

INFRASTRUCTURE PROCUREMENT IN THE PUBLIC SECTOR

Presented by the O-CPO

CBE Transformation Indaba



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KEY CABINET DECISIONS – SEC 2.6

On 10 December 2014 Cabinet approved a range of steps to reform the Supply Chain management (SCM) system, including

- a) SCM performance criteria to be included in the performance agreements of accounting officers as from 1 April 2015;
- b) Accounting officers to conduct a capacity review of SCM staff and to take remedial action where required;
- c) Accounting officers to brief executive authorities quarterly on the SCM performance in their department, municipalities or entities.

PUBLIC PROCUREMENT WHERE IS THE WEAKEST LINK?



PUBLIC PROCUREMENT - IS IT STRATEGIC TO THE TRANSFORMATION AGENDA?

**integrated
transport
systems**

Adequate housing



Basic Education

Electricity

This Bill of Rights is a cornerstone of democracy in South Africa. It enshrines the rights of all people in our country and affirms the democratic values of human dignity, equality and freedom

PFMA : SCM REGULATORY LANDSCAPE

SUPREME LAW: THE CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA , 1996

Sec 217 (1)

Organ of State: Contracts in accordance with a **system** which is fair , equitable, transparent , competitive and cost effective

Sec 217 (2), (3)

Organ of State : Procurement Policy
National legislation : Framework

PFMA 57(1)

AO: has & maintains an **appropriate** procurement and provisioning System which is fair , equitable, transparent , competitive and cost effective

PFMA 76(4) (c)

NT : 1. make regulations
2. Issue Instructions
Framework for appropriate procurement and provisioning System which is fair , equitable, transparent , competitive and cost effective

PPPFA

Framework to implement procurement policy

TR (16A)

1. AO : Develop and maintain an effective and efficient SCM System
2. AO : Establish a SCM Unit to implement the SCM system
3. **AO: ensure that bid documentation and the general condition of contract are in accordance with CIDB prescripts**

National Treasury Instruction
No.3 of 2019/2020

1. Infrastructure Procurement Requirements
2. Procurement Gates

CIDB Standard for Uniformity

1. Solicitation of tender
2. The evaluation of tender of functionality
3. Procurement documents

PPPFA reg.

1. Preference Point System
2. Prequalification criteria for pp
3. Subcontracting as a condition of tender.
4. Local product and content

SYSTEMS

Central Supplier Database (CSD)

1. Maintains database of contractors and suppliers

E-Tender Portal

i-Tender Portal

CIDB: Register of Contractors

MFMA : SCM REGULATORY LANDSCAPE

SUPREME LAW: THE CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA , 1996

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PRIMARY LEGISLATION

MFMA(111), (112)

Each municipality and each municipal entity must have and implement a supply chain management policy which must be fair, equitable, transparent, competitive and cost-effective and comply with a prescribed regulatory framework for municipal supply chain management.

MFMA 168

The Minister, acting with the concurrence of the Cabinet member responsible for local government, may make regulations or guidelines applicable to municipalities and municipal entities

PPPFA

Framework to implement procurement policy

SECONDARY LEGISLATION

MSCM REGS (2)

have and implement a supply chain management policy that is consistent with

- other applicable legislation;
- section 21 7 of the Constitution; and
- any minimum norms and standards that may be prescribed in terms of section 168 of the Act;

MSCM REGS (21)

1. Treasury guidelines
2. the requirements of the CIDB, in the case of a bid relating to construction, upgrading or refurbishment of buildings or infrastructure;

CIDB Standard for Uniformity

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SCM REGULATORY LANDSCAPE

DOES IT HINDER TRANSFORMATION ?

