

SANRAL

SOUTH AFRICAN NATIONAL ROADS AGENCY SOC LTD



Reg.No.1998/009584/30

**BUILDING SOUTH AFRICA
THROUGH BETTER ROADS**

SANRAL PRESENTATION (WEBINAR) TO CESA (NW & GAUTENG REGION: 01 JULY 2020

“SANRAL Northern Region: Outlook on road network investment”



ABOUT THE PANELIST



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He works for the South African National Roads Agency (SANRAL) as a Project Manager in the Design and Construction Division, Northern Region. He is also responsible for Overload Control Operations.



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Current & Future Projects
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SANRAL NORTHERN REGION NR

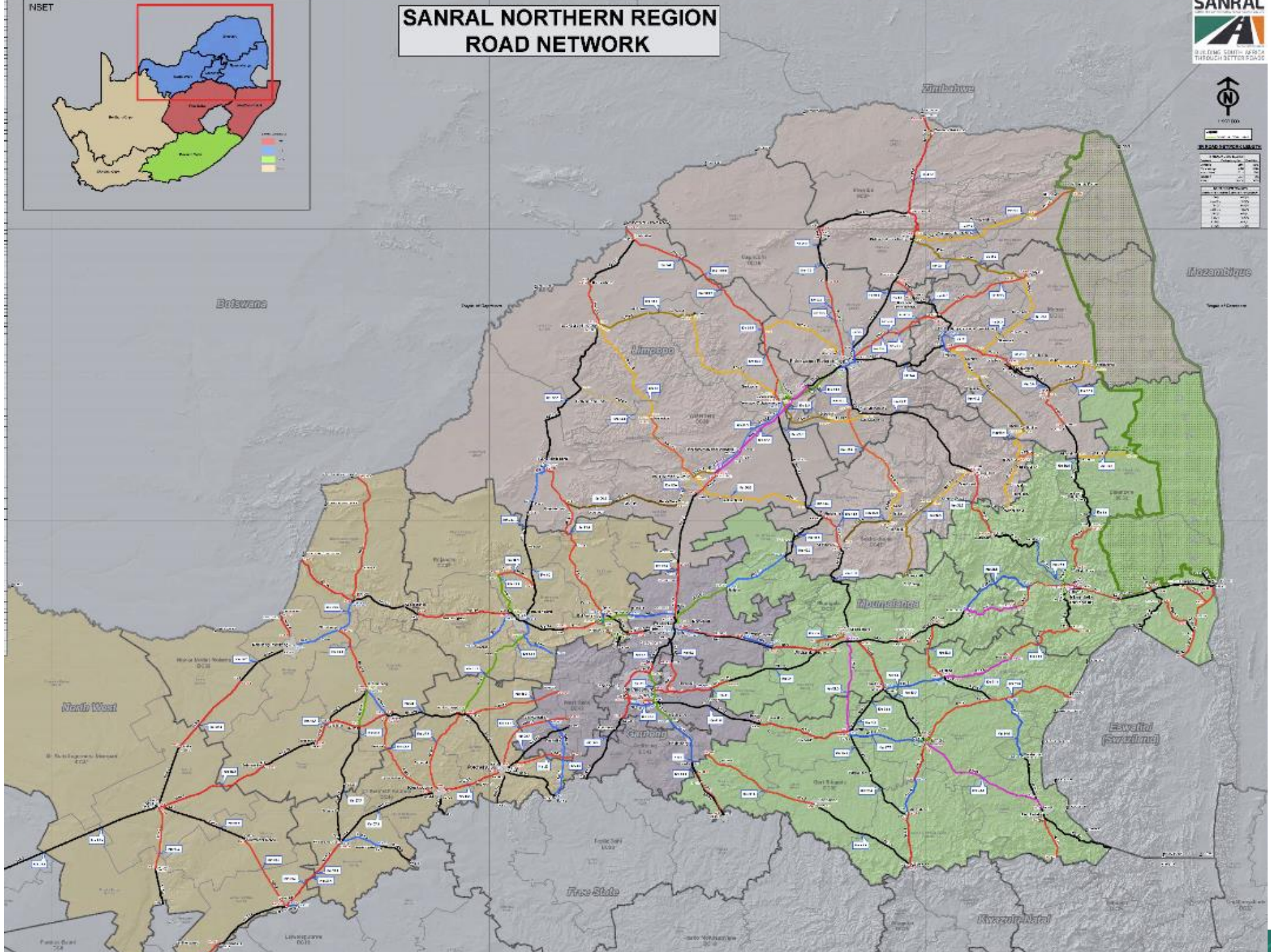
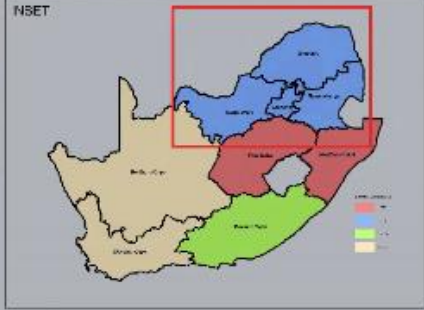


