

CESA Presidential Branch Webinar - Southern Cape, E. Cape Border Kei & PE 30 July 2020

Randall Cable Pr Eng



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SANRAL Regional Manager
Western Region

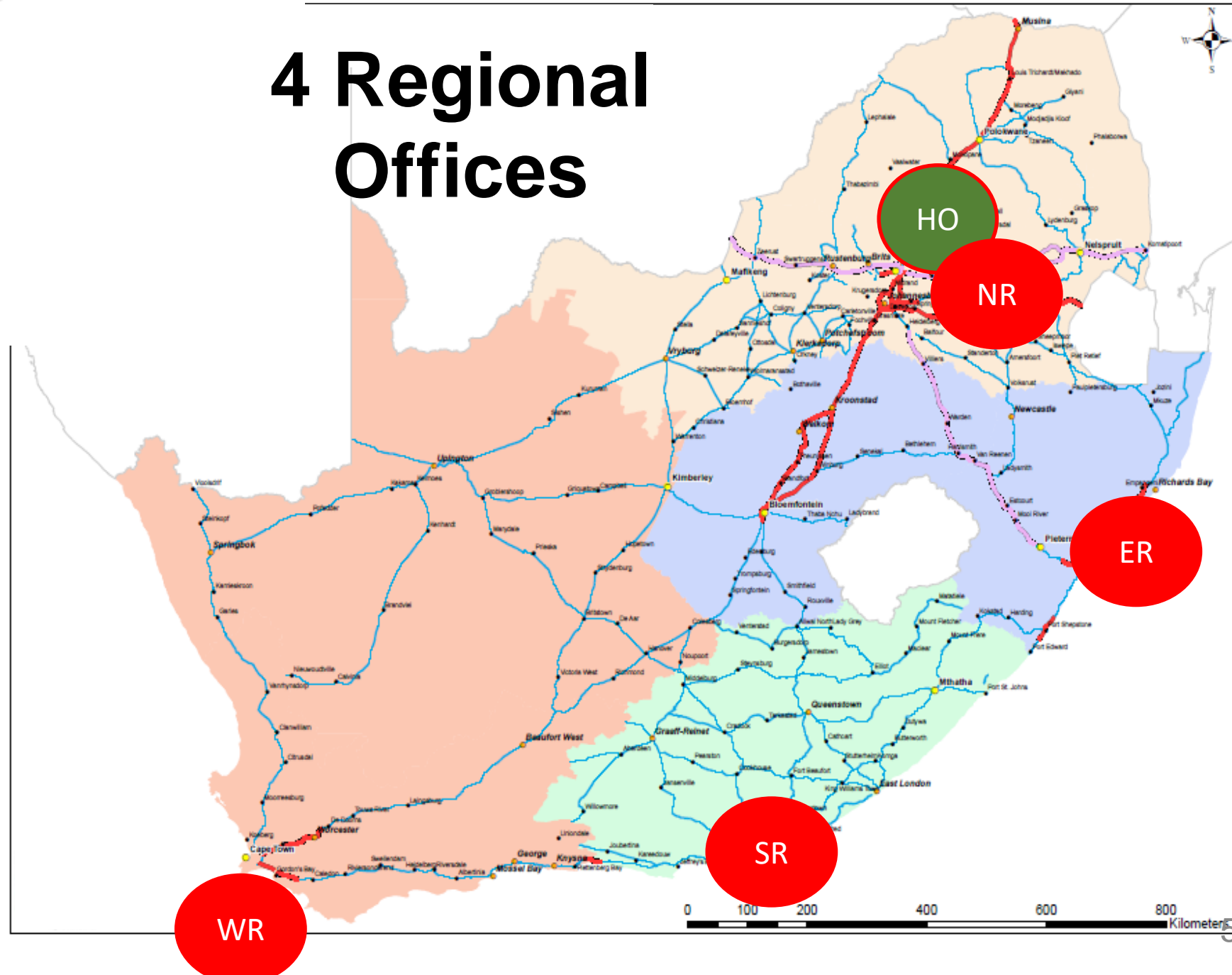


Randall Cable Pr Eng
SANRAL Regional Manager
Western Region

Presentation Outline

- SANRAL Western Region
- RRM Programme
 - What have we achieved?
- Engineering Services
 - Tenders: Backlog, Current and Future

4 Regional Offices



SANRAL Western Region

1 Havenga Street, Oakdale, Cape Town



Routine Road Maintenance



- National Road Network (22 214 km)
 - Every meter of the National Road Network is covered
 - Grass Cutting, Fence repairs, removal of debris, etc
 - Pothole: 48 hour turnaround
 - Daily route patrols
 - Ensure a safe environment for road users
- SANRAL RRM contracts undergoing makeover



