###### National Assembly

Question Number: 389

**Dr G A Grootboom (DA) to ask the Minister of Transport:**

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) her department and (b) every entity reporting to her went to (i) SMMEs and (ii) co-operatives from 1 April 2015 up to the latest specified date for which information is available? NW401E

**Reply:**

**Department of Transport**

**Reply:**

1. The percentage of total procurement of (a) the Department that went to (i) SMME's was 3.21% and that went to (ii) Co-operatives was 0% for the period 1 April 2015 to 31 January 2016.

The percentage of appropriate categories of procurement of (a) the Department that went to
(i) SMME's was 44.58% and that went to (ii) Co-operatives was 0% for the period 1 April 2015 to
31 January 2016.

**Notes for Minister:**

1. **Department of Transport:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  |  | **Percentage** | **Rands** |
|  |  |  |  |  |
| **Total procurement for the Department (1 April 2015 to 31 January 2016)** | **100.0%** | **361,768,433** |
|  |  |  |  |  |
| **Total procurement is made up as follows:** |  |  |  |
|  |  |  |  |  |
| **Large contracts (excluded from appropriate categories of procurement):** | **81.2%** | **293,910,526** |
|  - Tasima (Pty) Ltd | eNaTIS | 33.5% | 121,429,317 |
|  - Taxi Scrapping Agency (Pty) Ltd | Taxi Scrapping Administrator | 22.3% | 80,892,621 |
|  - Smit Amandla Marine (Pty) Ltd | Oil pollution prevention | 9.0% | 32,636,412 |
|  - Telkom SA Ltd | Watchkeeping services | 8.9% | 32,077,190 |
|  - Royal Haskoning Joint Venture (Pty) Ltd | S'Hamba Sonke | 3.9% | 13,975,443 |
|  - Aurecon South Africa (Pty) Ltd | National Transport Planning Databank and NATMAP 2050 Review | 1.9% | 6,890,551 |
|  - Full core Facilities Management | S'Hamba Sonke | 1.7% | 6,008,992 |
|  |  |  |  |  |
| **Exclusions from appropriate categories of procurement:** |  | **11.6%** | **41,775,203** |
|  - Bids invited via the State Tender Bulletin |  |  | 7.8% | 28,287,552 |
|  - Procurement of Government Forms from Government Printer |  | 0.5% | 1,643,052 |
|  - Advertisements via the South African Broadcasting Corporation (SABC) | 0.6% | 2,302,668 |
|  - Procurements via the State Information Technology Agency (SITA) | 2.4% | 8,516,731 |
|  - Procurements via Transversal Contracts |  |  | 0.2% | 785,781 |
|  - Training done by School of Government |  |  | 0.1% | 239,419 |
|  |  |  |  |  |
| **Appropriate categories of procurement for SMME's** | **100.00%** | **7.2%** | **26,082,704** |
| Procured from enterprises that are: |  |  |  |   |
| **SMME's:** |  | **44.58%** | **3.2%** | **11,628,255** |
| Large |  |  | 0.2% | 614,803 |
| Not classified (most may be SMME's) |  |  | 3.8% | 13,839,646 |
|  |  |  |  |  |
| **Total procurement** |  |  |  | **361,768,433** |
|  |  |  |  |  |
| **Notes:** |  |  |  |  |
|  |  |  |  |  |
| Procurement from SMME's totaled R11,628,255 from 1 April 2015 to 31 January 2016. This amount represents 3.2% of the total amount of procurement over the period.Procurement from appropriate categories of procurement totaled R26,082,704. Procurement from SMME's of R11,628,255 represents 44.58% of procurement from appropriate categories of procurement. |

**Airports Company South Africa SOC Limited (ACSA)**

Response for the period 1 April – 31 January 2016.

1. Airports Company South Africa
2. (i) Percentage of Total Procurement awarded to SMMEs

Total Procurement Spend is R1 503 708 312

Total SMME Spend is R260 858 309 of total procurement spend to SMMEs is 17%

(ii) There was no spend for co-operatives for the period under review.

**Air Traffic & Navigation Services SOC Limited (ATNS)**

The total procurement spend for SMME’s is:

Exempted Micro Enterprise (EMEs) – 13, 88%

Qualifying Small Enterprise (QSEs) – 15, 55%

 Total: - 29, 21%

**South African Civil Aviation Authority (SACAA)**

1. N/A

(b) The South African Civil Aviation Authority spent

(i) (ii) 67% of the budget on SMME’s and Cooperatives from 1 April 2015 to date. The SACAA procurement system does not provide the split between SMMEs and Cooperatives hence the combined response.

