

Programmes to Accelerate  
Economic Empowerment and  
Transformation  
30 August 2017

# Introduction

Preferential Procurement Policy Framework Act of 2017(PPPFA)

## Legislation



New regulation Act was gazetted on 20 Jan 2017 and it came into effect on 01 April 2017.

The regulation was revised to align with certain changes to the B-BBEE legislation.

# Policy objectives

## POLICY OBJECTIVE OF THE REGULATIONS

- Government is committed to transformation and creation of a business environment which is conducive to all. The Preferential Procurement Regulations 2017 are premised on three interrelated government policy objectives:
  - ❑ Socio-economic transformation,
  - ❑ promotion of small enterprises, cooperatives, rural and township enterprises and
  - ❑ promotion of local industrial development.
  
- The Preferential Procurement Regulations, 2011 were focused on aligning the aims of PPPFA and B-BBEE. The Preferential Procurement Regulations, 2017 provide an added advantage to designated groups and Small Medium and Micro Enterprises (SMMEs) also classified as EMEs and QSEs in B-BBEE Act and the Codes of Good Practice.

# RET Strategy




**PUBLIC NOTICE**

## INVITATION TO PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT (PPFFA) AND EPROCUREMENT ROADSHOWS

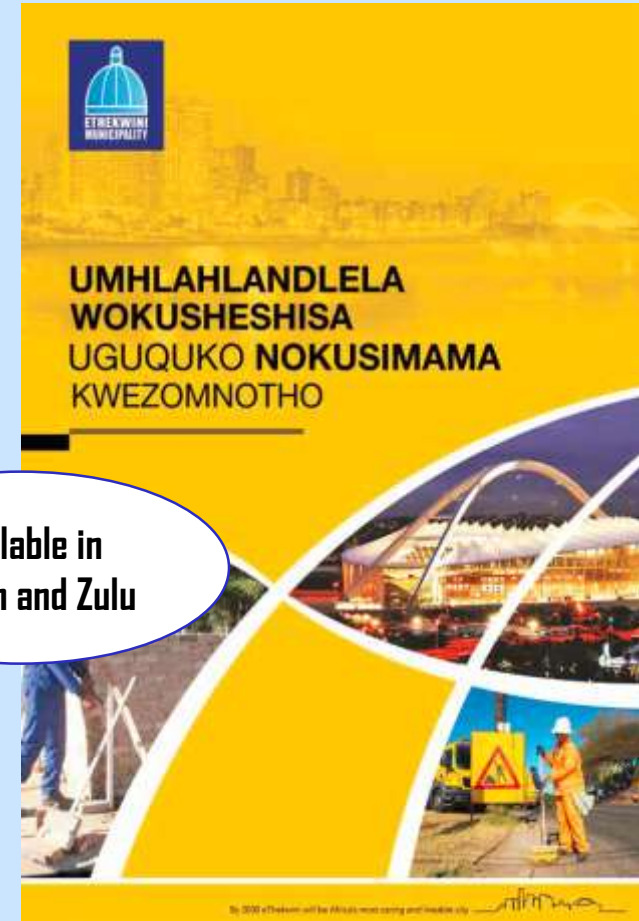
eThekweni Municipality invites all suppliers and contractors trading or wishes to trade with the City, to attend the PPFFA and eProcurement Roadshows planned to take place in various regions. These roadshows will give insight and necessary information on the new regulation on how to benefit from the economic mainstream and also will focus on the automation of SCM processes from manual to e procurement.

REGION	VENUE	DATE	ADDRESS	TIME
Outer West	Mpumalanga Main Hall	22 May 2017	Mpumalanga G7 Shed main Road	09h00-13h00
South	Ipingo beach Hall	25 May 2017	18 Deha Road Ipingo beach	09h00-13h00



**FRAMEWORK FOR ACCELERATING ECONOMIC EMPOWERMENT AND TRANSFORMATION**

Available in English and Zulu



**UMHLAHLANDLELA WOKUSHESHISA UGUQUKO NOKUSIMAMA KWEZOMNOTHO**

Available in English and Zulu

# Challenges to be addressed.

The following are some of the challenges that the framework intends to address:

- Poverty alleviation
- Rate of Service delivery
- Disruption of projects
- Availability of Skills and competencies
- Barriers to entry
- Capacity limitations
- Collusion
- Slow pace of economic transformation

# PPPFA-set aside

“GOVERNMENT WILL SET-ASIDE  
30% OF APPROPRIATE  
CATEGORIES OF STATE  
PROCUREMENT FOR  
PURCHASING FROM SMMES, CO-  
OPERATIVES, AS WELL AS  
TOWNSHIP AND RURAL  
ENTERPRISES”

As EMA we need to  
maximize this.  
We also need  
Corporate to partner  
with us in ensuring  
that 30% is fully  
maximized.

*The best way to get things*

**Done**  
*is to simply,*  
**Begin**

# Target Groups

- If an organ of state decides to apply prequalifying criteria to advance certain designated groups, the organ of state must advertise the tender with a specific tendering condition that only one or more of the ff tenderers may respond
  - a) a tender having a stipulated minimum B-BBEE status level of contributor
  - b) an EME or QSE
  - c) a tender subcontracting a minimum of 30% to-
    - i) an EME or QSE which is at least 51% owned by black people
    - ii) an EME or QSE which is at least 51% black people who are youth.
    - iii) an EME or QSE which is at least 51% black people who are women;
    - iv) an EME or QSE which is at least 51% black people who are disabilities.
    - v) an EME or QSE which is at least 51% black people living in rural or underdeveloped areas or township.
    - vi) an EME or QSE which is at least 51% black people who are military veterans
  - an EME or QSE