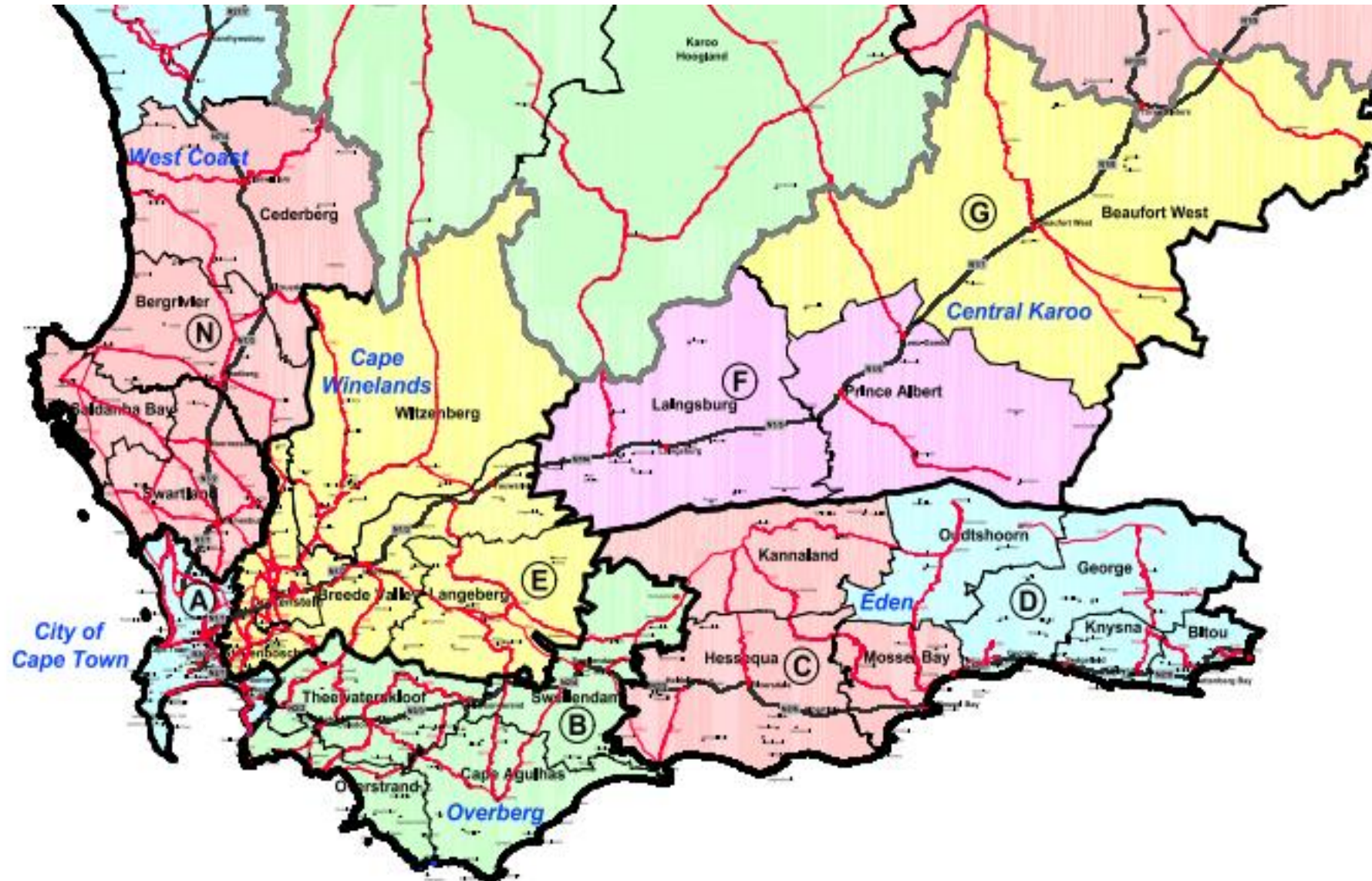
Routine Road Maintenance



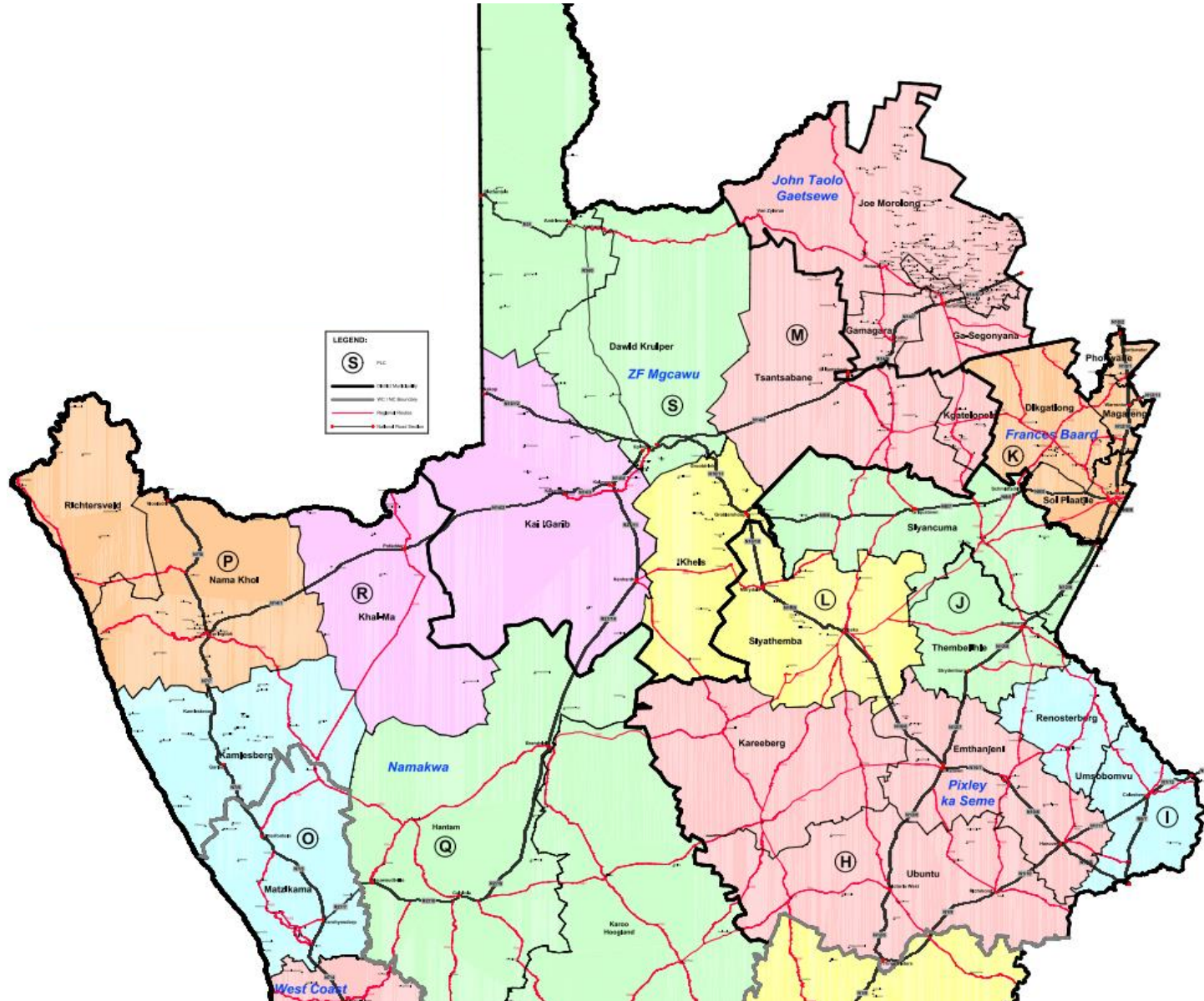
- **Reasons for Repackaging of RRM**
 - Tie-in with Local and District Municipalities
 - More RRM Contracts (from **19** to **24**)
 - Target EME Engineering Consultants
 - Main Contractor: Create opportunities for CIDB 6 or 7 CE,
- % Subcontracting Criteria for Main Contractor (Target Enterprises)
 - <51% Black Owned sublet **60%**
 - ≥51% Black Owned sublet **50%**
 - ≥51% Black Youth or Women Owned sublet **40%**



9 x RRM Projects Western Cape



15 x RRM Projects Northern Cape



Routine Road Maintenance



Are we achieving our Transformation Objectives ?

