

Agrément South Africa

PRESENTATION TO THE PARLIAMENTARY PORTFOLIO COMMITTEE

FOR

THE DEPARTMENT OF PUBLIC WORKS

ON 01st JULY 2009

FOLLOW UP ON STRATEGIC PLAN AND BUDGETS FOR 2009/10

Friday, 03 July 2009



Presentation Team Outline

- **Introduction:** Board Chairperson, Pepi Silinga
- **Business plan:** CEO, Joe Odhiambo
- **Budget for 2008/09,** Pat Ncube
- **Conclusion:** Board Chairperson, Pepi Silinga

Presentation Contents

- Mandate
- Vision and mission
- Impact and achievements
- Challenges and opportunities
- The Board
- Organisational Structure
- Typical Scope of Evaluation
- Quality Management System
- Vision 2015
- Financial statement and budget

Mandate

Agrément South Africa operates under the delegation of authority from the Minister of Public Works to:

- Provide assurance by carrying out testing, evaluation, confirmation and certification of fitness-for-purpose of non-standard construction products and systems through;
 - Quality products and services
 - Improve speed of service delivery

Vision and Mission

Vision

To be world-class technical assessment Agency

Mission

To promote the government's objectives of economic development, good governance, raising living standards and prosperity by undertaking technical assessment and certification of non-standard construction products in South Africa.



Legislated and delegated authority

- Executive Authorities leadership: Transforming the agency into a fully fledged public entity with clear mandate separate from the CSIR
- Policy and Legislation in hand
- Ideal amount R25.9million compared to current amount allocated for 2009/10 financial year R8.9million
- Financial constraints that the Agency is experiencing.

Strategic intent

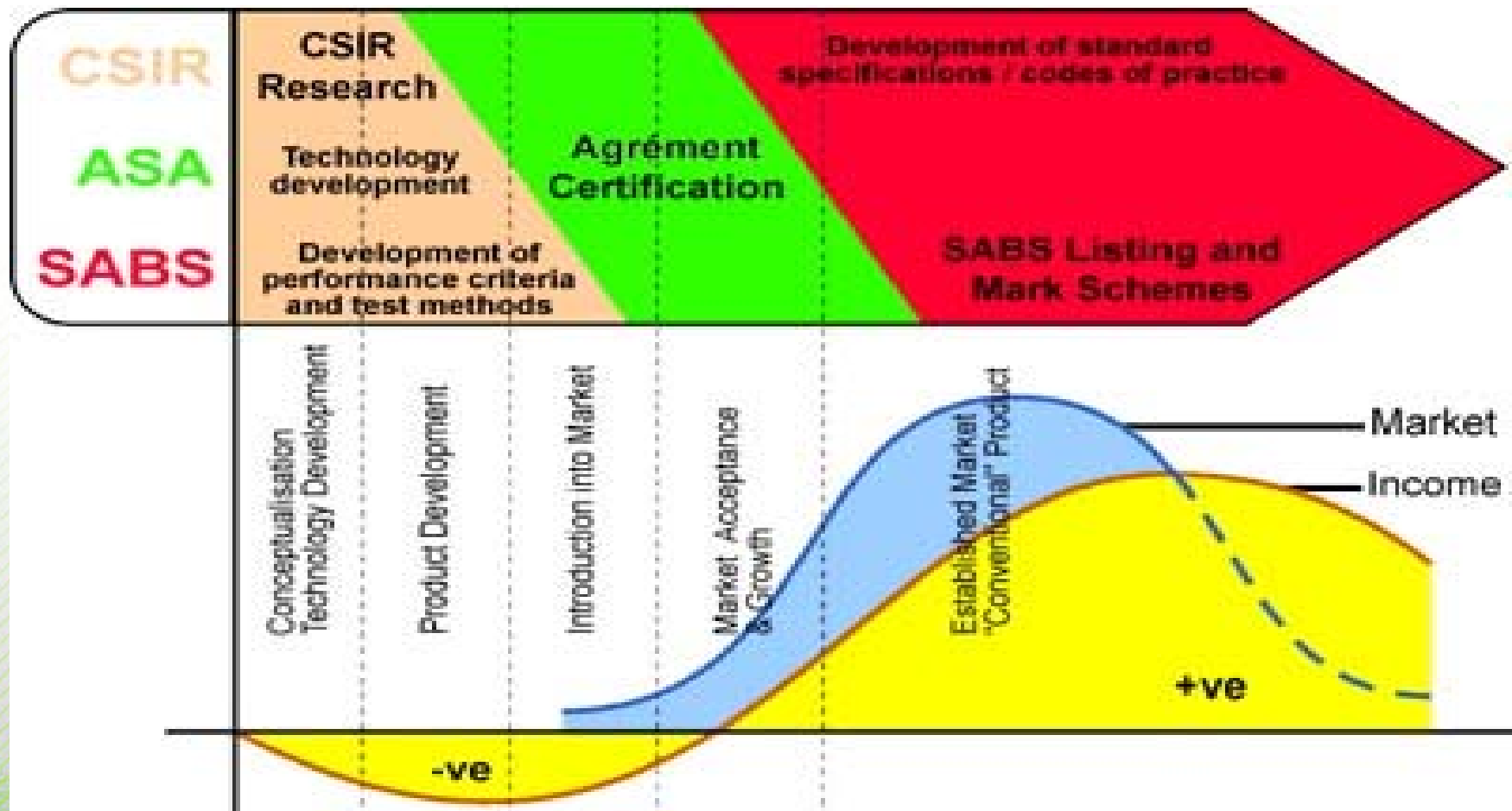
- In accordance with the Minister's mandate and the above vision, the Board has set four over-arching goals
- Provide active support to strategic national programmes aimed at transformation and increasing South African innovation and emerging enterprise development.
- Viable organisation with sound corporate governance, risk management profile, world-class processes and systems with a strong technology property base.
- A leading State-owned, internationally acknowledged centre for the assessment and certification of non-standardised construction products.
- Enhance South Africa's position, leadership and strong global presence through innovation, research and development

