###### National Assembly

###### Question Number: 1771

**Mr C H H Hunsinger (DA) to ask the Minister of Transport:**

Has the SA Passenger Rail Agency applied the preference points and prescribed formula system in the awarding of all contracts within supply chain and procurement as expressed in (a) paragraph 2 of the Preferential Procurement Policy Framework Act, Act 5 of 2000, and (b) section 51 of the Public Finance Management Act, Act 1 of 1999, as amended; if not, why not; if so, (i) which contracts and (ii) to what value? NW2079E

**REPLY**

(1)(a) PRASA operates within the legislated regulatory framework, all contracts for goods, services and works are acquired through proper Supply Chain Management processes. Procurement requirements are defined in the Procurement Plan with estimates costs for the provision of the required goods, services or works. This is in order to determine and stipulate the appropriate preference point system to be utilized in the evaluation and adjudication of the bids and to ensure that the prices paid are market related. Based on the procurement requirements, the relevant preference point system (80/20 or 90/10) to be utilized for the evaluation of the bid are specified in the bid documents

 Contracts are acquired in any of the following competitive bid methods: Term contracts, Panel of service providers, and Public Private Partnership; whichever way procurement process is used, all acquisitions serve through conventional Bid Committees. In the preparation of the bid documents for an invitation it is determine if the required goods, service or works has been designated for local production and content in terms of Regulation 9 of the Preferential Procurement Regulations. This will entail the inclusion of a specific condition in the bid documents that only locally produced services, works or goods or locally manufactured goods with a stipulated minimum threshold for local production and content will be considered, subsequently it will have a direct impact on the evaluation of the bid.

All bids specifications are approved before issued to bidders. Bids received are evaluated as per the preference point system outlined in the approved specification. Depending on the functional criteria the weight and points are calculated using a prescribed formula system and ensure that evaluations of bids are fair and transparent. When we invite bids that will also be evaluated on the basis of functionality as a criterion, the following aspects in the bid documents are mandatory:

* Evaluation criteria for measuring functionality;
* Weight of each criterion;
* Applicable value; and
* Minimum qualifying score for functionality.

Once bids have been evaluated using the aforementioned criterion a contract is awarded to the bidder with the highest points as per the prescribed Preferential Procurement Policy Framework Act, Act 5 of 2000, and

(b) section 51 of the Public Finance Management Act, Act 1 of 1999 using basic Supply Chain Management principles.

(i) Number of Contracts awarded 01 April 2015 – 31 March 2016

|  |  |
| --- | --- |
| **Entity** | **BBBEE Level** |
| **0** | **1** | **2** | **3** | **4** | **5** | **6** | **7** | **8** | **Total** |
| Autopax-CPT | 2 | 17 | 7 | 20 | 10 | 4 | 2 | 2 | 1 | **65** |
| Autopax-HO | 5 | 19 | 19 | 29 | 10 |  | 4 |  |  | **86** |
| Autopax-JHB | 5 | 15 | 13 | 32 | 16 | 4 | 5 |  | 2 | **92** |
| Autopax-Pta | 5 | 19 | 16 | 38 | 16 | 4 | 2 | 1 | 2 | **103** |
| Intersite-HO | 1 | 6 | 10 | 12 | 4 | 2 | 1 |  |  | **36** |
| MetroRail-E-Cape | 6 | 18 | 15 | 38 | 28 | 5 | 2 | 1 | 1 | **114** |
| MetroRail-Gauteng | 27 | 44 | 34 | 126 | 50 | 13 | 3 | 3 | 3 | **303** |
| MetroRail-HO | 1 | 13 | 13 | 45 | 11 | 5 | 1 | 2 | 1 | **92** |
| MetroRail-KZN | 5 | 40 | 34 | 64 | 43 | 11 | 14 | 3 | 3 | **217** |
| MetroRail-W-Cape | 5 | 48 | 47 | 62 | 43 | 5 | 3 | 1 | 1 | **215** |
| Prasa Cres-Gauteng | 9 | 37 | 14 | 99 | 37 | 1 | 1 |  | 1 | **199** |
| Prasa Cres-Head Office | 11 | 45 | 28 | 119 | 36 | 5 | 1 | 1 | 1 | **247** |
| Prasa Cres-KZN | 8 | 39 | 13 | 43 | 27 | 1 |  | 1 | 1 | **133** |
| Prasa Cres-W.Cape | 7 | 22 | 12 | 67 | 22 | 1 |  |  | 2 | **133** |
| PRASA TECH HO | 1 | 16 | 21 | 41 | 9 | 6 | 4 | 1 | 1 | **100** |
| PRASA-HO | 17 | 27 | 35 | 61 | 32 | 4 | 8 | 2 | 1 | **187** |
| ShosMeyl-CPT | 0 | 14 | 8 | 16 | 13 | 3 | 4 | 1 | 2 | **61** |
| ShosMeyl-GP-South | 5 | 24 | 6 | 47 | 11 | 6 | 1 |  | 2 | **102** |
| ShosMeyl-HO | 5 | 21 | 8 | 51 | 12 | 3 | 2 |  | 1 | **103** |
| Total | **125** | **484** | **353** | **1010** | **430** | **83** | **58** | **19** | **26** | **2589** |

(ii) Rand Value Contracts Awarded 01 April 2015 – 31 March 2016

|  |  |
| --- | --- |
|  **Entity** | **Rand Value** |
| **Total** |
| Autopax-CPT | R 69 473 933.06 |
| Autopax-HO | R 79 622 337.06 |
| Autopax-JHB | R 170 091 612.00 |
| Autopax-Pta | R 151 475 615.81 |
| Intersite-HO | R 9 030 512.79 |
| MetroRail-E-Cape | R 137 991 514.15 |
| MetroRail-Gauteng | R 825 748 045.45 |
| MetroRail-HO | R 630 731 669.79 |
| MetroRail-KZN | R 319 624 039.75 |
| MetroRail-W-Cape | R 357 997 773.69 |
| Prasa Cres-Gauteng | R 264 009 908.79 |
| Prasa Cres-Head Office | R 1 125 500 625.63 |
| Prasa Cres-KZN | R 267 700 985.70 |
| Prasa Cres-W.Cape | R 190 407 810.48 |
| PRASA TECH HO | R 1 892 628 020.65 |
| PRASA-HO | R 1 790 159 755.47 |
| ShosMeyl-CPT | R 22 774 876.13 |
| ShosMeyl-GP-South | R 97 763 179.60 |
| ShosMeyl-HO | R 1 038 915 431.48 |
| Total Spending | **R 9 441 647 647.48** |