

PREFERENTIAL PROCUREMENT IN LOCAL GOVERNMENT: A CASE

STUDY IN THE CITY OF TSHWANE METROPOLITAN AREA

by

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In the

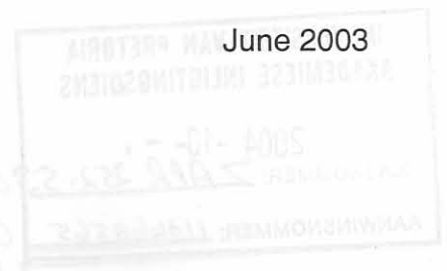
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Thank you Lord, for this dissertation, may it glorify your most Holy Name and may it contribute to the upliftment of the most disadvantaged in any society.

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DEDICATION

I dedicate this thesis to my parents Manuel Gomes and Maria da Gloria Pereira da Gama Gomes from whom I am was inspired to study to contribute for the good of the humanity.

1.1. INTRODUCTION	1
1.2. PROBLEM STATEMENT	2
1.3. RESEARCH OBJECTIVES	3
1.4. RESEARCH METHODOLOGY	4
1.4.1. Literature Review	5
1.4.2. Case Study	6
1.5. BENEFITS OF THE STUDY	3
1.6. OUTLINE OF THIS DISSERTATION	3
1.7. GENERAL	8
CHAPTER 2: BACKGROUND OF PREFERENTIAL PROCUREMENT IN LOCAL GOVERNMENT	
2.1. INTRODUCTION	10
2.2. THE 1995 PRESIDENT'S CONFERENCE	11
2.2.1. Business Support	11
2.2.2. Access to Markets	12
2.2.3. Access to Finance	13
2.2.4. Improving the Physical Environment	13

TABLE OF CONTENTS

2.2.5. Human Resources	14
2.2.6. Institution Building	14
2.2.7. Local Economic Development	15
CHAPTER 1: OBJECTIVES AND SCOPE OF THE STUDY	16
2.3. POLICIES GOVERNING PREFERENTIAL PROCUREMENT AT LOCAL LEVELS OF GOVERNMENT	16
1.1. INTRODUCTION	1
1.2. PROBLEM STATEMENT	2
1.3. RESEARCH OBJECTIVES	3
1.4. RESEARCH METHODOLOGY	4
14.1. Literature Review	5
14.2. Case Study	6
1.5. BENEFITS OF THE STUDY	5
1.6. OUTLINE OF THIS DISSERTATION	6
1.7. GENERAL	9
2.4. THE TEN POINT PLAN	21
CHAPTER 2: BACKGROUND OF PREFERENTIAL PROCUREMENT IN LOCAL GOVERNMENT	21
2.1. INTRODUCTION	10
2.2. THE 1995 PRESIDENT'S CONFERENCE	11
2.2.1. Business Support	11
2.2.2. Access to Markets	12
2.2.3. Access to Finance	13
2.2.4. Improving the Physical Environment	13

2.2.5. Human Resource Development	14
2.2.6. Institution Building	14
2.2.7. Local Economic Development	15
2.2.8. Targeting Assistance	16
2.3. POLICIES GOVERNING PREFERENTIAL PROCUREMENT AT ALL LEVELS OF GOVERNMENT	16
2.3.1. Local Policy and SMME Development	16
2.3.2. The 1998 White Paper on Local Government	18
2.3.3. The State Tender Board Act of 1968	18
2.3.4. Provincial Tender Boards Acts	19
2.3.5. The State Tender Board General Directives and Procedures (ST 36)	19
2.3.6. The User Manual: Directives to Departments in Respect of Procurement (ST 37)	20
2.4. THE TEN POINT PLAN	21
2.4.1. Improvement of Access to Tendering Information	21
2.4.2. Development of Tender Advice Centres	21
2.4.3. Broadening of Participation Base for Contracts less than R7500	22
2.4.4. Waiving of Securities/Sureties on Construction with a value of less than	23
2.4.5. Unbundling of Large Projects into Smaller Projects	23

