the technical assessment of innovation in the construction field.
- WFTAO comprises officially recognised national bodies active in the field of technical assessments for construction products and systems.
- WFTAO currently has members from twenty-one countries across the global market.

What service does WFTAO offer?

- The members of WFTAO deliver favourable technical assessments* of the fitness for use and continuing quality of innovative products and systems that deviate from established standard specifications.
- A technical assessment in the sense of WFTAO is an authoritative favourable declaration of technical fitness for an intended use of an innovative or non-standardised construction product, service or process.

Assessment delivered by a WFTAO member will

- Provide a means of demonstrating the fitness for purpose of the product with building regulations
- Be more readily accepted by building control personnel
- Show that the holder's manufacturing and QA systems meet high standards
- Save valuable selling time, by easing acceptance of new products in a conservative market
- Provide a good opportunity for press coverage for the holders to use the distinctive WFTAO logo on advertisements

Technical Outputs¹



Weber Brush Coat

Single-coat application for weather- proofing walls

Applied using a block brush

Supplied in 20 kg bags and mixed on site with water.



Exelis Development Building System

Single-storey structure **Utilises factory-produced wall and roof panels.**

Walls are light-weight sandwich panels comprising a polyurethane (PU) or expanded polystyrene (EPS) core encapsulated in two layers of magnesium oxide (MgO) boards.



RPM PHD Building System

Single-storey structure based on **a sandwiched panel-system** in which fibre cement boards encapsulate a polyurethane core.

Incorporates galvanised **light-weight steel frames.**

The walls are finished with waterproof skim plaster and joints are sealed with a silicon-based sealant.



Rhino Linings Waterproofing System to trafficable concrete roof surfaces suitable for pedestrian traffic and light vehicular traffic including car parking.

Technical Outputs²

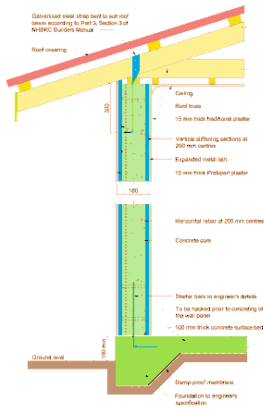


Figure 1: Typical section through external wall



Coffor Structural Formwork Building System

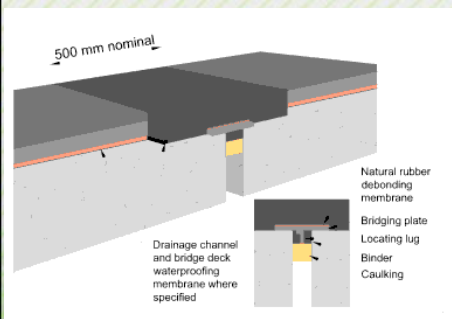
Permanent shuttering system for reinforced concrete structures. Consists of two expanded metal laths, attached to vertical stiffening sections. The set of metal lath and stiffening sections are further strengthened by a horizontal rebar.

Specialised Insulated Panel Building System

Prefabricated components that are assembled on site. The walls comprise expanded polystyrene (EPS) core with fire-stop board on the inside, both encapsulated by pre-galvanised chromadeck sheeting. Chromadeck is a zinc treated steel sheet with a white powder coated finish

Febajoint Bridge Deck Expansion Joint System

Asphaltic plug joint, aggregates, bridging plates & drainage channels. The binder and aggregates are heated on site and combined in situ to form a 'plug' in a trench cut through the deck surfacing. Mechanical construction allowing extension and compression in Bridges and overpasses where temperature changes can cause expansion and contraction that may overstress a structure



Technical Outputs³



Britflex (BEJ) Bridge Deck Expansion Joint System

Single seal, surface-mounted system. Elastomeric seal, Rapid curing resin compound, Provides unrivalled anchorage, No mechanical fixings.



AquaFRICTIONCourse (AFC) road surfacing system

Ultra-thin friction course (UTFC) 16 and 20 mm bituminous surface
Consists of asphalt placed on a film on tack coat by self-priming paver.
Used as a wearing course for heavily trafficked highways & major road.



