****

**INTERNAL MEMORANDUM**

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| --- | --- | --- | --- |
| **To:** | **MINISTER OF PUBLIC WORKS & INFRASTRUCTURE** | **Ref:** | **NA PQ No. 1706 (Written Reply)** |
| **From:** | **ACTING DIRECTOR-GENERAL** | **Office:** | **DIRECTOR-GENERAL** |
| **Tel:** | **(012) 406 2028** | **Fax:** | **(086) 699 3998** |

|  |
| --- |
| **1706. Ms K L Khakhau (DA) asked the Minister of Public Works and Infrastructure:**Whether he will furnish Ms K L Khakhau with a comprehensive breakdown of the procurement allocation of (a) his department and (b) every entity reporting to him in terms of the percentages allocated to (i) small-, medium- and micro-enterprises,, (ii) cooperatives, (iii) township enterprises and (iv) rural enterprises with a view to evaluating the effectiveness of the set-aside policy of the Government in fostering an inclusive and diverse economic landscape (details furnished) in the (aa) 2021-22 financial year and (bb) since 1 April 2023? **NW1947E** |

**REPLY:**

1. The Department of Public Works and Infrastructure (DPWI) awarded tenders in terms of the Preferential Procurement Regulations (PPR), 2017 to designated groups in terms of percentages to:
	* 1. **Small -, Medium- and Micro-enterprises for**:

(aa) 2021-22 Financial Year as per the table below:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **DESIGNATED GROUPS - MAIN CONTRACTOR** | **COUNT OF AWARDS** |  **VALUE OF AWARDS**  | **% Awarded Count to the Designated Group** | **% Awarded Value to the Designated Group** |
| **Contractor Category of SMME?****(EME/ QSE/ NON\_EME/QSE)** |
| EME | 154 | 723 374 143  | 57% | 23% |
| QSE | 54 | 797 058 548  | 20% | 26% |
| Non\_EME/QSE | 58 | 1 604 705 898  | 22% | 51% |

 (bb) 2022-23 Financial Year as per the table below:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **DESIGNATED GROUP - Main Contractor** | **COUNT OF AWARDS** |  **VALUE OF AWARDS**  | **% Awarded Count to the Designated Group** | **% Awarded Value to the Designated Group** |
| **Contractor Category of SMME?(EME/ QSE/ NON\_EME/QSE)** |
| EME | 183 | 1 334 210 574 | 76% | 56% |
| QSE | 31 | 338 383 610 | 13% | 14% |
| Non\_EME/QSE | 25 | 707 957 842 | 10% | 30% |

* + 1. **Cooperatives for**

(aa) 2021-22 Financial Year as per the table below:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **DESIGNATED GROUP - Main Contractor** | **COUNT OF AWARDS** |  **VALUE OF AWARDS**  | **% Awarded Count to the Designated Group** | **% Awarded Value to the Designated Group** |
| Contractor Cooperative Majority Black Owned? | 0 | 0 | 0% | 0% |

 (bb) 2022-23 Financial Year as per the table below:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **DESIGNATED GROUP - Main Contractor** | **COUNT OF AWARDS** |  **VALUE OF AWARDS**  | **% Awarded Count to the Designated Group** | **% Awarded Value to the Designated Group** |
| Contractor Cooperative Majority Black Owned? | 0 | 0 | 0% | 0% |

* + 1. **Township Enterprises for**

(aa) 2021-22 Financial Year as per the table below:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **DESIGNATED GROUP - Main Contractor** | **COUNT OF AWARDS** |  **VALUE OF AWARDS**  | **% Awarded Count to the Designated Group** | **% Awarded Value to the Designated Group** |
| Contractor Rural/ Underdeveloped/ Township Enterprise Majority Owned? | 76 | 538 609 269  | 28% | 17% |
|

(bb) 2022-23 Financial Year as per the table below:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **DESIGNATED GROUP - Main Contractor** | **COUNT OF AWARDS** |  **VALUE OF AWARDS**  | **% Awarded Count to the Designated Group** | **% Awarded Value to the Designated Group** |
| Contractor Rural/ Underdeveloped/ Township Enterprise Majority Owned? (YES/NO) | 113 | 1 183 731 654 | 47% | 50% |

* + 1. **Rural Enterprises**

In terms of the PPR, 2017 the Rural Enterprises were provided for under one designated group, namely: Rural/Underdeveloped/Township Enterprises category. Information pertaining to the rural enterprises is therefore contained in the aforementioned category of designated groups as per the PPR, 2017 and cannot be disaggregated.