2.4.6. Promotion of Early Payment Cycles by Government	24
2.4.7. Development of a Preference System for SMMEs owned	24
2.4.8. Simplification of Tender Submission Requirements	24
2.4.9. Appointment of a Procurement Ombudsman	25
2.4.10. Classification of Building and Engineering Contracts	25
2.5. THE GREEN PAPER ON PUBLIC SECTOR PROCUREMENT REFORM IN SOUTH AFRICA	27
2.5.1. Aim	27
2.5.2. Procurement Reform: Key Principles	28
2.5.3. Procurement Reform: Objectives	29
2.5.4. Procurement Reform: Pillars of Reform	30
2.5.4.1. Socio-Economic Reform	30
2.5.4.2. Institutional Reform	31
2.6. PUBLIC FINANCE MANAGEMENT ACT AS AMENDED	32
2.7. MUNICIPAL SYSTEMS BILL	33
2.8. MUNICIPAL FINANCE MANAGEMENT BILL	34
2.9. THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT	35
2.9.1. Memorandum on the Objects of the Act: Constitutional Provisions	35
2.9.2. Objectives of the Act	36
2.9.3. Framework for the Implementation of the Procurement Policy	36
2.9.4. Preferential Procurement Regulations	37
2.9.4.1. The Preference Point System	37

2.9.5. The Implication of the Preferential Procurement Policy Framework Act on Procurement by Local Authorities	39
2.9.6. The Procurement Environment in a Transformed Local Authority	40
2.10. THE USE OF AFFIRMATIVE PURCHASING IN SOUTH AFRICA	40
2.10.1. The need for Affirmative Purchasing in South Africa	41
2.10.2. Key Elements Associated with Affirmative Purchasing	43
2.10.3. The Components of Affirmative Purchasing	44
2.10.4. Objectives of Affirmative Purchasing	45
2.11. CONCLUSION	45
CHAPTER 3: THE USE OF GOVERNMENT PUBLIC PROCUREMENT TO ACHIEVE SOCIO-ECONOMIC OBJECTIVES	
3.1. INTRODUCTION	49
3.2. NATIONAL OBJECTIVES PROPOSED BY THE RDP	50
3.2.1. Meeting Basic Needs	51
3.2.2. Developing Human Resources	51
3.2.3. Building the Economy	51
3.2.4. Democratising the State and the Society	51
3.2.5. Implementing the RDP	51
3.3. GOVERNMENT SOCIO-ECONOMIC OBJECTIVES	52
3.4. THE USE OF GOVERNMENT PROCUREMENT AS A WAY	

TO ACHIEVE SOCIO-ECONOMIC OBJECTIVES	53
3.5. TARGETED PROCUREMENT AS AN INSTRUMENT OF SOCIO-DEVELOPMENT	55
3.5.1. Development of Targeted Procurement	57
3.5.1.1. Targeted Procurement Procedures and Resource Specifications	57
3.5.1.2. Contract Classification	61
3.5.1.3. Development Objective / Price Mechanism	62
3.5.1.4. Targeting Strategies	64
3.5.1.5. Monitoring and Evaluation	64
3.5.1.6. Recording and Reporting on Deliveries	66
3.5.1.7. Responsibility for Implementation	67
3.6. BLACK ECONOMIC EMPOWERMENT	67
3.6.1. Issues Surrounding BEE	68
3.6.2. Vehicles for BEE	69
3.6.3. Guiding Principles for BEE	70
3.6.4. Characteristics of a BEE Company	72
3.6.4.1. Ownership	72
3.6.4.2. Control	73
3.6.4.3. Independence	74
3.6.4.4. Size of the firm	74
3.6.5. Critical Success Factors	75
3.6.6. Procurement Strategy for BEE	76
3.6.6.1. Affirmative Purchasing Policy	76
3.6.6.2. The Rationale for Targeting Small Black Business	78