# Learning Institutions, SETA's & Chambers

## LEARNING INSTITUTIONS



## SETA'S



## CHAMBERS



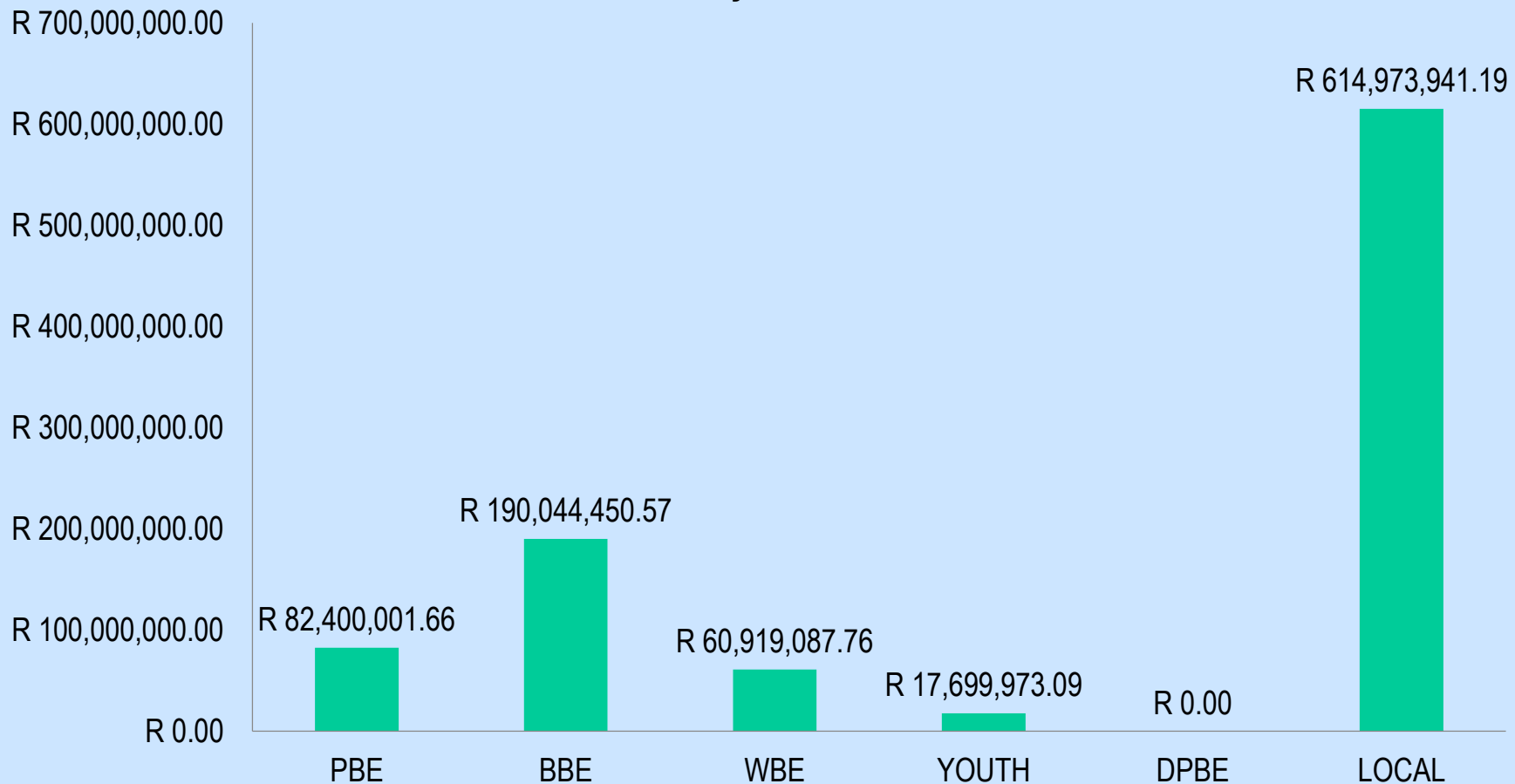


# Organizations, Financial Institutions

ORGANISATION /CORPORATE	FINANCIAL INSTITUTIONS	CORPORATE
  	 	

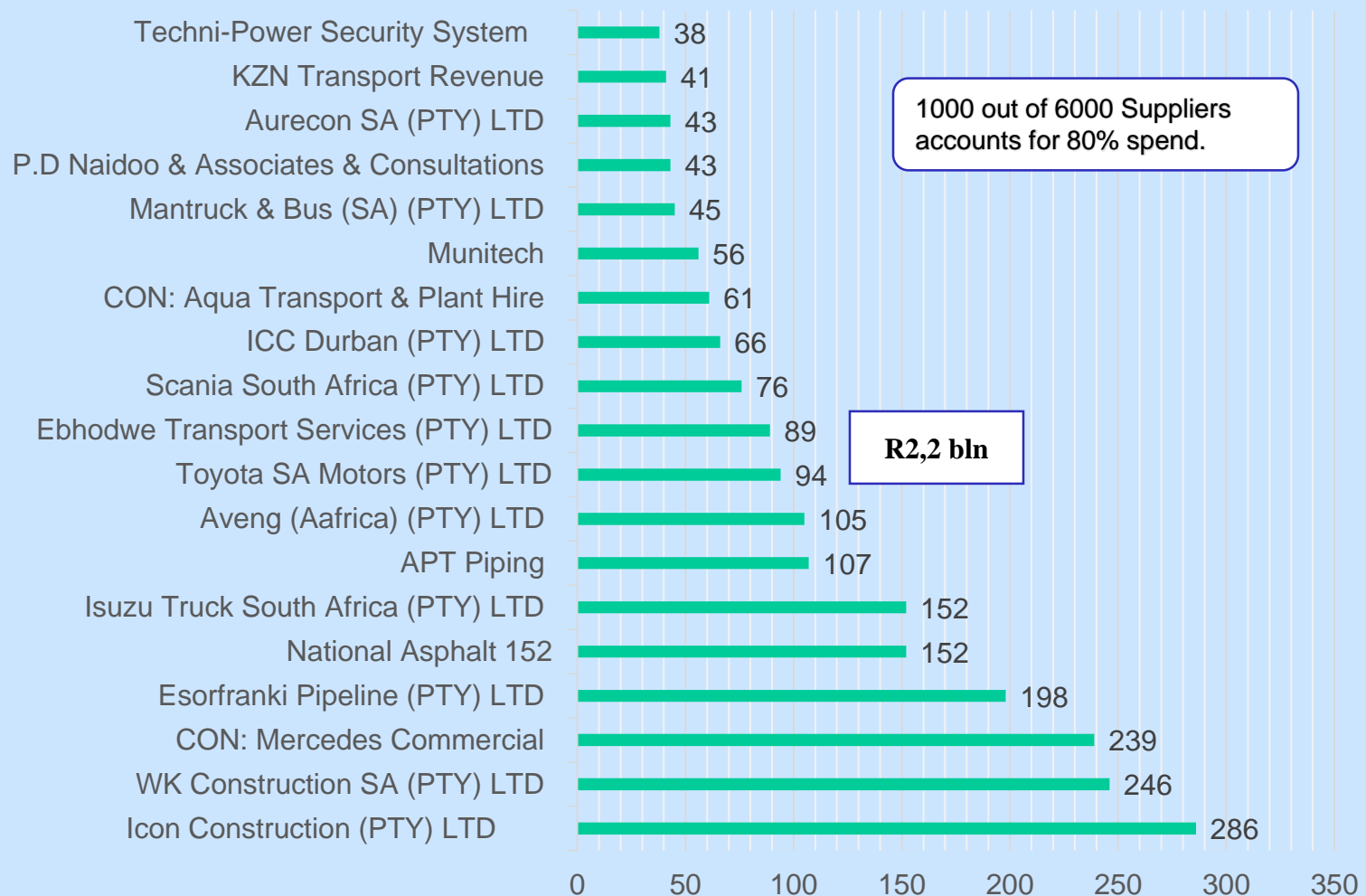
# Final Awards

## Monthly Spend to Target Groups July 2017



# eThekweni Spend Overview

Top 20 Supplier Account for 30% of total spend in the past 3 years



# Framework of eThekweni Municipality



- Where there are areas/programs/sectors with monopolistic and/or under or poor representation the following shall be established; ie Incubation programs