Starfront Designer cost and cutting computer software

Assist the manufacturers of aluminium window, door and shop-fronts to design, cost and manufacture products based on Wispeco (Pty) Ltd's aluminium extrusion systems.

UkuZwana Building System

Erection of single-storey structures utilising factory-produced or cast in-situ cellular light-weight concrete (CLC) wall panels.
The foaming agent for CLC is Neopor.
Wall panel incorporates service connections and door and windows.

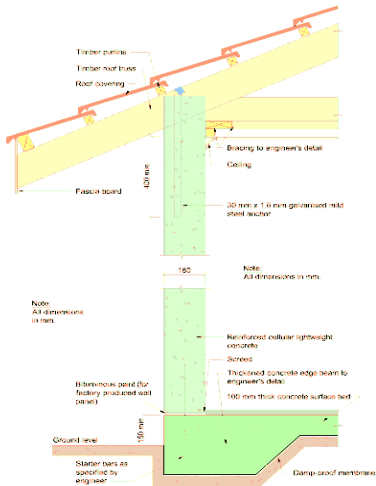


Figure 1: Vertical section through external wall showing foundation and roof anchorage details



Technical Outputs⁴



IES Virtual Environment Software (version VE 2013) is an integrated software system for environmental performance assessment of buildings either retrospectively or during the design stages of a construction project using dynamic thermal simulation. Provides tools to design buildings that consume significantly less energy and incorporate low carbon and renewable technologies.

The Non-tacky Tack Coat

Consists of bitumen emulsifier and filler which is applied to asphalt.

An effective binding agent for an overlaid asphalt layer.

Has a lower tackiness than conventional tack coats.

Retards pick-up of the tack under construction vehicles

Applied at ambient temperature prior to the an asphalt overlay.

Modified Calcium Carbonate Coating System is a single-coat, polymer-based, textured, coloured wall coating for use on all sound, and suitably prepared surfaces. It is suitable for use in all regions of South Africa.

FrictionPave is an Ultra-thin Friction Course (UTFC)

Bituminous road surfacing system with a nominal compacted thickness of between 16 and 25 mm. It is placed on a tack coat using a self-priming paver.

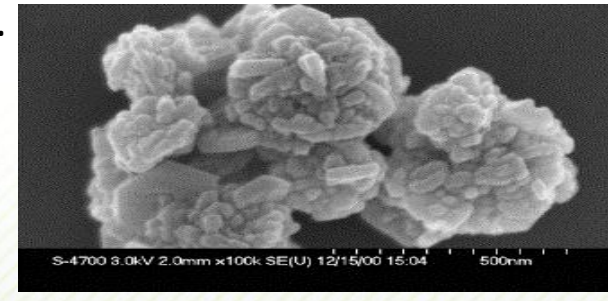
Neopor Building System is for single and double-storey structures. The walls are constructed of Cellular Light-weight Concrete (CLC) cast in-situ. The CLC consists of sand, cement, water and Neopor as the foaming agent. Externally walls are finished with a 15 mm sand-cement plaster.

Technical Outputs⁵

Tack
(0.1mm-0.2mm)



Hot Mix



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Power Profile Building System. The external walls are structural prefabricated panels made up of expanded polystyrene core encapsulated by zincalume sheets. The inside face of the panel is lined with glass-wool insulation and fire-stop board.



Appletech Light Steel Frame Building System comprises cold rolled light-gauge steel sections. The frame has glasswool as infill material and is clad internally with fire-stop Gypsum board. It is clad externally with an Oriented Strand Board (OSB).



Conform Building System. The superstructure walls are constructed of sliding and interlocking polyvinyl-chloride (PVC) modules incorporating vertical and horizontal cavities in which reinforcement steel are installed and filled with concrete. The PVC modules provide permanent shuttering..