3.6.6.3. Supply Side Considerations	78
3.7. CONCLUSION	78
4.3.2.5. Competitiveness	100
CHAPTER 4: THE DEVELOPMENT OF COMPARATIVE PROGRAMMES IN OTHER COUNTRIES	
4.1. INTRODUCTION	82
4.2. MINORITY BUSINESS DEVELOPMENT IN THE USA	83
4.3. MINORITY SUPPLIER LEGISLATION	86
4.4. TRENDS TAKING PLACE IN PROCUREMENT AND LOGISTICS	88
4.4.1. Increased Use of the JIT System	89
4.4.2. Reduction of the Supplier Base	89
4.4.3. Increasing Reliance on Preferred Suppliers	92
4.4.4. Higher Quality Standards	92
4.4.5. Supplier Certification	92
4.4.6. Long Term Contracts	93
4.4.7. The Use of EDI	93
4.4.8. Supplier Selection	94
4.4.9. Award Systems	94
4.5. MINORITY BUSINESS OPPORTUNITIES	94
4.5.1. The Minority Business Liaison Officer Model	95
4.5.2. Creating Opportunities for MBEs	99
4.5.2.1. Networking	99
4.5.2.2. Active Participation in the Respective Industry	99

4.5.2.3. Seeking Leads/Referrals	99
4.5.2.4. Conference Techniques	100
4.5.2.5. Competitiveness	100
4.5.2.6. Pricing Structure	101
4.5.3. Maximising Opportunities for MBEs	101
4.5.3.1. Certification	101
4.5.3.2. Sourcing	101
4.5.3.3. Suitability and Requirements	102
4.5.3.4. Industry Knowledge	102
4.6. THE STATE OF MINORITY SUPPLIERS IN THE UK	103
4.6.1. Legislation towards Supplier Diversity	103
4.6.2. Problems Encountered in Developing Supplier Diversity	105
4.6.3. Addressing Barriers to Supplier Diversity	107
4.6.4. Ways to Support EM Businesses	109
4.6.4.1. Needs Identification and Assessment	109
4.6.4.2. Business Support Strategies	110
4.6.4.3. Accessing Business Support	111
4.7. PURCHASING FROM MBES: BEST PRACTICES	112
4.7.1. Formal Policy Regarding Minority Purchases	113
4.7.2. Degree of Support of Top Management	113
4.7.3. Tracking of MBE Purchases	113
4.7.4. Status Report	114
4.7.5. Sensitisation of Non-purchasing Personnel	115
4.7.6. Buyer's Training	115

4.7.7. Availability of Sourcing Directories	115
4.7.8. MBE as a Factor in Buyer's Performance Review	116
4.7.9. Participation in Trade Fairs	116
4.7.10. Publicity of MBE Programs in Minority/Other Publications	116
4.7.11. Provision of Company Resources to MBEs	116
4.7.12. Influence of the customer base in the MBE program	117
4.7.13. Government's impact in the MBE program	117
4.7.14. Full-Time MBE coordinator	118
4.7.15. Treatment	118
4.7.16. Targeted solicitations	119
4.7.17. The establishment of goals for MBE purchases	119
4.7.18. The Use of credit cards	119
4.8. THE STATE OF SUPPLIER DIVERSITY DEVELOPMENT	120
4.8.1. Minorities are seen as a potential market for expansion	120
4.8.2. Minorities are becoming an Influential rising voice	121
4.8.3. Law requirements	121
4.8.4. Good economic sense	122
4.8.5. Outsourcing Strategies	123
4.9. THE FUTURE OF SUPPLIER DIVERSITY PROGRAMMES	123
4.9.1. Business will likely be conducted more closely in terms of design efforts and sharing financial resources	123
4.9.2. More Customers will Seek Opportunities to Link	123
4.9.3. Customers will deploy the Business Imperative for Supplier Diversity to Improve their own Competitiveness	124