Results

- **24 x RRM Consultant Tenders Awarded**
 - **24 x EMEs, B-BBEE Level 1 and 2**
 - **11 x 100% Black Ownership**
 - **13 x $\geq 51\%$ to Black Ownership**
- **22 x RRM Contractor Tenders Awarded**
 - **22 x Contractors B-BBEE Level 1 and 2**
 - **13 x 100% Black Ownership**
 - **7 x $\geq 51\%$ Black Ownership**
 - **2 x 30% Black Ownership**
- **2 Main Contracts, Still to be Awarded**



Consulting Engineering Services Tenders



- **SANRAL dealing with Backlog of Tenders**
 - **National Treasury Regulations**
 - **SCM Reforms (Separation and Segregation)**
 - **Irregular Expenditure**
 - **Procurement Capacity**
 - **Other Issues**
- **Engineering Priorities**
 - **Engineering Plan**
- **Annual Procurement Plan (2020/21)**
 - **Consulting Engineering Services (48)**
 - **EME/QSE**
 - **All Consultants**
 - **Contractors (26)**

Consulting Engineering Services Tenders 2019/20 - 2020/21 (Backlog - 16)



Service Provider	Project Description	Total	Evaluation	Adjudication
Engineering Services (EME/QSE)	Design and Supervision: 9 x Reseals Supervision: 6 x Fog Spray	15	Completed	Aug/Sep 2020
Engineering Services	Design and Supervision: 1 x Huguenot Tunnel (Commissioning of North Bore)	1	August 2020	Sep 2020

Consulting Engineering Services Tenders 2020/21 (Recent/Current - 16)



Service Provider	Project Description	Total	Advertisement Date	Commencement Date
Engineering Services (EME/QSE)	Design and Supervision: 1 x W. Cape Network - Road Signs & Marking 1 x N. Cape Network - Road Signs & Marking 1 x Asphalt Overlay (N1-S1) 3 x Reseals (N1-S5; N1-S7/8)	6	Friday, 26 June 2020	October 2020
Engineering Services	Design and Supervision: 1 x Rehabilitation (N1-S2/3) 3 x Improvement (N1-S1; N1-S3) Supervision: 1 x Improvement (N2-S7)	5	Friday, 17 July 2020	November 2020
Engineering Services (EME/QSE)	Supervision: 3 x Fog Sprays (N2-7/8; R27-9/11; N14-2/3) 1 x Improvement (N14-2/3)	4	Friday, 31 July 2020	February 2020

Consulting Engineering Services Tenders 2020/21 (Future - 32)



Service Provider	Project Description	Total	Advertisement Date	Commencement Date
Engineering Services	Design and Supervision: 1 x Asphalt Overlay (N2-2) 1 x Improvement (N2-1) 2 x Greenfields (N2-1/2) 1 x CD (N14 – 7/8) (EME and QSE) 1 x Special Maintenance (N1-10)	6	28 Aug 2020	Jan 2021
Engineering Services (EME/QSE)	Design and Supervision: 15 x Reseals (N1-10/11, N8-8, N9-7; N10-5) Supervision: 6 x Slope Stabilization (N2-2; N2-6,N7-7; N1-8)	21	Oct 2020 to Mar 2021	May 2021 to July 2021
Engineering Services	Design and Supervision: 2 x Special Maintenance (N14-5) 3 x rehabilitation and shoulders (N1-10; N14-2/3; N14-6)	5	Oct 2020 to Mar 2021	May 2021 to July 2021

Concluding Remarks



- **Key Challenges going forward**
 - **Procurement Capacity**
 - **Consulting Engineering Services (48)**
 - **Contractors (26) (Oct 2020 to March 2021)**
 - **Compliant and Responsive Tenders**
 - **Eligibility**
 - **Technical Thresholds**
 - **WPA**
- **SANRAL committed to:**
 - **Transformation objectives**
 - **Consistent roll out of work to the industry**
 - **Delivering to the all our stakeholders**
 - **Industry**
 - **Road Users**

Thank you !

ENGINEERING: CONVENTIONAL AND RRM PROJECTS FOR CONSULTANTS				
CONTRACT VALUE (INCLUDING VAT) INCLUDES PROVISIONAL SUMS				INSTRUCTION NOTES
CATEGORY 1	CATEGORY 2	CATEGORY 3	CATEGORY 4	
< R6M	R6M < R25M	>R25 M < R50M	> R50M	
EME	QSE	GENERIC	GENERIC	
80/20 PREFERENCE POINT SYSTEM			90/10 PREFERENCE POINT SYSTEM	
<ul style="list-style-type: none"> Level 2 	<ul style="list-style-type: none"> Level 4 	<ul style="list-style-type: none"> Level 4 	<ul style="list-style-type: none"> Level 4 	1. <u>Prequalification for BBBEE Level</u> a) Where market analysis indicates no supply side capacity or the minimum BBBEE level, the BSC may condone this criteria after consultation with the Transformation Unit b) Min BBBEE Level 2 applies to Category 1 only c) Project estimate <R10 million can be specified for BBBEE Level 2
<ul style="list-style-type: none"> EME / EME start-ups 	<ul style="list-style-type: none"> EME / EME start-ups QSE / QSE start-ups Generic (Specific approval of BSC required to include generic firms) 	<ul style="list-style-type: none"> EME QSE Generic 	<ul style="list-style-type: none"> EME QSE Generic 	2. <u>Prequalification of designated sectors</u> a) EME's are not limited to a value in this category b) QSE's are not limited to a value in this category c) Start-up enterprises in the first year of operations are deemed to be EME's but limited to R6 million worth of work; d) Start-ups with a QSE scorecard qualify for work up to R25 million; e) Start-ups with a generic scorecard are not limited to the value of a project f) Start-ups that do not meet the criteria specified are non-responsive and cannot be further evaluated g) Where market analysis indicates no supply side capacity for the designated sector(s), the BSC may condone this criteria after consultation with the Transformation Unit