International best practice

- Baseline survey of the structures and operating models used by the WFTAO members.
- Agrément South Africa is a founder member of the WFTAO.
- alignment with WFTAO mission, membership requirements and modus operandi.
- Currently the WFTAO has members from twenty-one countries across the global market.
- Fosters international recognition thus allowing SA manufactured products to be accepted globally



Typical Product Development Cycle



BUILT ENV. PROFESSIONALS

PERFORMANCE BASED APPROACH

International approach



**World Federation of
Technical Assessment
Organisations**

Level 1

GOAL /OBJECTIVE

Level 2

FUNCTION

Level 3

PERFORMANCE REQUIREMENTS

Level 4

EVALUATION

standards
South Africa
(a division of SABS)



By application of
design and
construction rules

By testing and
/ or
assessment

By application of
well established
engineering
principles

By expert
opinion and
judgment

Close Relationship With Municipalities

- Contacts with the municipalities to identify skilled experts to be used to carry out technical assessments of new products.
- Assistance in giving information on certificated products
- Prevent sub-standard materials from getting to the market.
- Ensure only fit-for purpose products are used in construction
- Takes away the stress on selection of products as test have been carried out by an independent assessment

Impact and Achievements ¹

- 482 certificates have been issued.
- 169 certificates are currently valid.
- Widespread use of several Agrément certificated products, e.g.
 - Hollow concrete blocks
 - Metal roof tiles
 - Lightweight internal partitions
 - Hard drawn copper tubing
 - Variety of waterproofing and wall coating materials
 - Plastic bath tub