4.10. CONCLUSION	124
CHAPTER 5: METHODS FOR IMPLEMENTING PREFERENTIAL PROCUREMENT PROGRAMMES	
5.1. INTRODUCTION	127
5.2. DEFINITION OF AN AP PROGRAMME	127
5.3. THE USE OF AP PROGRAMMES TO ECONOMICALLY EMPOWER PREVIOUSLY DISADVANTAGED BUSINESSES	128
5.4. THE USE OF AP PROGRAMMES AS A STRATEGY TO FULFILL SOCIO-RESPONSIBILITY REQUIREMENTS	128
5.5. PROBLEMS ENCOUNTERED IN ESTABLISHING AP PROGRAMMES	129
5.5.1. Lack of Management Support	129
5.5.2. Inadequate use of Resources	131
5.5.3. Failing to Discuss with Internal customers as well as Suppliers about the program's goals and structure	131
5.5.4. Not Recognising what elements work Best for a Company	132
5.5.5. Loss of Momentum	133
5.5.6. Special Treatment	134
5.5.7. Small and Black-Owned Suppliers cannot compete on price	134
5.5.8. Small and Black-Owned Suppliers are not Reliable	134
5.5.9. Availability of Qualified AP Suppliers are not Reliable	135
5.5.10. Opportunism	136
5.5.11. Conflicting Policies that Influence the Purchaser	136

5.5.12. Complaints and the Attitude of Purchasers	136
5.5.13. Second Tiering	138
5.5.14. Lack of Access to Capital	139
5.5.15. Communication and information	141
5.5.16. Expectations	142
5.5.17. Lack of Credibility in the Market Place	143
5.5.18. Lack of Business Experience	143
5.5.19. Transaction Costs	143
5.5.19.1. The costs of a Negative Atmosphere	143
5.5.19.2. The costs of Opportunism	144
5.5.19.3. The Cost of Small Numbers	144
5.5.19.4. The costs of Information Asymmetry	144
5.5.19.5. The costs of Bounded Rationality and Complexity	144
5.5.19.6. The Costs of Business Uncertainty	145
5.5.19.7. The Costs of Production Uncertainty	145
5.5.20. Sole Reliance on Government	146
5.6. FACTORS PROMOTING AP PROGRAMMES	147
5.7. MODEL FOR A SUCCESSFUL AP PROGRAMME	148
5.7.1. The Objective of the Organisation, the origin of the idea and the Objective of the AP Programme	148
5.7.2. The Commitment of Top Management	149
5.7.3. The Staff Orientation	150
5.7.4. Planning	152
5.8.6. Pre Award Counselling	163

5.7.4.1. The analysis of the Current Set-Up and the Identification Suitable products/services	169 152
5.7.4.2. Determining Objectives	152
5.7.4.3. Adapting the policy for AP	154
5.7.4.4. Planning Resources	154
5.7.5. Organising the AP Programme	155
5.7.6. Publishing the Programme	156
5.7.7. Selection of Suppliers	157
5.7.7.1. The Tracing and Identification of Possible Disadvantaged Suppliers	157 157
5.7.7.2. Systematic Investigation and Evaluation of Possible Disadvantaged suppliers	157 157
5.7.7.3. Negotiation and entering into a contract with Suitable suppliers	162 162
5.7.7.4. Handling Supplier Relations	162
5.7.7.5. The Development of Disadvantaged Suppliers	165
5.7.8. Control Over Disadvantaged Suppliers	165
8. FRAMEWORK TO FIND AND DEVELOP SMALL AND EMERGING SUPPLIERS	166 166
5.8.1. Establish an Outreach Programme	167
5.8.2. Create a Database of Small and Emerging Suppliers	168
5.8.3. Set up a “help” desk for Small and Emerging Suppliers	168
5.8.4. Train the Small and Emerging Suppliers on the Database	168
5.8.5. Set Targets and Budgets for Involvement of Small and emerging suppliers	168 168
5.8.6. Pre Award Counselling	169

