



SANRAL PRESENTATION TO CESA (Gauteng Branch: 12 May 2022

SANRAL - Gauteng's current and future infrastructure planning / budgeting and implementation plans.

Layton Leseane, SANRAL NR, Project Manager: Construction

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SANRAL NORTHERN REGION

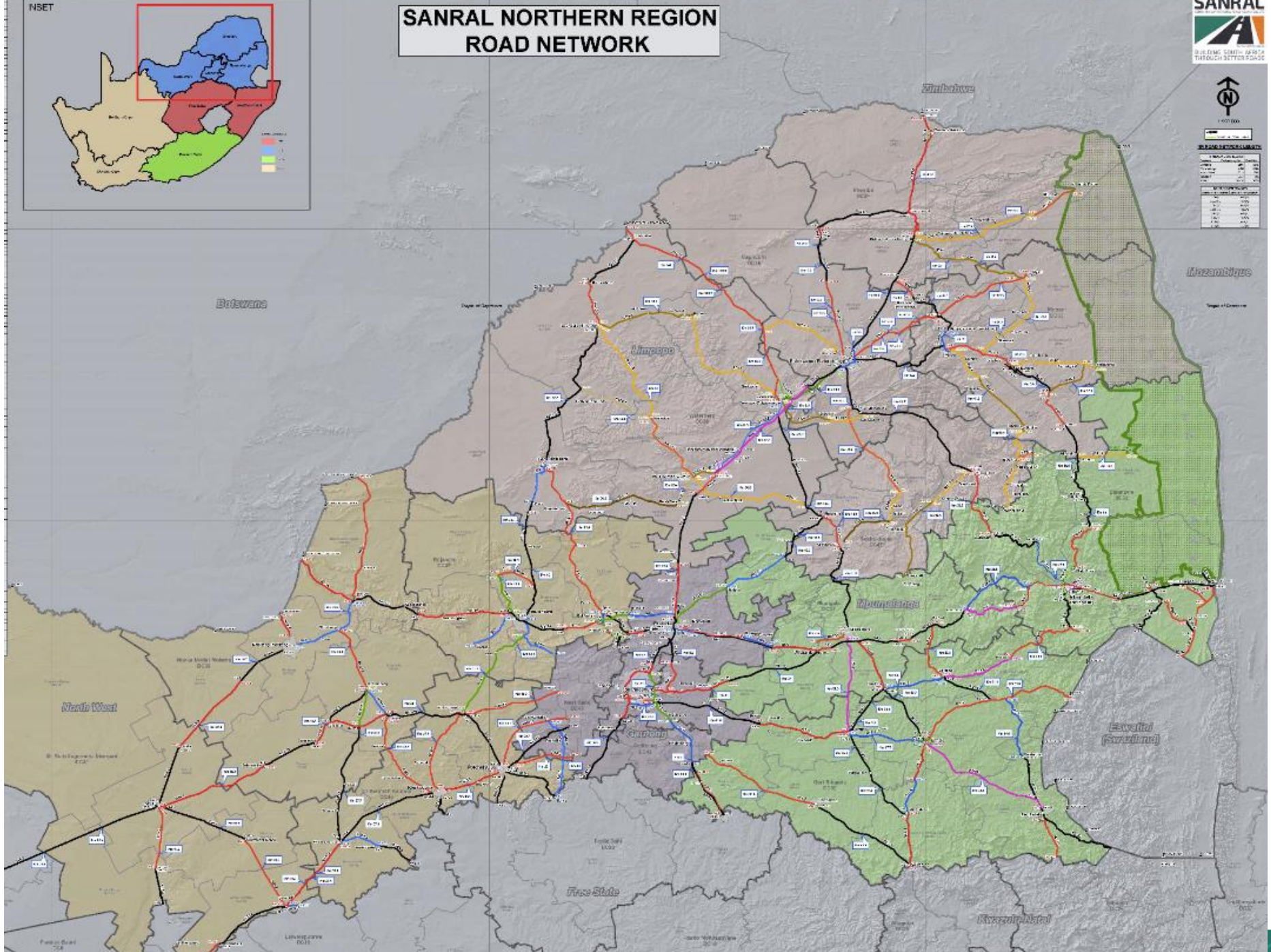


- ❑ **Consists of 4 Provinces:**
 - ❑ **Gauteng (705km roads)**
 - ❑ North West Province (2598)
 - ❑ Limpopo (3645km)
 - ❑ Mpumalanga (2455km)
 - ❑ **9413 km of roads***excludes newly transferred North West Roads (N12)
- ❑ **Highlighted Major Projects and Routes in GP**
 - ❑ Gauteng Freeway Improvement Project-Toll Ops
 - ❑ RRM and GFIP Freeway Lighting
 - ❑ Freeway Management Systems (FMS)
 - ❑ Moloto Road Development Corridor (GP, MP,LP)
 - ❑ Sinkhole rehabilitation (N1S and R21 Northbound)
 - ❑ Engineering Lab 4.0

SANRAL NORTHERN REGION ROAD NETWORK



ROAD CLASSIFICATION	
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SANRAL'S PROJECT INVESTEMENT IN GAUTENG PROVINCE-OPEX:



NON-TOLL ROADS-OPEX

NON-TOLL OPERATIONS EXPENDITURE FORECAST "000			
Works Class	2021/2022	2022/2023	TOTAL
<i>Routine Maintenance (7)</i>	R 57 100	R 75 400	R 132 500
<i>Periodic Maintenance (3)</i>	R 14 900	R 17 000	R 31 900
<i>Special Maintenance (4)</i>	R 66 700	R 41 000	R 107 700
Total (14)	R 138 700	R 133 400	R 272 100

TOLL ROADS-OPEX

TOLL OPERATIONS EXPENDITURE FORECAST "000

Works Class	2021/2022		2022/2023		TOTAL
<i>Routine</i>					
<i>Maintenance(Roads) (7)</i>	R	239 000	R	238 000	R 477 000
<i>Periodic Maintenance (14)</i>	R	292 000	R	662 000	R 954 000
<i>Special Maintenance (8)</i>	R	224 000	R	144 000	R 368 000
Total (32)	R	755 000	R	1 044 000	R 1 799 000

TOTAL-OPEX BUDGET

TOTAL OPERATIONS EXPENDITURE FORECAST "000			
Works Class	2021/2022	2022/2023	TOTAL
<i>Routine</i>			
<i>Maintenance(Roads) (14)</i>	R 296 100	R 313 400	R 609 500
<i>Periodic Maintenance (17)</i>	R 306 900	R 679 000	R 985 900
<i>Special Maintenance (12)</i>	R 290 700	R 185 000	R 475 700
Total (43)	R 893 700	R 1 177 400	R 2 071 100



SANRAL's PROJECT INVESTEMENT IN GAUTENG PROVINCE-CAPEX:



NON TOLL CAPEX

NON-TOLL CAPEX EXPENDITURE FORCAST "000			
Works Class	2022/2023	2023/2024	TOTAL
<i>Strengthening (0)</i>	R -	R -	R -
<i>Community Development (0)</i>	R -	R -	R -
<i>Improvements (1)</i>	R 324 000	R 444 000	R 768 000
<i>New Facilities (8)</i>	R 72 000	R 1 800	R 73 800
Total (9)	R 396 000	R 445 800	R 841 800

TOLL ROADS-CAPEX

TOLL CAPEX EXPENDITURE FORECAST "000

Works Class	2022/2023	2023/2024	TOTAL
<i>Strengthening (2)</i>	R 32 300	R 44 900	R 77 200
<i>Community Development (2)</i>	R 3 500	R 25 000	R 28 500
<i>Improvements (2)</i>	R 8 100	R 104 000	R 112 100
<i>New Facilities (3)</i>	R 285 000	R 639 000	R 924 000
Sub-Total (9)	R 328 900	R 812 900	R 1 141 800

TOTAL-CAPEX BUDGET

TOTAL CAPEX EXPENDITURE FORECAST "000

Works Class	2022/2023	2023/2024	TOTAL
<i>Strengthening (2)</i>	R 32 300	R 44 900	R 77 200
<i>Community Development (2)</i>	R 3 500	R 25 000	R 28 500
<i>Improvements (3)</i>	R 332 100	R 548 000	R 880 100
<i>New Facilities (11)</i>	R 357 000	R 640 800	R 997 800
Total (18)	R 724 900	R 1 258 700	R 1 983 600

TOTAL-GP BUDGET

GP -TOTAL EXPENDITURE FORCAST "000

Works Class	2022/2023	2023/2024	TOTAL
OPEX -Roads only (43)	R 893 700	R 1 177 400	R 2 071 100
CAPEX (18)	R 724 900	R 1 258 700	R 1 983 600
Total (61)	R 1 618 600	R 2 436 100	R 4 054 700



Engineering 4.0 is an integrated laboratory facility.



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There are three components to the facility:

1) Training Laboratory.

- Training for civil engineering material types will be done.
- Eventually there will also be a certification component whereby certificates of competence will be issued.

2) National reference laboratory.

- This will be the national reference laboratory for the RSA. Duplicate testing for SANRAL.
- Other Roads Agencies/Departments will be able to make use of the facility.
- The reference laboratory will also participate in international proficiency testing schemes such as FEHRL in Europe and AASHTO in the US. The reference laboratory will also be where samples are prepared for the National Proficiency Testing Scheme currently run by the NLA. This phase is already underway.



Engineering 4.0 is an integrated laboratory facility.



3) Research laboratory.

- Currently University of Pretoria is in charge of the concrete research laboratory.
- The research component for Asphalt, binders and granular materials will remain at CSIR with SANRAL contributing in equipping the CSIR with the latest laboratory equipment required.