**Cross-Border Road Transport Agency (CBRTA)**

(b)The C-BRTA percentage of procurement for purchasing from Small, Medium and Micro-sized Enterprises (SMMEs), cooperatives, as well as township and rural enterprises from 1 April 2015 up to the latest specified date for which information is available for:

(i) SMMEs: The C-BRTA procured 48% out of the total procurement from SMMEs from 1 April 2015 to date; and

(ii) Co-operatives: The C-BRTA did not procure any goods or services from Co-operatives from 1 April 2015 to date.

**Road Accident Fund (RAF)**

(b) From 1 April 2015 up to 31 December 2015, which is the latest date for which information is available, twenty five percent (25%) of the total procurement spend by the RAF) went to Exempted Micro Enterprises (EMEs), which enterprises include (i) SMMEs and (ii) co-operatives. The RAF’s BBBEE Scorecard as it relates to procurement spend is directed at EMEs, a category of entity whose annual turnover is less than R 10 million. Consequently, the RAF does not have information available relating specifically to the procurement spend directed to SMME’s and co-operatives.

**Road Traffic Management Corporation (RTMC)**

(b) The RTMC percentage of procurement for purchasing from Small, Medium and Micro-sized Enterprises (SMMEs), cooperatives, as well as township and rural enterprises from 1 April 2015 up to the latest specified date for which information is available for:

(i) SMMEs: The RTMC spent 53.41% of the total procurement expenditure of R122 262 984 .53

 procured 48% out of the total procurement from SMMEs from 1 April 2015 to date; and

(ii) Co-operatives: The RTMC has not spent any money on co-operatives

**Road Traffic Infringement Agency (RTIA)**

(a) The RTIA percentage of procurement for purchasing from Small, Medium and Micro-sized Enterprises (SMMEs), cooperatives, as well as township and rural enterprises from 1 April 2015 up to the latest specified date for which information is available for:

(i) SMME’s – 29.2% of the total procurement

(ii) Co-operatives: The RTIA has not spent any money on co-operatives

**South African National Roads Agency Limited (SANRAL)**

1. The SANRAL percentage of procurement for purchasing from Small, Medium and Micro-sized Enterprises (SMMEs), cooperatives, as well as township and rural enterprises from 1 April 2015 up to the latest specified date for which information is available for SANRAL has been promoting SMMEs and involving them in their projects since inception in 1998.
2. As reported in the Annual Report for the financial year 2014/15, over 1600 SMMEs were involved in the various categories of works and suppliers. The value of their earnings was R 3.9 billion.
3. In the current financial year to 31 December 2015, SANRAL has managed to maintain the number of SMMEs on its projects – over 1600. Their earnings to date are about R2.5 billion

**Ports Regulator of South Africa (PRSA)**

The Ports Regulator has spent a total of 34.38% of its total procurement on SMME’s and co-operatives as follows:

(b) (i) SMME’s expenditure is 34.38%

(ii) No expenditure on co-operatives.

**South African Maritime Safety Authority (SAMSA)**

1. Total Procurement spent is **R89 983 653.68,** spent on SMME is **28%**
2. No spent on Co-operatives

**Passenger Rail of Agency of South Africa (PRASA)**

(b) (i) The spending figures for the period 01 April to 29 February 2016 are as follows:

Exempted Micro Enterprises: – R1 537 190 086 which is 23.5% of total procurement spending

Qualifying Small Enterprises: – R1 018 108 987 which is 17.6% of total procurement spending.

(The legislated minimum target in terms of the above is 15% of total procurement spending).

Black Suppliers:R2 719 641 138 which is 31% of total procurement spending

Black Women Owned Suppliers: R1 305 927 222 which is 18.2% of total procurement spending

(The legislated targets for the above are 40% and 12% respectively)

1. (ii) PRASA is establishing capacity to work with the Co-operative sector. For the period April 2015 to 29 February 2016, PRASA has spent R15. 8 Million on Co-operatives.

**Railway Safety Regulator (PRSA)**

1. The Railway Safety Regulator (RSR) has spent a total of 35.68% of its total procurement spend from 01st April 2015, to date which went to SMMEs.
2. RSR has not spent anything towards co-operatives.