- The designated sub contractors on the panel are contracted directly to the EM through an Incubation programme. This will be applicable in the following instances.

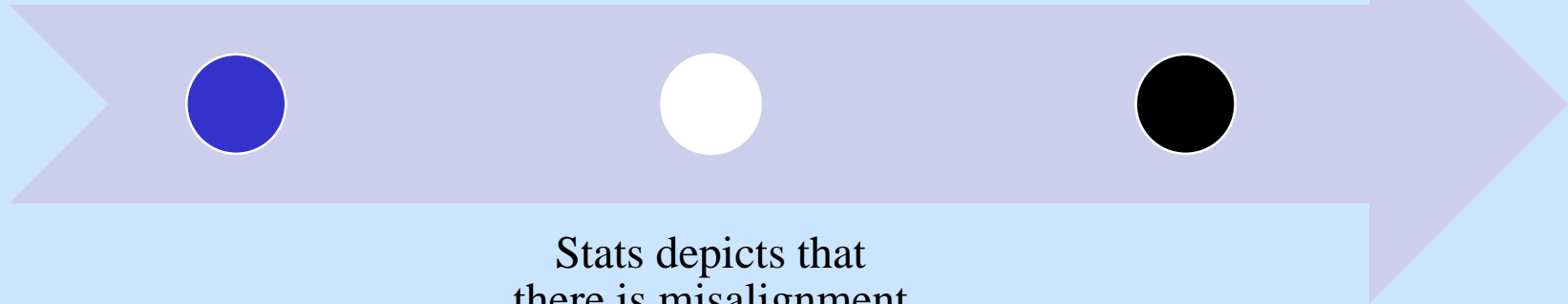
Sole or limited service providers

Accredited sectorial service providers  
e.g Muvo cards only supplied by Standard Bank, Nashua photocopies supplied only by Kopano, Mercedes sole supplier of parts for buses, Soft drinks only supplied by ABI

# Proposed Model

Accreditation models  
need to change and  
be more  
accommodative to  
Black Suppliers.

No meaningful  
participation of the  
black target groups in  
the mainstream  
economy.