TRANSFORMATION IN SANRAL





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



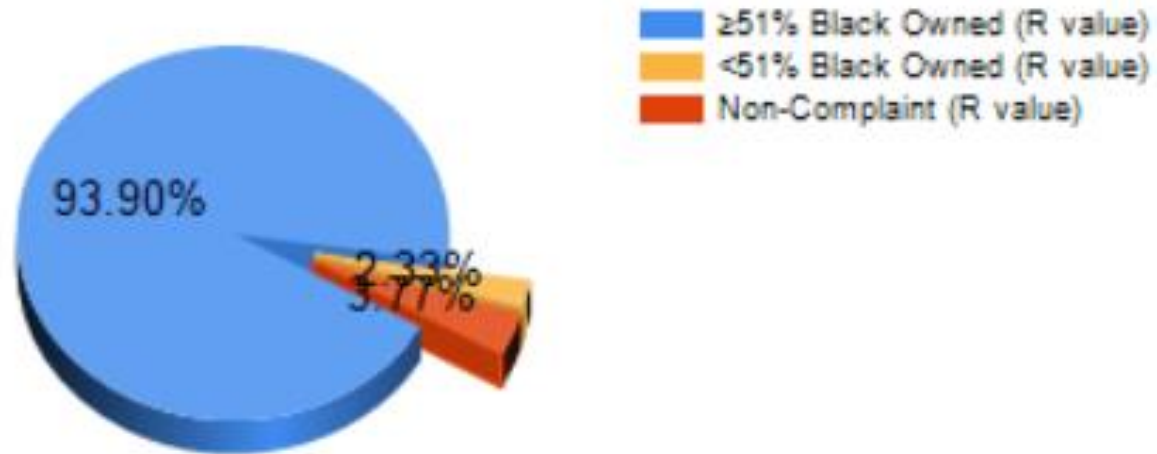
Highlights:

- The Transformation Policy has been implemented from May 2018. (**Subject to amendment is line with review of SCM legislation**)
- RRM and Reseal consultants limited to EME and QSEs, based on value.
- Increase in new entrants/consultants working for SANRAL
- 30% TE sub-contract – apply to contracts in QSE and Generic Category
- 30% TE Sub-contact starts at R10m for consultants
- Establishment of Regional help desks for SMMEs



NR EXPENDITURE ON EME/QSE FIN YR 2021/2022

EME/QSE/Non-Compliant



NR EXPENDITURE ON EME/QSE FIN YR 2021/22

Table 1 : Empowerment, value of work performed

Road Type	Project Type	Count	≥51% Black Owned				Total
			EME Rand Value	Count	QSE Rand Value	Count	
Non-Toll Roads	Improvement	29	53,369,553	4	9,995,802	33	63,365,355
	New Facilities	45	31,618,041	9	10,393,673	54	42,011,715
	Periodic Maintenance	36	62,825,888	8	33,641,073	44	96,466,960
	Routine Ad-Hoc	1	68,242	-	-	1	68,242
	Routine Operations	112	133,414,373	18	240,565,785	130	373,980,159
	Special Maintenance	1	658,308	1	81,558	2	739,866
	Strengthening	1	168,165	1	79,332	2	247,496
Sub-Total		225	282,122,570	41	294,757,223	266	576,879,793
SANRAL Toll Roads	Improvement	9	1,008,650	2	654,467	11	1,663,118
	New Facilities	49	31,254,360	28	24,037,227	77	55,291,587
	Periodic Maintenance	-	-	-	-	-	-
	Routine Ad-Hoc	1	57,390	-	-	1	57,390
	Routine Operations	86	154,370,874	32	62,412,978	118	216,783,852
	Special Maintenance	1	1,308,972	-	-	1	1,308,972
Sub-Total		146	188,000,246	62	87,104,672	208	275,104,919
Total		371	470,122,816	103	381,861,895	474	851,984,712
Percentage						78.5%	93.9%



COMMUNITY DEVELOPMENT IN SANRAL





Community Development Projects.

Scope



- ❑ Implement ***training and developmental*** programmes:
 - Community and labour wellness programmes,
 - Community and labour skills development programmes,
 - Training offerings (generic, technical, entrepreneurial), and
 - Enhanced Targeted Enterprise utilization and development.
- ❑ Implement ***economic empowerment*** programmes:
 - Establish local economic opportunities, e.g. local manufacturing and supply,
 - Support local economic initiatives, e.g. local manufacturing and supply, and
 - Introduce Targeted Enterprise development and support programmes.
- ❑ Construct ***infrastructure and facilities*** to promote safety, access and mobility:
 - Access roads and intersections,
 - Non-motorised transport facilities, and
 - Public transport facilities.



Community Development Projects. Characteristics

- ❑ Projects are focused on addressing the:
 - developmental,
 - safe access and mobility, and
 - socio-economic needs of vulnerable Communities.

- ❑ These characteristics include the following:
 - It is structured to promote Community ownership of the programmes.
 - It is fundamentally skills development and training programmes.
 - It prioritises Target Groups based on Community demographics.
 - It gives preference to the contracting of local Targeted Enterprises.
 - It gives preference to the employment of local Targeted Labour.
 - It gives preference to the procurement of local material, plant and services.
 - It promotes labour enhanced construction methodologies as far as it is feasible.
 - It provides infrastructure that enhances the livelihood of Communities.
 - It embraces sustainable implementing methodologies and technology.

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 thereof 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

SANRAL WEB ADDRESS:

www.nra.co.za

SANRAL FRAUD HOTLINE: 0800204558