**NATIONAL ASSEMBLY**

**FOR WRITTEN REPLY**

**148. Ms N P Sonti (EFF) to ask the Minister of Social Development:**

(1) What are the (a) details and (b) levels of service providers and/or contractors from which (i) her department and (ii) the entities reporting to her procured services in the past five financial years;

(2) what (a) service was provided by each service provider and/or contractor and (b) amount was each service provider and/or contractor paid;

(3) (a) what is the total number of service providers that are black-owned entities, (b) what contract was each of the black-owned entities awarded and (c) what amount was each black-owned entity paid? NW155E

**Reply: DSD**

1. (a) In the past five years, the Department of Social Development procured goods and services, which were processed in thousands of transactions. The goods and services are classified according to Standard Chart of Account based on their nature as well their type and the expenditure for goods and services is disclosed in the Annual Financial Statements and Annual report tabled in Parliament every year.

Goods and services are procured using the Preferential Procurement Policy Framework Act and Regulations. The Regulations prescribe the preference points that can be claimed in accordance with the BEE status level of the supplier.

With effect from 1 April 2016, National Treasury implemented an online central supplier database (CSD) where all suppliers and service providers registered and captured their details including their BBBEE status level etc. It has made it compulsory for government entities to use only suppliers registered on this database. The CSD maintains data on expenditure categories and supplier information. All suppliers’ details can be found on National Treasury supplier database (CSD).

2. (a) The goods and services referred to office accommodation, security, cleaning services, stationery, furniture and office equipment, professional services, catering and promotional material etc.

(b) The amount paid to suppliers and service provider depend on the size, nature and type of goods and services procured.

3. (a) The Department of Social Development, has been sourcing goods and services in terms of PPPFA Act No 5 of 2000. The Act provides the Preferential scoring model where all suppliers and services providers who submit their bid proposals were scored and evaluated against the said prescripts, and the award is made to the bidder who scores high preferential points for BBBEE and price.

(b) The Department of Social Development procured goods and services in line with the requirements of PPPFA Act where the BBBEE status of every bidder is considered in the preferential scoring model and as such suppliers were awarded accordingly.

(c) The amounts paid to suppliers and service providers depend on the size, nature and type of goods and services procured.

**Reply: SASSA**

1. (b) The goods and services procured in the past five years, runs in thousands of transactions. The goods and services are classified according to Standard Chart of Account based on their nature and type. Such expenditure is disclosed in the Annual Financial Statements and Annual report tabled in Parliament every year. Before April 2016, the Agency utilised Historically Disadvantages Individual (HDI) which was the procurement requirements at the time in the application and compliance to PPPFA and BEE. From 01 April 2016, National Treasury established an online central supplier database (CSD) where all suppliers and service providers registered and captured their details including their BBBEE status level etc. SASSA sourced goods and services from suppliers and service providers registered on CSD. All suppliers’ details can be found on National Treasury supplier database (CSD).

2. (a) The goods and services referred in the above paragraph amongst others would be office accommodation, security, cleaning services, stationery, furniture and office equipment, professional services, etc.

(b) The amount paid to suppliers and service provider vary depending on the size, nature and type of goods and services procured.

3. (a) SASSA, like any other government institutions, has been sourcing goods and services in terms of PPPFA Act No 5 of 2000. The Act provides the Preferential scoring model where all suppliers and services providers who submit their bid proposals were scored and evaluated against the said prescripts, and the award is made to the bidder who scores high preferential points for BBBEE and price. Goods and services are procured using the Preferential Procurement Policy Framework Act and Regulations. The Regulations prescribe the preference points that can be claimed in accordance with the BEE status level of the supplier. This approach is a scorecard approach rather than purely an ownership approach.

(b) All the goods and services procured by the Agency are procured in line with the requirements of PPPFA Act where the BBBEE status of every bidder is considered in the preferential scoring model and as such suppliers were awarded accordingly. The contracts range from cleaning, security etc.

(c) The amount paid to suppliers and service provider vary depending on the size, nature and type of goods and services procured.

# Reply: NDA

1. What are the details including the ranks of service providers and/or contractors from which?

(b) the entities reporting to her procured services in the past five years;

The NDA has procured a range of services from cooperatives, NPOs, micro enterprises, SMMEs and big business. During the 5 year period NDA has used 3 362 service providers.

1. what (a) service was provided by each service provider and/or contractor?

The services ranged from catering, plumbing, training and capacitating CSO, IT services and procurement of office space. A detailed list of services per service provider is attached

and (b) amount was each service provider and/or contractor paid;

The NDA over the period has paid services providers amounts ranging from R100.00 to R46 000 000.00 depending on the service requested and quoted by the service provider.

(3) (a) how many of these service providers are black-owned entities?

The majority of service providers, whom we contract for less than R500 000 are black owned entities and BBBEE compliant. All the service providers for catering, CSOs training and capacity building, accommodation for training are black owned.

(b) what contract was each of the black-owned service providers awarded?

The total value of contracts given by the NDA to the different services providers over the five-year period is R848 452 586.19. The majority of these contracts have been given to black owned service providers.

(c) how much was each black-owned service provider paid?

The total value of these contracts ranged from R100.00 to R1 500 000.00 depending on the scope of work, the period and technical complexities of the services procured by the NDA. A list is attached for each contract given and paid.