**ENTITIES INPUT**

**In respect of the Construction Industry Development Board (CIDB):**

|  |  |  |  |
| --- | --- | --- | --- |
| **Awardees of “set-aside” procurement allocation** | **Percentage allocated (aa) 2021/22** | **Percentage allocated (aa) 2022/23** | **Percentage allocated (bb) since 01 April 2023** |
| ((i) small, medium and micro-enterprises (SMMEs) | N/A  | N/A  |  20% |
| (ii) cooperatives | N/A  | N/A  |
| (iii) township enterprises | N/A  | N/A  |
| (iv) rural enterprises | N/A  | N/A  |

2021/2022 and 2022/2023 – cidb’s targeted spend was based on BBBEE Levels in line with Regulation 04 of National Treasury PPPFA 2017. The cidb targets were not set based on the procurement allocations in the table above.

For 2023/2024 cidb has drafted a policy, pending cidb Board approval to implement percent spend for targeted procurement. The cidb has set procurement targets based on the Human Development Index (HDI) to achieve the goals. These targets are:

* 50% of procurement spend to be directed to HDI-owned or controlled businesses.
* 20% of procurement spend to be directed to women-owned or controlled businesses.
* 5% of procurement spend to be directed to businesses owned or controlled by people with disabilities.
* 20% of procurement spend to be directed to locally owned businesses.

**In respect of the Independent Development Trust (IDT)**

|  |  |  |
| --- | --- | --- |
| **Awardees of “set-aside” procurement allocation** | **Percentage allocated (aa) 2021/22** | **Percentage allocated (bb) since 01 April 2023** |
| ((i) small, medium and micro-enterprises (SMMEs) | The percentage of BBBEE expenditure stood at 44 per cent against a target of 70 per cent expenditure (R999,0713 million). | In the 2022/23 financial year, the IDT recruited 96 contractors into the CDP. Of these 44 (46%) are women (out of a target of 40 women contractors) and 37 (39%) are youth (out of an annual target of 30 youth contractors). The next stage is to ensure that these contractors are allocated enough contracts to enable them to grow and move up the next level according to the CIDB grading. **BBBEE Expenditure:** the IDT spent 45 per cent of programme expenditure on BBBEE-compliant entities. A sizable percentage of the contractors are women. **Expanded Public Works Programme**: A total of 109,871 work opportunities were created through the EPWP NSS Programme against an annual target of 64 000 work opportunities. Seventy-one per cent (71%) of the participants were women, 55 percent were youth, and one per cent being people with disabilities. |
| (ii) cooperatives | 0.00% | 0.00% |
| (iii) township enterprises | 0.00% | 0.00% |
| (iv) rural enterprises | 0.00% | 0.00% |

**In respect of the Council for the Built Environment (CBE)**

|  |  |  |  |
| --- | --- | --- | --- |
| **Awardees of “set-aside” procurement allocation** | **Percentage allocated (aa) 2021/22** | **Percentage allocated 2022/23\*** | **Percentage allocated (bb) since 01 April 2023** |
| ((i) small, medium and micro-enterprises (SMMEs) | 82.25% | 89.00% | 100%\* |
| (ii) cooperatives | 0.00% | 0.00% | 0.00% |
| (iii) township enterprises | 0.00% | 0.00% | 0.00% |
| (iv) rural enterprises | 0.00% | 0.00% | 0.00% |

\*Information not asked for in the Parliamentary question, but provided for context.

