



South African Local Government Infrastructure Procurement: Inhibitor or enabler?





"Standards should not be forced down from above but rather set by the production workers themselves."

~Taiichi Ohno, father of Toyota Production System





Pre-1994 procurement

Geared towards large established companies

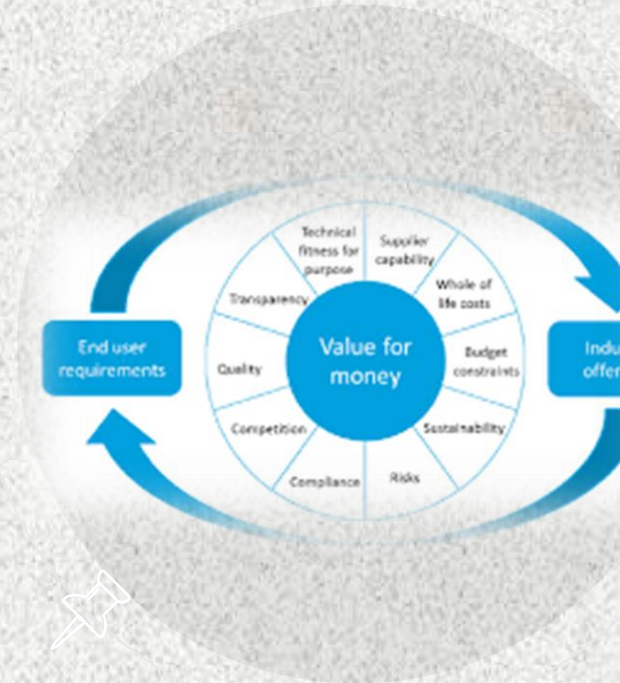
(Ambe & Badenhorst-Weiss, 2017)

Procurement did not have constitutional status (Bolton, 2006)

Was region specific and inconsistent

There was less outsourcing by the state

Price was a decisive factor unless evidence of incompetence and financial insecurity was known (Raga & Nano, 2011)



Foundations of modern South African Procurement

1996

10 Point Plan: Department of Public Works and Department of Finance

1997

"Creating an enabling environment for reconstruction, growth and development in the construction industry : green paper

1997

Green Paper on Public sector Procurement Reform in South Africa

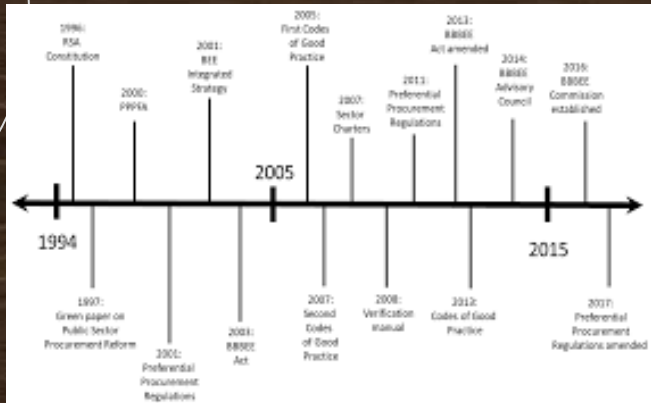
- Access to information
- Tender advice centres
- Threshold based procedures
- Waiver of sureties
- Disaggregation
- 30 day payment
- Preference to SMME
- Simplification of requirements
- Procurement ombuds
- Classification of building and civil engineering contracts

Background -
Construction Policy

Green Paper

Nov 1997

"Creating an Enabling Environment for Reconstruction, Growth & Development in the Construction Industry"



We can't treat the matter of black economic empowerment as just the redistribution of existing wealth. It really has to focus on new investment, on growth, on development of employment and so on and so on.

— Thabo Mbeki —

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CONSTRUCTION SEECTOR PROCUREMENTN EVOLUTION



Milestones

Key Milestones



1996	Cabinet approval of 10-point plan in early 1996. Procurement Policy aspirations enshrined in The Constitution.
1997	Green Paper on Public Procurement , Green Paper on the Creation of an enabling environment for reconstruction, growth and development in the construction sector.
2000	CIDB Act (Act 38 of 2000)
2004	Infrastructure Delivery Improvement Program (IDIP) and CIDB Notice 62 of 2004 - Standard for Uniformity in construction Procurement and Infrastructure Delivery Management Toolkit Pilot.
2007	National Infrastructure Maintenance Strategy (NIMS)
2010	Infrastructure Delivery Management Toolkit 3rd Edition
2011	Preferential Procurement Regulations of 2011
2012	Municipal Infrastructure Support Agency (MISA)

Key Milestones...



