

KWAZULU-NATAL PROVINCIAL GOVERNMENT



Procurement Indaba DECLARATION

KwaZulu - Natal, Durban

13-14 August 2015

Declaration

WE, the participant, and stakeholders at the Procurement Indaba organised by the KwaZulu Natal Government, gathered in Durban on 13-14 August 2015, herewith declare that we are committed to achieve radical economic transformation through procurement policy reforms with the view to ensure equitable share of opportunities to previously disenfranchised black people (and Africans in particular).

Challenges

NOTING THAT:

- a) Public procurement has not proportionately benefited African, in particular, amongst the previously disadvantaged group
- b) The current public procurement spent does not reflect the demographics in the province.
- c) Lack of integrated and coherent approach in the implementation of procurement policy to advance radical economic transformation.
- d) Lack of effective procurement system that links procurement opportunities to beneficiaries.
- e) Inability to implement the KwaZulu-Natal Preferential Procurement Resolution 437 of the 13th December 2011.
- f) Inability to ring-fence priority sectors to advance radical economic transformation.
- g) Lack of requisite skills by the public service to drive radical economic transformation.

NOW THEREFORE DECLARED THAT:

- a) **Public procurement** must be placed at the **centre stage for radical economic transformation**.
- b) **Developmental state will play an interventionist role in public procurement** to advance economic inclusivity.
- c) Government will **introduce technological innovations** in procurement that must be integrated to broad strategies for radical economic **transformation and growth**.
- d) We are committed to ensure that all suppliers doing business with the state are **representative of the SA demographics**, in particular blacks (Africans in particular), youth, people with disability and women.
- e) We will strive to ensure that we implement preferential procurement policies in line with **Cabinet resolution 437 of the 13th of December 2013** by increasing the number of items set aside for small business, especially woman and youth owned enterprises.
- f) We will endeavour to **disaggregate procurement opportunities by sector**, to ensure that we match opportunities with the skills available within the SMME sector, with the view to balance quality of service and quantity of providers that provide the service.
- g) Using the platforms created by the KwaZulu-Natal Economic Council, we will continue to engage the private sector, to ensure that stronger **procurement opportunities are identified, and channelled to small black enterprises**.
- h) We will **review all previous agreements and declarations agreed with the private sector** on procurement, in structures such as Growth Coalitions, to ensure that commitments made by the private sector are realised.
- i) The provincial government will strive to ensure that we **leverage modern technology** to eliminate fraud and corruption in the issuing of tenders, both in provincial and local government.
- j) Provincial government will strive to roll out training on procurement education, by engaging the **Centre for Public Service Training and development and other higher education institutions to build skills** in all the spheres of government.
- k) We will strive to ensure that we **build capacity on market research** and in cost account to ensure that products are services procured by government are market driven.
- l) We will ensure that we **improve payment turn around time of suppliers** to be between 15 -30 days.
- m) We will ensure that we end the **demonization of beneficiaries** of state procurement opportunities – and the use of terms such as tenderpreneurs. We encourage patriotic social and private enterprises.
- n) The provincial government, including municipalities, and public entities **to undertake annual B-BBEE verification/research** and submit progress reports.