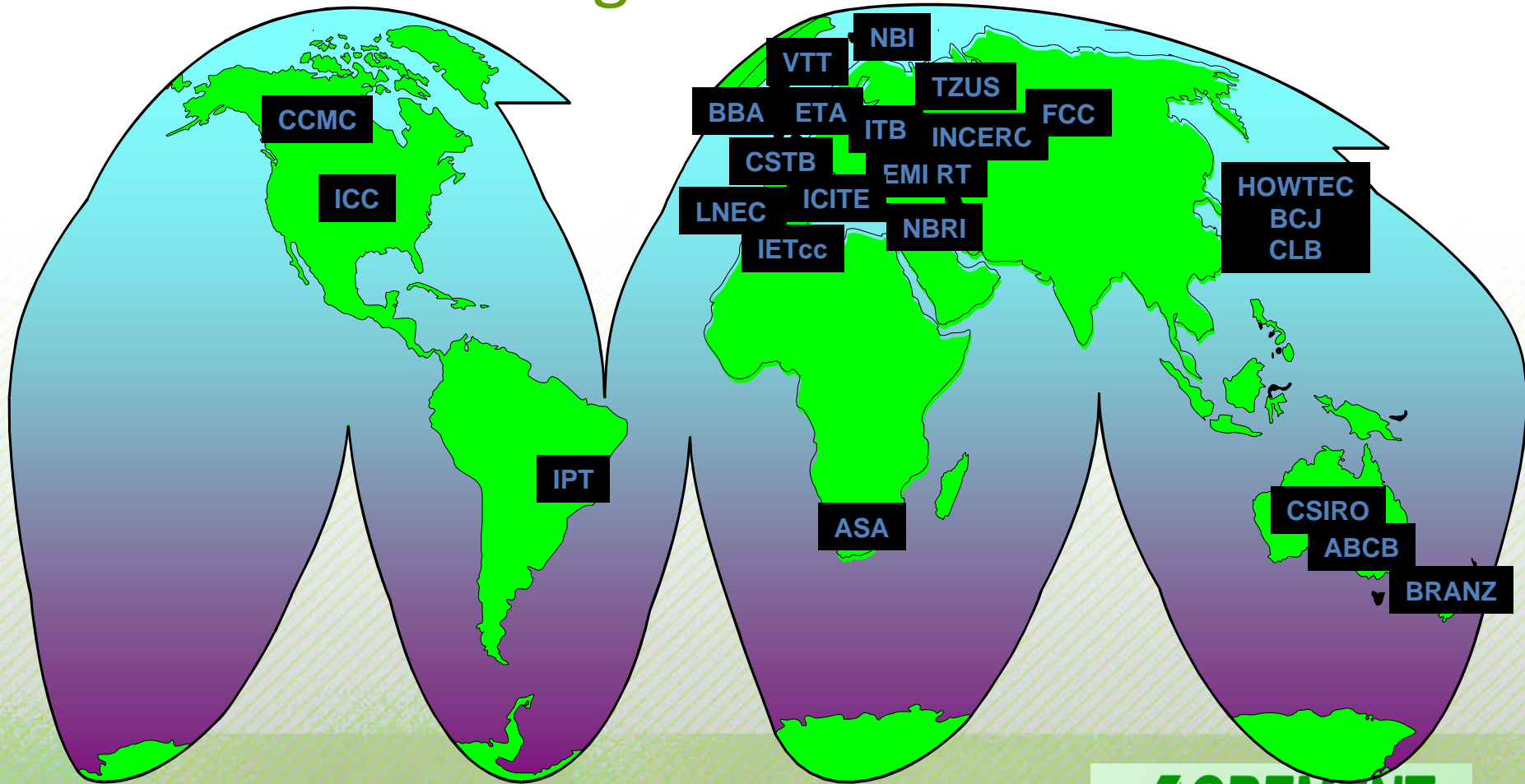
Impact & Achievements²

- Human resource development within the technical agency
- 93% of Agrément's staff were involved in short course training last year (99.7 training days)
 - Recommend industry average is 3 days p.a.
 - CSIR recommendation is 6 days p.a.
 - Agrément average is 7.1 days p.a.
 - 63% of staff members involved in formal tertiary higher degrees: Bachelor's to PhD's in Engineering Science.

Impact & Achievements³

- Increased awareness and visibility
- Transformation of the technical agency
- International standing and recognition
- Increase in technical outputs
- Increased acceptance of innovative building systems

World Federation of Technical Assessment Organisations





WFTAO 2008/09 annual
meeting, PRETORIA, RSA
21st - 30th September



Challenges & Opportunities¹

- **Technical agency** : Technical assessment & project management skill
- **Technical committee**: Expert knowledge and recognized as experts by their peers in their field.
- **Interpret results of tests** conducted to assess whether products meet Agrément performance criteria or not.
- **Technical Infrastructure**: Accredited laboratories to carry out the actual tests on products and building systems and produce test reports on performance

Challenges and Opportunities ₂

- **Legislative framework**

Delegated to the Chairperson of the Board of Agrément South Africa, when acting in conjunction with the wishes of the Board.

