



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT

PROGRESS REPORT ON THE WORK OF THE OFFICE OF THE CHIEF PROCUREMENT OFFICER

The Office of the Chief Procurement Officer (OCPO) today publishes the Supply Chain Management Review Update – 2016, to report on the progress of its work since its establishment in February 2013. This update follows the release of the first SCM Review in 2015 which outlined the challenges and proposed interventions to remedy areas of concern within the SCM environment.

Thus far, the OCPO has achieved and plans to achieve the following in the 2016/17 financial year:

Central Supplier Database: The OCPO introduced the Central Supplier Database on 1 September 2015 accessible on www.csd.gov.za, which will reduce the administrative burden on both the supplier and the administrator. The system verifies and validates information with the South Africa Revenue Service (SARS), Companies and Intellectual Property Commission (CIPC), and Department of Home Affairs amongst others. The system will be mandatory from 1 April 2016 for all suppliers to national and provincial government and entities at these two spheres of government. It will be rolled out to local government from 1 July 2016.

eTenders Portal: Suppliers who meet all compliance requirements can access opportunities on www.eTenders.gov.za. The portal enables suppliers to have access to more than 2200 tenders published on the platform from 1 April 2015 – 21 February 2016 that are worth approximately R30 billion. The compulsory implementation of this portal from 1 April 2016 will save government R400 million in advertising costs per annum with running costs of R16 000 per month.

Transversal Contracts: From 1 April 2016, the participation of government on the existing and new transversal contracts is mandatory. This means all common goods purchased by government will be procured collectively with better buying power. Currently, the National Treasury manages 40 transversal contracts for the purchase of goods such as vehicles, items for hospitals such as surgical gloves and sterilisation items etc. The Treasury will add 17 more contracts to this list in the 2016/17 year. Through transversal contracting, government is able to negotiate better prices using bulk purchasing.





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Savings: During the 2016/17 financial year, the OCPO will negotiate with the Top 100 suppliers to government, to explore savings. The first leg of these negotiations will focus on the travel industry prior to issuing a Travel Policy to government for mandatory implementation on 1 April 2016 followed by construction, ICT and leases. This approach is expected to result in close to R25 billion savings over the Medium Term Expenditure Framework.

Furthermore, the OCPO has been reviewing all tenders above R10 million since June 2015, across government and its entities to ensure compliance with procurement rules.

The non-payment of suppliers within 30 days remains a challenge across government. The OCPO will, in partnership with the Black Business Council in the Built Environment (BBCBE), establish a walk-in and call centre to facilitate the resolution of this for suppliers with unpaid invoices.

The OCPO will also schedule information sessions with Parliamentary oversight committees to keep them apprised of the developments within the Supply Chain Management. These will be supported by revised reporting tools to be developed by the OCPO.

Issued on behalf of National Treasury

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