Ezee Build Modular Building System The superstructure walls comprise galvanised three-dimensional welded wire mesh cages, connected with specially designed connectors (stools, shoes, etc.), which are filled with polystyrene slabs and finished both sides with structural plaster.



RECONCILING ANNUAL PERFORMANCE TARGETS WITH MTEF.

Agrément South Africa [R'000]	MTEF Estimates			
	2014/15	2015/16	2016/17	2017/18
<i>External Income</i>	9 668	10 314	10 933	11 589
<i>Other Income</i>	1 901	1 949	2 066	2 190
Total Income	11 569	12 263	12 999	13 779
Human Resources	6 022	6 383	6 766	7 172
<i>Pensionable Salaries</i>	4 905	5 199	5 511	5 842
<i>Service Bonus</i>	219	232	246	260
<i>Casual Employees</i>	109	116	123	130
<i>Car Allowance</i>	63	67	71	75
<i>Contribution Leave Gratuity</i>	103	109	115	122
<i>Pension Fund Contribution</i>	429	455	482	511
<i>Medical aid</i>	58	61	65	69
<i>Other (UIF, Skills Dev Levy)</i>	136	144	152	162
Running Costs	2 849	3 020	3 201	3 393
<i>Quality Management</i>	468	497	526	558
<i>Building, Equipment Repair & Maintenance</i>	300	318	337	357
<i>Stationery</i>	89	94	100	106
<i>Other Technical Assessments Costs</i>	501	531	563	597
<i>Agency Operating Expenses</i>	1 474	1 562	1 656	1 755
<i>Year-end Accruals</i>	16	17	18	19
Other Costs	2 446	2 593	2 749	2 914
<i>Depreciation</i>	582	617	654	694
<i>Indirect Cost Recovery</i>	932	988	1 047	1 110
<i>Indirect Cost Recovery Unit</i>	932	988	1 047	1 110
Total Costs	11 317	11 996	12 716	13 479
Surplus (loss) before Performance Bonus	252	267	283	300
<i>Interest Income</i>	125	132	140	148
Performance Bonus	106	112	119	126
NET MARGIN AFTER INTEREST	271	287	304	323

Comparison Of Actual Annual Financial Performance With Previous Years Performance.

	2009/10	2010/11	2011/12	2012/13	2013/14
Total Income	8 737 412	8 782 333	9 778 965	9 947 491	10 980 403
Total Expenses	8 590 975	8 550 714	9 876 645	10 298 870	10 398 142
<i>Running Costs (Admin)</i>	<i>2 538 961</i>	<i>2 335 075</i>	<i>1 929 313</i>	<i>2 035 854</i>	<i>2 661 226</i>
<i>Human Resources (incl. Perform Bonus)</i>	<i>4 757 491</i>	<i>4 640 583</i>	<i>5 082 398</i>	<i>5 411 237</i>	<i>5 187 636</i>
<i>Overhead Costs</i>	<i>1 294 523</i>	<i>1 575 056</i>	<i>669 072</i>	<i>834 543</i>	<i>2 549 280</i>
Depreciation	369 948	375 056	369 948	439 947	278 171
Shared Services Costs	480 601	600 000	1 290 492	996 102	1 635 669
Executive Levies	480 601	600 000	535 422	581 187	635 440
Margin before Interest	146 437	231 619	-97 680	(351 379)	582 262
Interest	147 597	107 570	182 508	185 755	116 009
Nett Margin	294 034	339 189	84 828	(165 624)	698 271

Financial statements

- Agrément South Africa has operated for 45 years under ministerial delegation of authority from the Minister of Public Works.
- The annual grant funding is channeled from the Department of Public Works (DPW) to the CSIR as a legal public entity.
- The funds are ring fenced & only used for Agrément South Africa.
- The transactions are subject to the policies, procedures and governance processes as per treasury regulations.
- Finances are audited as required by treasury regulations.

The CSIR has received an unqualified audit report for the last few years and has been hailed as an example of good financial management.

Thank you... for Achieving excellent results
TEAM: Together Everyone Achieves More