- **Backward integration**

Research and product development.

- **Forward integration**

Awareness and visibility.

Close working relationships with stakeholders by forming strategic alliances.

- **Enforcement**

- **Capacity**



National Relevance & Value Added¹

- Working within the framework of the national imperatives
- State of the nation address
- National sustainability development strategy
- Green Buildings Initiative
- National development and service delivery
- Socio economic benefits: EPWP & Eradication of unsuitable schools
- Developing emerging entrepreneurs including the Youth
- Superior energy efficiency performance
- Improved energy efficiency
- Sustainable development and potential for rural development

National Relevance & Value Added²

- Define minimum standards for laboratory facilities and develop an appropriate maintenance model (Project : Upgrade laboratories)
- Improve access to all facilities for disabled staff and visitors
- Improve security of people, assets and information
- Use ICT to enhance staff mobility and productivity (Project : Wireless networks, VOIP, etc.)
- Create a healthy and safe working environment (Project : Enhance services through Medical Centre)

National Relevance & Value Added³

- Implement energy-efficiency programme
- Improve efficiency in sourcing / tendering processes (value for money)
- Review major procurement contracts in ICT, research support, travelling, etc. (unlock value)
- Reduce insurance and other associated costs through appropriate risk-assurance practices.

National Relevance & Value Added⁴

- **Women empowerment:** Agrément South Africa continues on the present course regarding women empowerment.
- Close to fifty percent female staff employment.
- Target women employees.
- Excellent employees & Providing training.
- **Youth** - Agrément will continue with our bursary scheme.
- In the past financial year Agrément had three bursary student
- Staff development programme.
- Final year Building Science, Quantity Surveying and Civil Engineering graduate students
- Join Agrément South Africa as full time employees on culmination of their graduate studies.

National Relevance & Value Added⁵

- **Disabled people** - Agrément will continue in its quest to engage persons with disabilities.
- Endeavour to recruit disabled persons.
- All adverts for employment or contracts going out will place emphasis on people with disabilities and the short-listing and selection process will place great emphasis on persons with disabilities.
- All tenders being issued will also place emphasis on persons with disabilities with great emphasis being placed to ensure that they get awarded contracts should their bid be favourable.
- All these activities will be done and will ensure that persons with disabilities get preferential treatment.

National Relevance & Value Added⁶

- **Children**
- Agrément has continued in its role to participate in activities that target children.
- Participated in several initiatives that enhance the role of children.
Among the initiatives
 - include take a girl child to work day,
 - Sci-fest exhibition,
 - Sci-bono workshop and
 - several other shows that target school going children.

Compliance with PFMA and Treasury Regulations

- Quarterly reports
- Regular interaction with the DPWNIF
- Regular interaction with DPW HOD's Forum
- Member of the BE Management Team
- Annual Strategic planning session
- Shareholders compact
- Strict adherence to financial management
- Financial statements subjects to independent external audit as well as an autonomous internal audit