- ❑ **4 Provinces, namely;**
 - ❑ Gauteng (705km roads)
 - ❑ North West Province (2598)
 - ❑ Limpopo (3645km)
 - ❑ Mpumalanga (2455km)
- ❑ **Highlights;**
 - ❑ 9413 km of roads
 - ❑ Gauteng Freeway Improvement Project
 - ❑ Other major corridors (N1,N2, N12,N4,N17 & N3)
 - ❑ Moloto Road Development Corridor
 - ❑ Future Expansions of GP Network
 - ❑ Freeway Management Systems

SANRAL NORTHERN REGION ROAD NETWORK



ROAD CLASSIFICATION	
1	1: NATIONAL ROUTE
2	2: REGIONAL ROUTE
3	3: DISTRICT ROUTE
4	4: LOCAL ROUTE
5	5: UNCLASSIFIED ROUTE





SANRAL INVESTMENTS NR: EXPENDITURE PROJECTIONS



NR NON-TOLL ROADS

NON TOLL OPERATIONS EXPENDITURE FORECAST ("000 000)

Works Class	2020/2021		2021/2022		2022/2023	
Routine Maintenance	R	1 651	R	1 329	R	1 302
Periodic Maintenance	R	1 035	R	1 073	R	88
Special Maintenance	R	454	R	363	R	51
Community Projects	R	257	R	274	R	125
Total	R	3 397	R	3 039	R	1 566



NON-TOLL ROADS NORTHERN REGION



NON TOLL CAPEX EXPENDITURE FORECAST ("000 000)

Works Class	2020/2021		2021/2022		2022/2023	
Strengthening	R	549	R	331	R	205
Improvements	R	1 765	R	2 105	R	1 331
New Facilities	R	1 335	R	1 822	R	1 832
Sub-Total	R	3 649	R	4 258	R	3 368



TOLL ROADS NORTHERN REGION



TOLL OPERATIONS EXPENDITURE FORECAST ("000 000)

Works Class	2020/2021		2021/2022		2022/2023	
Routine Maintenance	R	2 796	R	2 056	R	2 108
Periodic Maintenance	R	313	R	771	R	549
Special Maintenance	R	87	R	35	R	-
Community Projects	R	-	R	-	R	-
Total	R	3 196	R	2 862	R	2 657



TOLL ROADS NORTHERN REGION



TOLL CAPEX EXPENDITURE FORECAST ("000 000)

Strengthening	R	482	R	463	R	963
Improvements	R	38	R	111	R	-
New Facilities	R	201	R	1 719	R	1 697
Sub-Total	R	721	R	2 293	R	2 660

NR-COMBINED FORECAST EXPENDITURE

COMBINED OPERATIONS EXPENDITURE FORECAST ("000 000)

Works Class	2020/2021		2021/2022		2022/2023	
Routine Maintenance	R	4 447	R	3 385	R	3 410
Periodic Maintenance	R	1 348	R	1 844	R	637
Special Maintenance	R	541	R	398	R	51
Community Projects	R	257	R	274	R	125
Total	R	6 593	R	5 901	R	4 223

COMBINED CAPEX EXPENDITURE FORECAST ("000 000)

Works Class	2020/2021		2021/2022		2022/2023	
Strengthening	R	1 031	R	794	R	1 168
Improvements	R	1 803	R	2 216	R	1 331
New Facilities	R	1 536	R	3 541	R	3 529
Sub-Total	R	4 370	R	6 551	R	6 028



TRANSFORMATION POLICY(TP) FOCUS



Ownership

- More aggressive demands on Large Construction Sector

Equitable Access

- Limitation of number of contracts per company per province and nationally
- Equitable allocation of projects across CIDB grades
- Balance of JVs and sub-contracting
- Sanral to have more say in sub-contracting
- Review of project packaging – size, duration, budget

Community Empowerment

- Direct benefit of communities in materials sourced locally

Supply Chains

- Create space for black business in rigid supply chains – materials, equipment etc.

Competition

- Create space for black business in Toll Operations and all supporting sectors in Sanral business

