

**MINISTRY**

**PUBLIC WORKS**

**REPUBLIC OF SOUTH AFRICA**

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**NATIONAL ASSEMBLY**

**WRITTEN REPLY**

**QUESTION NUMBER: 379 [NW391E]**

**INTERNAL QUESTION PAPER NO.: No. 02 of 2016**

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**DATE OF REPLY: 25 APRIL 2016**

**Ms L V James (DA) asked the Minister of Public Works:**

With reference to President Jacob G Zuma’s undertaking in his State of the Nation Address delivered on 12 February 2015, that the Government will set aside 30% of appropriate categories of state procurement for purchasing from Small, Medium and Micro-sized Enterprises (SMMEs), co-operatives, as well as township and rural enterprises, what percentage of the total procurement of (a) his department and (b) every entity reporting to him went to (i) SMMEs and (ii) co-operatives from 1 April 2015 up to the latest specified date for which information is available? **NW391E**

**REPLY:**

**The Minister of Public Works**

(a) (i) and (ii) I would like to point out to the Honourable Member that the current reporting systems within the Department of Public Works (DPW) do not cater for capturing of information in the particular categories of cooperatives, township enterprises and rural enterprises, as the focus has shifted to Broad-Based Black Economic Empowerment (BBBEE) status level of contribution. Whilst the DPW systems do not make provision for recording procurement in terms of the specific categories, to ensure monitoring and reporting on these designated categories, the Supply Chain Management Directory is negotiating with the system service provider to reconfigure the procurement module to provide the relevant statistics.

In terms of procurement from SMMEs, the DPW can report the following:

For the period 01 April 2015 to 31 January 2016 the percentage of procurement from SMMEs by the Department of Public Works is as follows:

**Goods and Services including day-to-day maintenance:-**

A total of 3 688 (100%) with a value of R181 311 457.46 was awarded to SMMEs.

**Consultancies (Built Environment):-**

Out of a total of 233 appointments with a total value of R68 957 445.61, a total of 152 appointments (66%) were made with a total value of R31 761 929.55 awarded to SMMEs.

**Construction Projects:-**

Out of 166 tenders\* awarded with a total value of R1.8 billion, 95 tenders (57%) were awarded to SMMEs, worth a total value of R171 349 536.90.

**\*90.5% of the construction projects (with a value of R1.6 billion) were awarded according to the CIDB grading system.**

(b) **Entities reporting to the Minister of Public Works**

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| **Entity** | 1. **SMMEs** | 1. **Co-operatives** |
| Council for the Built Environment **(**CBE**)** (01 April 2015 – 29 February 2016) | R12 928 645-00 (57.58% of R22 453 970-58) | Nil |
| Construction Industry Development Board **(**CIDB**)** (1 April 2015 – 31 January 2016 | R7 149 988.15 (15.41% of R46 387 686.84) | Nil |
| Independent Development Trust **(**IDT**)** (1 April 2015 – 29 February 2016) | IDT spent the following amounts towards SMMEs out of its infrastructure programme:   * **Goods and services including day-to-day maintenance:**   R30 877 470.73 (100%)   * **Built environment consultants:**   R285 408 176.00 (99%)   * **Construction Projects**   R677 736 177.60 (96%) | Nil |
| Agrément South Africa (01 April 2015 – 29 February 2016) | The procurement of goods and services for Agrément South Africa (ASA) was done through the shared services under the CSIR. The CSIR response to this question through the Department of Science and Technology has therefore included ASA’s procurement spent towards the SMMEs. | Nil |