The Board ¹

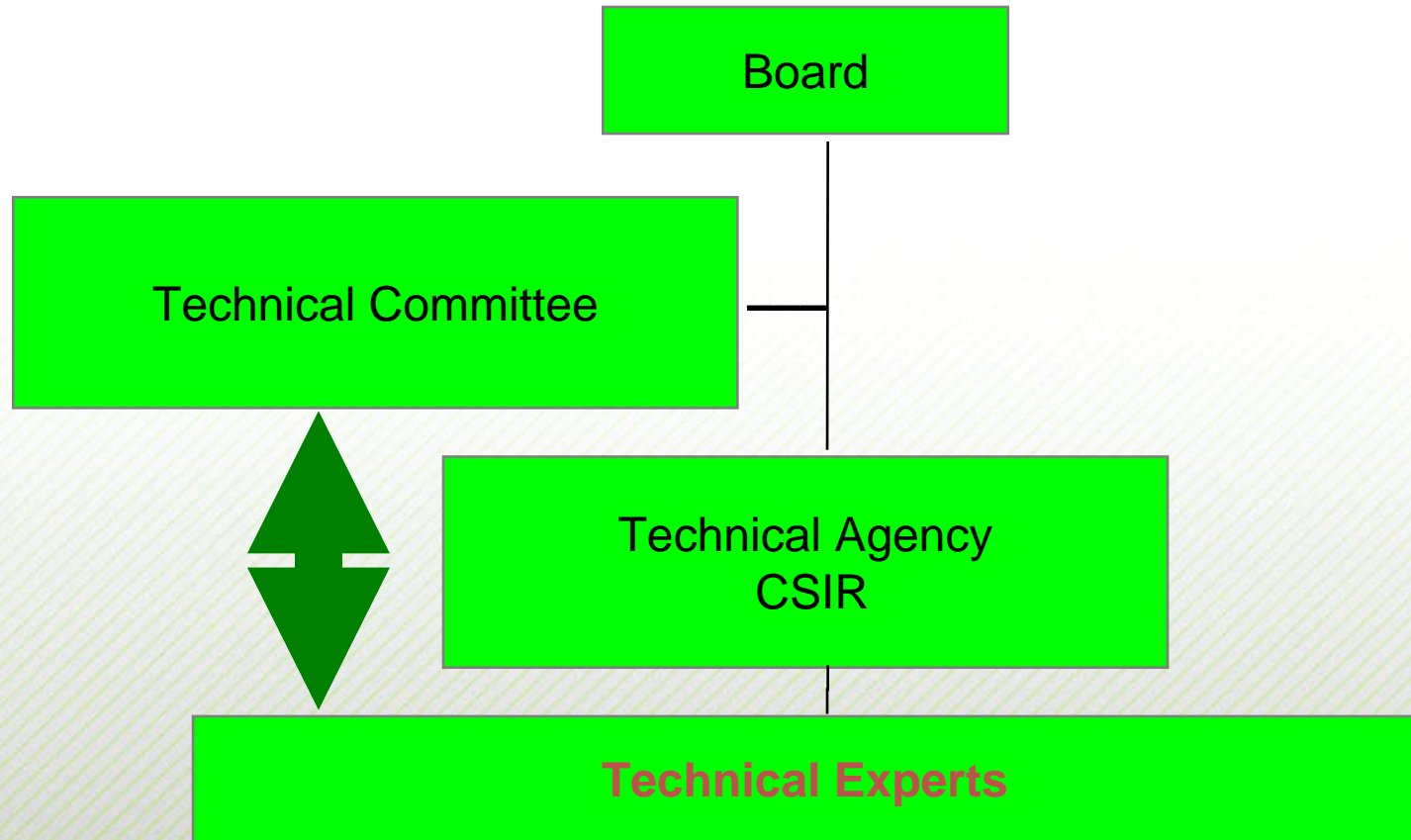
- **Eleven** Board members were appointed in November 2007.
- Appointed for a **period of three years**.
- **Chairperson**: Pepi Silinga.
- **Strategic planning session** on 22.07.2009.
- **Raise standards in industry**.
- **New objectives for quality and quantity of outputs**.
- **Make a difference in the lives of South Africans by enhancing service delivery by testing and approving improved construction products and systems**.



The Board ₂

- Pepi Silinga – CEO, Coega and Chairman, Port Elizabeth
- Cannon Noyana –MD, Nobuhle Consultants, Johannesburg
- Dr. Mohammed Tayob – Medical Doctor, Witbank
- Edwin Kruger – Bridge Manager: SANRAL, Pretoria
- Ms. Khomotso Choma – MD, Turnkey Projects, Witbank
- Montwedi Seane – General manager, SABS, Pretoria
- Lethola Moshe – MD, Botle Consultants, Bloemfontein
- Mike Marler – Engineering Specialist, DBSA, Midrand
- Ms. Nozibusiso Shabalala – Director, SA Asphalt, Durban
- Ms. Ntebo Ngcobo –Civil Engineer, UJ, Johannesburg
- Solomon Malebye – Acting DG, DPW, Pretoria

Organisational Structure



Typical Scope of Evaluation

- structural strength and stability
- performance in relation to fire
- resistance to water penetration and rising damp
- thermal and energy performance
- condensation
- acoustic performance
- accuracy in building
- durability
- quality management system
- compliance with the National Building Regulations

Contents of Agrément certificates



Title:
Harveytile Roofing System

Certificate holder:
Harveytile Roofing Products (Pty) Ltd
P O Box 420
BRAKPAN
1540
Telephone: (011) 813-2350
Facsimile: (011) 817-1509

Valid until further notice (see third paragraph of Preamble on Page 1)



Subject
Lightweight pre-decorated metal tile roofing system.