**In respect of Agrément South Africa (ASA):**

|  |  |  |  |
| --- | --- | --- | --- |
| **Awardees of “set-aside” procurement allocation** | **Percentage allocated (aa) 2021/22** | **Percentage allocated (aa) 2022/23\*** | **Percentage allocated (bb) since 01 April 2023** |
| ((i) small, medium and micro-enterprises (SMMEs) | 51% | 23% | 23% |
| (ii) cooperatives | 0% | 0% |  |
| (iii) township enterprises | 0% | 0% |  |
| (iv) rural enterprises | 0% | 0% |  |

\*Information not asked for in the Parliamentary question, but provided for context.

|  |
| --- |
| **NATIONAL ASSEMBLY: QUESTION NO. 1706 (Written Reply) Ms K L Khakhau (DA) asked the Minister of Public Works and Infrastructure:** |

The draft reply to Parliamentary Question No. 1706 (Written Reply) is submitted for your consideration.

The input has been provided by the Supply Chain Management and all Entities reporting to the Department, processed by the Inter-Governmental Relations Business Unit.

I hereby attest that the information provided in response to NA PQ No. 1706 is true and correct, to the best of my knowledge.

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**MR. I TLHASEDI**

**CHIEF DIRECTOR: SUPPLY CHAIN MANAGEMENT**

**DATE:**

I hereby attest that the information provided in response to NA PQ No. 1706 is true and correct, as informed.

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**MR. A MTHOMBENI**

**DEPUTY DIRECTOR GENERAL: INTER-GOVERNMENTAL RELATIONS**

**DATE:**

**Draft reply supported / not supported/ comments**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**MS. N MAKHUBELE**

**ACTING-DIRECTOR GENERAL**

**DATE:**

|  |
| --- |
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**Draft reply supported / not supported/ comments**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**MS. B SWARTS, MP**

**DEPUTY MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE**

**DATE:**

**Draft reply approved / not approved/ comments**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**MR. S ZIKALALA, MP**

**MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE**

**DATE:**



**MINISTRY**

**PUBLIC WORKS AND INFRASTRUCTURE**

**REPUBLIC OF SOUTH AFRICA**

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Private Bag X9155 l CAPE TOWN, 8001 l RSA 4th Floor Parliament Building l 120 Plein Street l CAPE TOWN l Tel: +27 21 402 2219 Fax: +27 21 462 4592

 [www.publicworks.gov.za](http://www.publicworks.gov.za)

**NATIONAL ASSEMBLY**

**WRITTEN REPLY**

**QUESTION NUMBER: 1706 [NW1947E]**

**INTERNAL QUESTION PAPER NO.: 16 of 2023**

**DATE OF PUBLICATION: 12 MAY 2023**

**DATE OF REPLY: MAY 2023**

**1706. Ms K L Khakhau (DA) asked the Minister of Public Works and Infrastructure:**

Whether he will furnish Ms K L Khakhau with a comprehensive breakdown of the procurement allocation of (a) his department and (b) every entity reporting to him in terms of the percentages allocated to (i) small-, medium- and micro-enterprises,, (ii) cooperatives, (iii) township enterprises and (iv) rural enterprises with a view to evaluating the effectiveness of the set-aside policy of the Government in fostering an inclusive and diverse economic landscape (details furnished) in the (aa) 2021-22 financial year and (bb) since 1 April 2023? **NW1947E**

**REPLY:**

**The Minister of Public Works and Infrastructure**

1. The Department of Public Works and Infrastructure (DPWI) awarded tenders in terms of the Preferential Procurement Regulations (PPR), 2017 to designated groups in terms of percentages to:
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**In respect of the Council for the Built Environment (CBE)**

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| --- | --- | --- | --- |
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\*Information not asked for in the Parliamentary question, but provided for context.

**In respect of Agrément South Africa (ASA):**

|  |  |  |  |
| --- | --- | --- | --- |
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\*Information not asked for in the Parliamentary question, but provided for context.

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**MR. S ZIKALALA, MP**

**MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE**

**DATE:**