

3195. Mr S Z Ntapane (UDM) to ask the Minister of Energy:

What steps has her department taken to ensure that small businesses in the energy sector benefit from the Government's renewable energy programme? NW4031E

Reply

Inherent in the design of the programme is the requirement for bidders to meet certain economic development requirements, which are assessed on a comparative basis. Those bids that meet the requirements set out in the procurement documents will be prequalified and they will progress to the next phase of the bidding process. Those that do not meet the threshold requirements are disqualified from further consideration of their bids.

The economic development criteria include an assessment of the bidders' responsiveness to:

- The BBBEE codes including equity participation, management and operations, skills development and preferential procurement;
- Community development in respect of localities where the project takes place, etc.

Based on this approach, the involvement of SMMEs and local companies is facilitated by ensuring (by design of the procurement process) that bidders score points if they involve SMMEs in their project activities. The department then enters into an agreement with the selected bidders (Implementation Agreement) in terms of which the commitments made by the bidders are monitored over the term of the project. Failure to meet these commitments could result in the termination of the power purchase commitment that government has entered into, at great cost to the bidder