Use
The Harveytile Roofing System is intended for new and reroofing applications for all types of buildings in all parts of South Africa except areas with an aggressive atmospheric environment where there is evidence that severe corrosion of steel components has occurred or is likely to occur.

COMPLIANCE WITH THE NATIONAL BUILDING REGULATIONS¹

The following regulations are satisfied:
A13(1)(a) *Materials*
L1(a), L1(b) and L1(c) *Roofs*.

The following deemed-to-satisfy rule as regards fire protection applies:

Harveytile tiles are non-combustible and meet deemed-to-satisfy rule TT5.2(c) of SABS 0400-1990. They are therefore suitable for the intended use.

SUMMARY OF PART I, SECTION 4: ASSESSMENT (see over)

¹ As published in Government Gazette Notices R2378 and R432 *National Building Regulations and Building Standards Act, 1977* (Government Gazettes No 12780 dated 12 October 1990 and No 13054 dated 8 March 1991).

AGRÉMENT certificates incorporate:

- Details of the certificate holder
- Information on subject and use of the product
- Summary of assessment carried out
- Conditions of certification
- Technical description
- Drawings

Quality Management System

- During evaluation and technical assessment.
- Covers factory production and site installation.
- Approved installers scheme.
- All certificates holders are visited at least once annually.
- Three validity review.
- In accordance with ISO 9001.

Initiatives Going Forward

- Importing knowledge and skills
- Relevance to all stakeholders especially the rural communities
- Impact on service delivery
- Education and awareness about available products for industrial and rural development
- Assistance to the SMME's
- Compliance to King 2 guidelines in terms of the Board workings and structure
- Clear plan going forward

Vision 2015

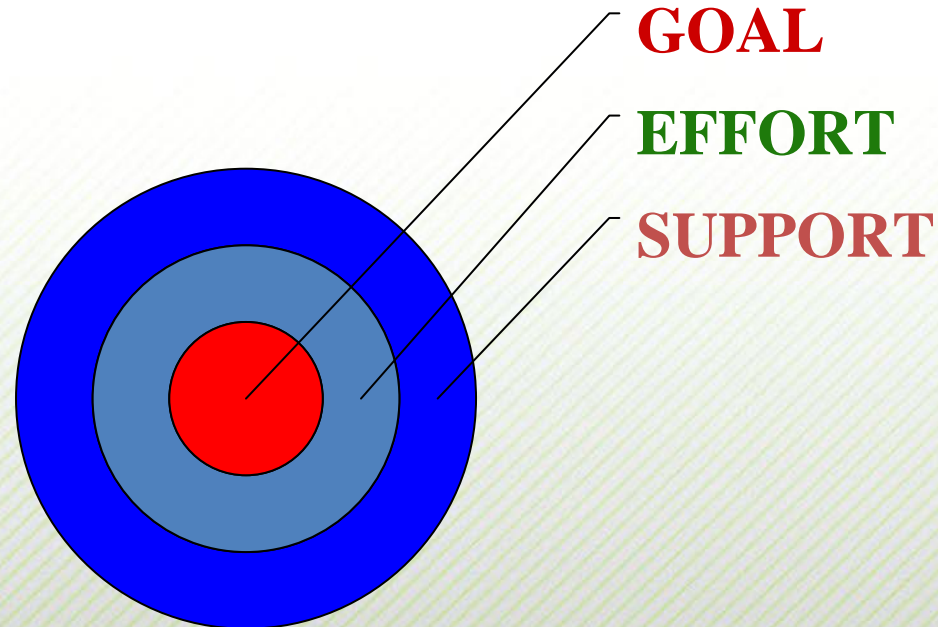
- **Innovative, modern and better** construction technologies will be widely used in South Africa.
- Agrément will be **highly visible and relevant** to the construction industry in South Africa.
- **Substandard** innovative construction products will be prevented from getting to the market.
- The **risk** involved in the use of untested innovative products will be ameliorated.
- The **agency will be highly transformed** and will represent the demographic profile of the country.
- The **housing provision challenge will be mostly addressed** using innovative construction systems.