2013	Chief Procurement Officer (OCPO) in National Treasury
2014	COGTA set out the Back-to-Basics Strategy, Intergovernmental Relations Framework Act
2015	Construction Industry Development Board (CIDB) promulgated a Standard for Uniformity in Construction Procurement and Municipal Infrastructure Performance Management Information System (MIPMIS)
2016	Model Supply Chain Management Policy for Infrastructure was issued in terms of Section 168 of the Municipal Finance Management Act (Act 56 of 2003)
2019	Framework for Infrastructure Delivery and Procurement Management (FIDPM) was issued as a Treasury Instruction to replace the Standard for Infrastructure Procurement and Delivery Management (SIPDIM) and Infrastructure Investment Office within the presidency
2020	Launch of Infrastructure South Africa (ISA). Framework for Infrastructure Delivery and Procurement Management (FIDPM) was issued as a Treasury Instruction to replace the Standard for Infrastructure Procurement and Delivery Management (SIPDIM)

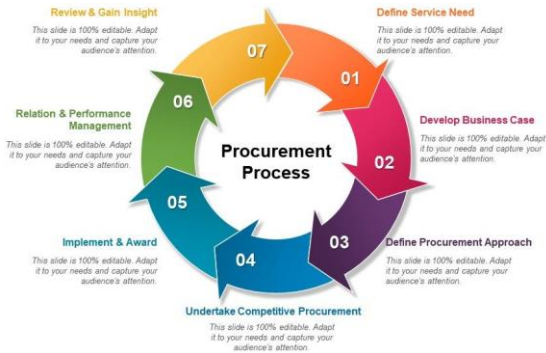
3 most important but outstanding interventions

1. Separating Infrastructure Procurement from General Procurement completely
2. Recognizing Procurement as an engineering function that engineers must lead

3. Redefining Value for money and moving away from rules based to strategic Procurement

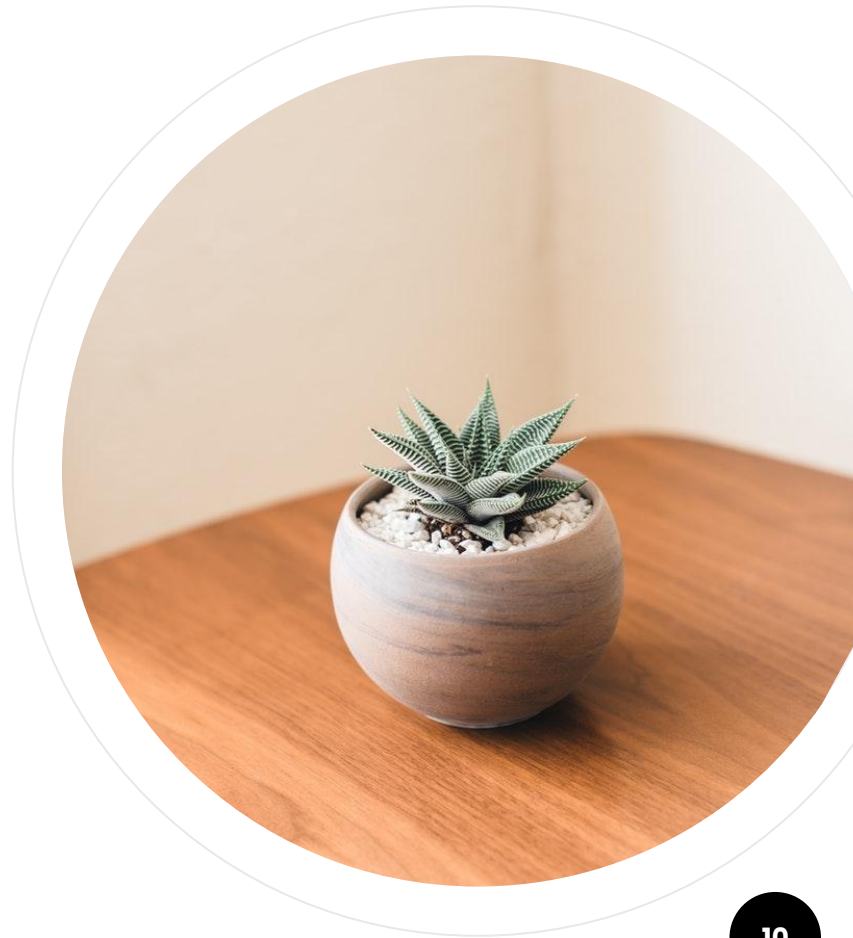


Procurement Process Circular PPT Slide



A picture is worth a thousand words

A complex idea can be conveyed with just a single still image, namely making it possible to absorb large amounts of data quickly.





Thanks!

Any questions?

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