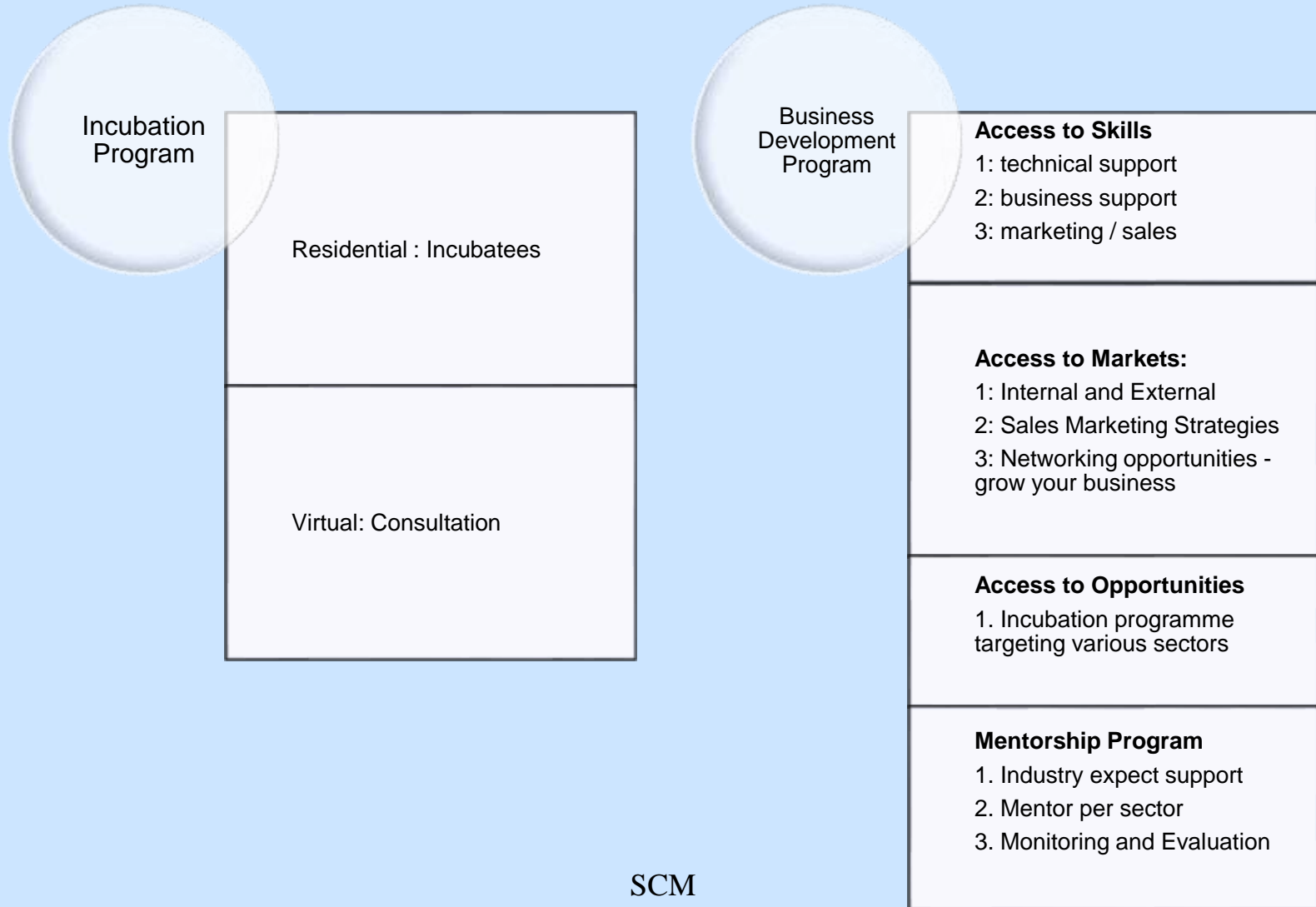
Stats depicts that  
there is misalignment  
and risk groups are  
not catered for.

# Models



Sector differ in terms of complexity  
and competencies

# Proposed Incubation Programme



# Radical Transformation is Critical



- Meaningful participation of all race groups in the economy in particular Youth, Women etc
- Encourage Supplier Development Programmes
- Procurement opportunities for cooperatives & black businesses.
- accreditation policies to accommodate RET.





Deputy Head: Policy and Support  
Mrs Zandile Sithole  
031 322 7007