REGULATORS

- Broad Based Economic Empowerment
- Over-regulated Public Procurement

ORGANS OF STATE

- Institutional SCM policies
- Good governance
- Demand planning
- payment of invoices
- Effective subcontracting strategies

INDUSTRY

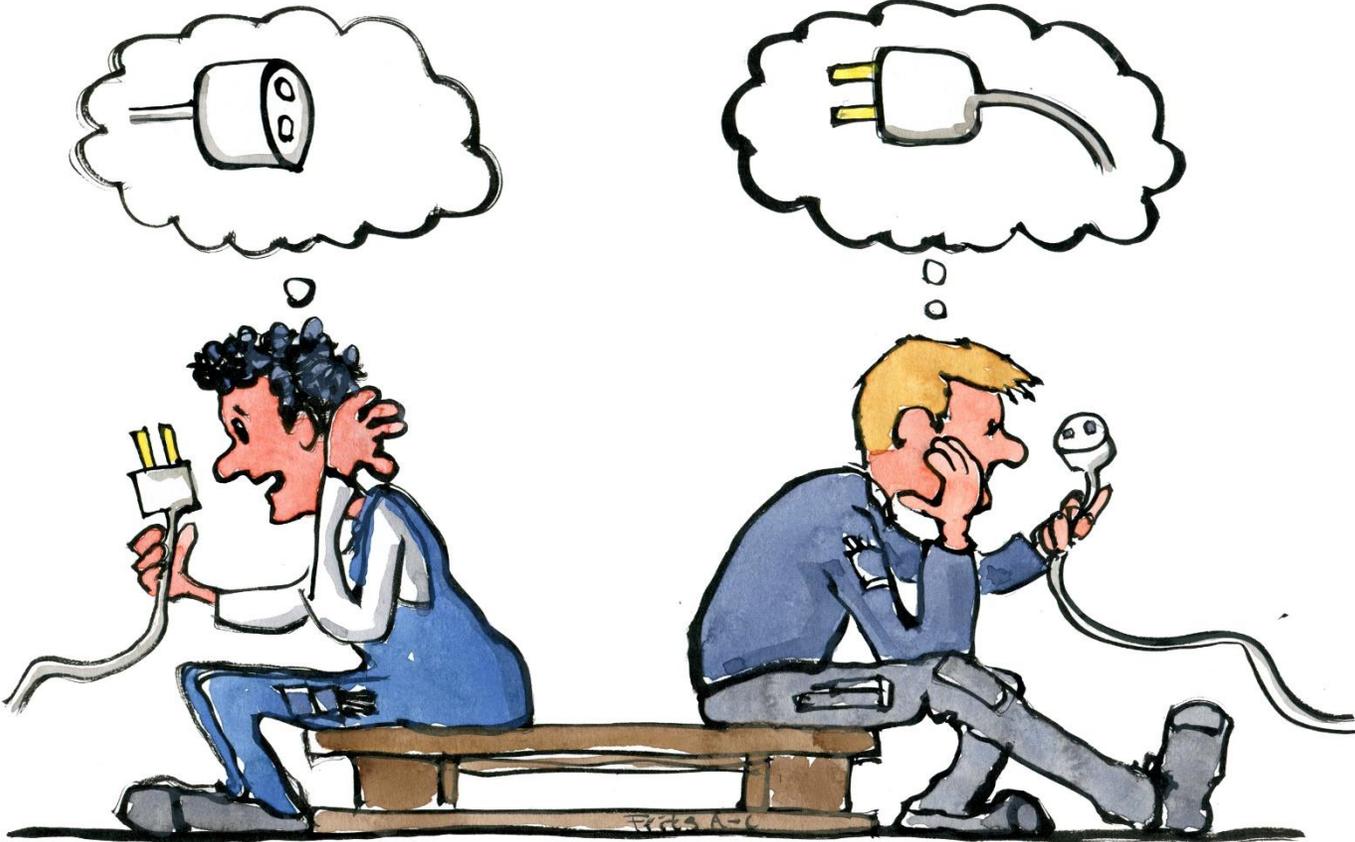
Registration of Professionals

Built Environment rules and regulations

FRAMEWORK FOR INFRASTRUCTURE DELIVERY AND PROCUREMENT MANAGEMENT

- **Major reasons for reviewing the SIPDM**
 - Status of the SIPDM
 - Status of the Model SCM Policy
- **Impact of the FIDPM on the Transformation agenda**
 - Infrastructure Delivery Management System
 - Infrastructure procurement
 - Accountability
 - Procurement Gate system
 - Delegations of Authority
 - Accountability
 - Payment of invoices

CONCLUSION



THANK YOU



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