SMME Development and Support

- Sanral to play a more direct role in emerging contractor development

TRANSFORMATION POLICY

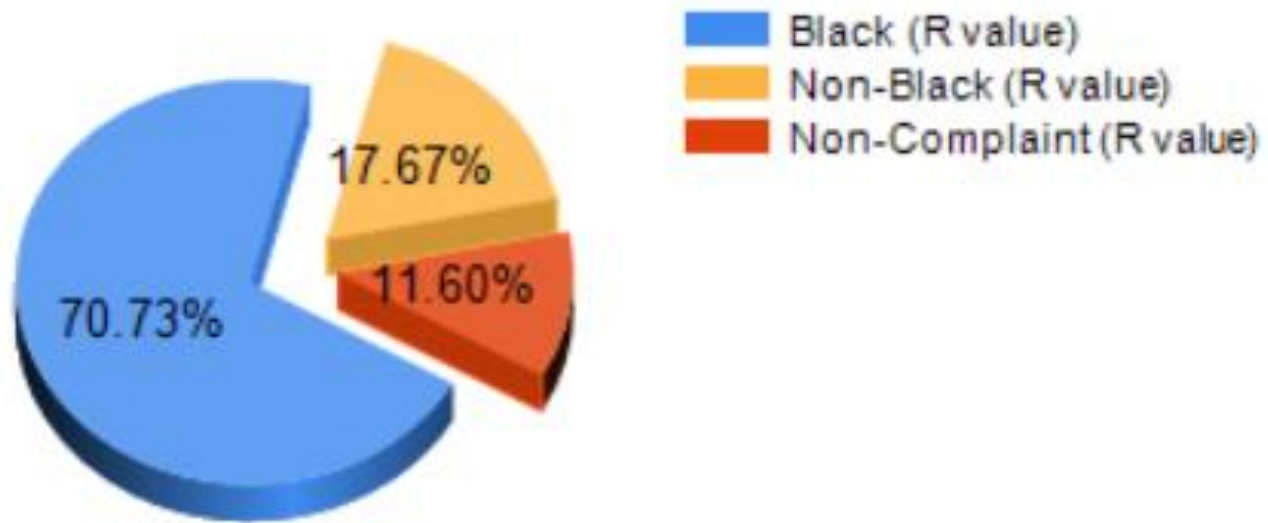


Implementation:

- The Transformation Policy has been implemented from May 2018. Except 51% black ownership and limitation of number of contracts awarded to a Service Provider.
- Increase in % black ownership to be gradual, and subject to review in 2022 (next policy review of date).
- RRM and Reseal consultants limited to EME and QSEs, based on value in accordance 2017 PPR.
- Increase in new entrants/consultants working for SANRAL
- 30% TE sub-contract – apply to contacts in QSE and Generic Category
- 30% TE Sub-contact starts at R10m for consultants
- Possible exclusion of Provisional Sum for Laboratory from some/all Consultants Tenderers in future. The relatively huge sums take projects out of range for QSEs and EMEs.
- Laboratories to be procured by SANRAL in some cases in futures
- Establishment of Regional help desks for SMMEs

NR EXPENDITURE ON EME/QSE FIN YR 2019/20

EME/QSE/Non-Compliant



NR EXPENDITURE ON EME/QSE FIN YR 2019/20

Table 1 : Empowerment, value of work performed

Road Type	Project Type	Black EME		Black QSE		Black Total	
		Count	Rand Value	Count	Rand Value	Count	Rand Value
Non-Toll Roads	Improvement	14	7,481,659	1	881,928	15	8,363,586
	New Facilities	3	441,509	3	11,533,607	6	11,975,115
	Other	2	260,482	1	5,558,800	3	5,819,282
	Periodic Maintenance	1	383,300	1	150,000	2	533,300
	Routine Operations	53	89,823,480	26	215,162,303	79	304,985,783
	Special Maintenance	10	6,905,490	2	2,787,646	12	9,693,136
	Strengthening	20	5,853,891	6	19,865,856	26	25,719,747
	Sub-Total	103	111,149,811	40	255,940,140	143	367,089,949
SANRAL Toll Roads	Improvement	4	6,782,203	2	17,335,868	6	24,118,071
	New Facilities	37	15,776,658	22	28,345,816	59	44,122,474
	Other	282	96,963,130	16	171,156,057	298	268,119,187
	Periodic Maintenance	-	-	-	-	-	-
	Routine Operations	62	177,823,135	31	121,975,671	93	299,798,806
		Sub-Total	385	297,345,126	71	338,813,412	456
Total		488	408,494,937	111	594,753,552	599	1,003,248,487
Percentage						66.7%	70.7%

CHALLENGES –

Challenges:

- “Business forums”, associations causing violent disruption of projects- work stoppages
- Demand for work localisation, -caused by misinterpretation of 2017 PPPFA Regulations, 30% sub-contracting for Targeted Enterprises
- Clearing project procurement backlog caused by prolonged engagements with National Treasury on application of 30% sub-contracting.
- Covid-19 disruptions – existing projects/operations and procurement delays and cost implications.
- Potential reduction in budget allocation in the medium term due to funds allocated for Covid-19 interventions.-Possible 10% cut

INTERVENTIONS –

Interventions:

- Intensified Stakeholder management process- engagements with Business Forums and affected communities, designated groups, such as women and youth. “Taking SANRAL to the people events.
- Implementation of the 14 Point Plan- inclusion of requirements in Project Documents etc.
- On-going consultation on implementation of Transformation Policy, review where based on market feedback, and adapting to legislation changes.
- Increase capacity of the procurement unit- employment of additional human resources on short term contracts to clear backlog in procurement.
- Establishment of Covid-19 Task Force. Pro-active approach aim at ensuring business continuity, whilst adhering to Covid-19 OHS protocols.



THANK YOU FOR YOUR
ATTENTION

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