Vision 2015

The new RSA house that will be

- Affordable
- Easy to construct
- Energy Efficient
- Encompasses Sustainable construction principles
- Quick to construct
- Low maintenance

Thank you...



Financial Statement 2008/09

• Human capital costs	4 575 000	62%
• Technical assessments, operational	1 580 000	21%
- Quality monitoring		
- Marketing		
- Research into technical Criteria		
• Infrastructure costs		
- Depreciation	222 000	03%
- Finance, HR & administration	1 068 000	14%
TOTAL	<u>7 446 000</u>	<u>100%</u>

Financial Forecast 2009/10

• Manpower or human capital costs	5 213 000	56%
• Technical assessments, operational	1 351 000	15%
- Quality monitoring		
- Marketing		
- Research into technical Criteria		
• Infrastructure costs		
- Rental and Depreciation_	768 000	8%
- Finance, HR and administration	2 001 000	21%
TOTAL	9 333 000	100%

Budget 2008/2009-1012

Description	2008/2009	2009/2010	2010/2011	2011/2012
Manpower or Human capital costs	3 980 000	4 296 000	4 605 000	4 927 000
Technical assessments, operational, Quality monitoring, Marketing, Equipment & Research into technical criteria	2 980 000	3 220 000	3 450 000	3 692 000
CSIR infrastructure costs including Rental, Depreciation and Management services	1 960 000	2 114 000	2 265 000	2 423 000
TOTAL	8 920 000	9 630 000	10 320 000	11 042 000

Additional Finances 2008/2009-2010

Description	2008/2009	2009/2010	2010/2011	2011/2012
Manpower or Human capital costs	0	6 784 000	7 583 000	8 480 000
Technical assessments, operational, Quality monitoring, Marketing, Equipment & Research into technical criteria	0	5 720 000	6 384 000	7 125 000
CSIR infrastructure costs including Rental, Depreciation and Management services	0	3 766 000	4 203 000	4 692 000
TOTAL	0	16 270 000	18 170 000	20 297 000

Ideal Budget 2008/2009-1012

Description	2008/2009	2009/2010	2010/2011	2011/2012
Manpower or Human capital costs	3 980 000	11 080 000	12 188 000	13 407 000
Technical assessments, operational, Quality monitoring, Marketing, Equipment & Research into technical criteria	2 980 000	8 940 000	9 834 000	10 817 000
CSIR infrastructure costs including Rental, Depreciation and Management services	1 960 000	5 880 000	6 468 000	7 115 000
TOTAL	8 920 000	25 900 000	28 490 000	31 339 000

Ideal Budget 2009/10

• Manpower or human capital costs	11 080 000	43%
• Technical assessments, operational	8 940 000	34%
- Quality monitoring		
- Marketing		
- Research into technical Criteria		
• CSIR infrastructure costs		
- Rental and Depreciation_	2 280 000	9%
- Finance, HR and administration	3 600 000	14%
TOTAL	25 900 000	100%

Ideal Budget 2010/11

• Manpower or human capital costs	12 188 000	43%
• Technical assessments, operational	9 834 000	34%
- Quality monitoring		
- Marketing		
- Research into technical Criteria		
• CSIR infrastructure costs		
- Rental and Depreciation_	2 508 000	9%
- Finance, HR and administration	3 960 000	14%
TOTAL	28 490 000	100%

Ideal Budget 20011/12

• Manpower or human capital costs	13 407 000	43%
• Technical assessments, operational	10 817 000	34%
- Quality monitoring		
- Marketing		
- Research into technical Criteria		
• CSIR infrastructure costs		
- Rental and Depreciation_	2 759 000	9%
- Finance, HR and administration	4 356 000	14%
TOTAL	<u>31 339 000</u>	<u>100%</u>

Thank You...