ENGINEERING: CONVENTIONAL AND RRM PROJECTS FOR CONSULTANTS				
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EME	QSE	GENERIC	GENERIC	
80/20 PREFERENCE POINT SYSTEM			90/10 PREFERENCE POINT SYSTEM	
<ul style="list-style-type: none"> No subcontracting requirements for EME's 	<ul style="list-style-type: none"> No subcontracting requirements for EME's, QSE's with BBBEE Level 1 or 2 or RRM Consultants 30% subcontracting provision applies to the designated groups according to the market analysis A qualifying generic tenderer must subcontract a minimum of 50% to the designated groups according to the market analysis 	<ul style="list-style-type: none"> 30% subcontracting provision applies to the designated groups according to the market analysis 	<ul style="list-style-type: none"> 30% subcontracting provision applies to the designated groups according to the market analysis 	<p>3. <u>Subcontracting requirements</u></p> <p>a) Minimum level of subcontracting to be increased on a project specific basis; make small projects unattractive to larger firms by progressively increasing the sub-contracting requirements</p>
<ul style="list-style-type: none"> JVs to be encouraged where at least one partner must be from the designated groups 	<ul style="list-style-type: none"> JVs to be encouraged where at least one partner must be from the designated groups 	<ul style="list-style-type: none"> JVs to be encouraged where at least one partner must be from the designated groups 	<ul style="list-style-type: none"> JVs to be encouraged where at least one partner must be from the designated groups 	<p>a) Refer to Table 2 for JV structure</p> <p>b) JVs to be encouraged on a project specific basis where market analysis indicates no supply side capacity for the designated sector(s) exists</p> <p>c) JVs must be aligned to CIDB prescriptions</p> <ul style="list-style-type: none"> The lead partner must have a contractor grading designation of not lower than one level below the required grading designation in the class of construction works specified in the tender document Any discrepancy in information relating to ownership in terms of the joint venture scorecard, the joint venture agreement and the CIDB grading information will be reported to National Treasury for possible fronting
<ul style="list-style-type: none"> Application of clause 6.1.7 of the Transformation Policy 	<ul style="list-style-type: none"> Application of clause 6.1.7 of the Transformation Policy Application of clause 6.1.12 of the Transformation Policy 			<p>4. <u>Transformation</u></p> <p>a) Clause 6.1.7: Where necessary, SANRAL shall provide direct development support, or through its partners, to emerging contractors,</p>

ENGINEERING: CONVENTIONAL AND RRM PROJECTS FOR CONSULTANTS

CONTRACT VALUE (INCLUDING VAT) INCLUDES PROVISIONAL SUMS

INSTRUCTION NOTES

CATEGORY 1

CATEGORY 2

CATEGORY 3

CATEGORY 4

< R6M

R6M < R25M

>R25 M < R50M

> R50M

EME

QSE

GENERIC

GENERIC

80/20 PREFERENCE POINT SYSTEM

90/10 PREFERENCE POINT
SYSTEM

- Application of clause 6.1.12 of the Transformation Policy

professionals and suppliers in the generic CIDB grades of 1-4 or other equivalent benchmarks to ensure that their status and prevailing conditions are not a barrier to entry to opportunities created by SANRAL.

- b) Clause 6.1.12: SANRAL shall award contracts exclusively to black contractors, professionals and suppliers in the generic CIDB Grades 1-4, or equivalent benchmarks in all community development projects in compliance with the provisions of the PPPFA
- c) Provision (b) above is for nurturing and growing small contractors / consultants / suppliers

General

1. Costs calculated for subcontracting based on total tendered value **excluding** all Provisional Sums **but includes** site staff salaries.
2. Consulting services for RRM and Ad-Hoc Projects such as road marking; rejuvenation; road sign contracts, fog-sprays etc are **excluded** from the subcontracting provisions