5.8.7. Establish Partnership on Mentoring Programme	169
5.8.8. Financial Support	169
5.8.9. Post Award Counselling	170
5.8.10. Evaluation, Feedback and Retraining	170
5.9. CONCLUSION	171
CHAPTER 6: RESEARCH METHODOLOGY	187
6.1. INTRODUCTION	174
6.2. DEMARCATION OF THE STUDY	175
6.3. DEGREE OF RESEARCH QUESTION CRYSTALLISATION	176
6.4. METHOD OF DATA COLLECTION	176
6.5. RESEARCH CONTROL OF VARIABLES	176
6.6. THE PURPOSE OF THE STUDY	177
6.7. THE TIME DIMENSION	177
6.8. THE TOPICAL SCOPE	177
6.9. THE RESEARCH ENVIRONMENT	178
6.10. OBJECTIVES OF EXPLORATORY STUDY	178
6.10.1. The Use of Secondary Data	179
6.10.1.1. Sources of Secondary Data	179
6.10.1.2. Criteria for Evaluating Secondary Data	179
6.10.1.3. Classification of the Secondary Data	180
6.10.2. Qualitative Research	180
6.10.2.1. Personal In-depth Interviewing	181

6.10.2.2. Experience Surveys	184
6.11. CONCLUSION	184
CHAPTER 7: PREFERENTIAL PROCUREMENT IN LOCAL GOVERNMENT	
7.1. INTRODUCTION	186
7.2. OBJECTIVES OF LOCAL GOVERNMENT AT THE CITY OF TSHWANE	187
7.3. POPULATION BENEFITS IN TERMS OF LOCAL DEVELOPMENT	193
7.4. THE NEED FOR LOCAL GOVERNMENT TO GET MORE POWER IN TERMS OF FUNCTIONS AND INCOME	195
7.5. THE USE OF MUNICIPAL POWERS TO PROMOTE SOCIAL DEVELOPMENT AND ECONOMIC GROWTH	196
7.6. ALIGNEMENT BETWEEN PUBLIC AND PRIVATE INVESTMENT WITHIN THE MUNICIPAL AREA	197
7.7. DEMOCRATISATION OF DEVELOPMENT	200
7.8. EMPOWERMENT OF MARGINALISED GROUPS WITHIN THE LOCAL COMMUNITY	201
7.9. POLICY INTERVENTION TO SUPPORT THE EXPANSION OF LOCAL SMMES	202
7.10. PROCUREMENT POLICY FOR THE CITY OF TSHWANE	204
7.11. CHALLENGES ENCOUNTERED BY LOCAL GOVERNMENT	206
7.12. THE USE OF PREFERENTIAL PROCUREMENT AS AN INSTRUMENT OF LOCAL ECONOMIC DEVELOPMENT AND EMPOWERMENT	208
7.13. THE ROLE OF PREFERENTIAL PROCUREMENT TO THE DEVELOPMENT OF SMMEs	211

7.14. CURRENT IMPACT OF PROCUREMENT TRENDS IN LOCAL GOVERNMENT	212
7.15. THE CREATION, MAXIMISATION AND DISSEMINATION OF OPPORTUNITIES FOR AP FIRMS	215
7.16. SUPPLIER DEVELOPMENT	218
7.17. THE IMPACT OF PREFERENTIAL PROCUREMENT ON BUYING PROCEDURES	221
7.18. ACHIEVEMENT OF NATIONAL SOCIO-ECONOMIC OBJECTIVES	221
7.19. CASE STUDY ON THE USE OF PREFERENTIAL PROCUREMENT IN THE CITY OF TSHWANE	223
7.19.1. Introduction	223
7.19.2. Objectives of Local Government at the City of Tshwane	223
7.19.3. Local benefits in terms of local development	226
7.19.4. The need for Local Government to get extra power	226
7.19.5. The use of municipal powers to promote social development and economic growth	226
7.19.6. Alignment between private and public investment	226
7.19.7. Democratisation of development	227
7.19.8. Empowerment of marginalised groups	227
7.19.9. Policy intervention to support the local SMMEs	228
7.19.10. Procurement Policy for the City of Tshwane	228
7.19.11. Challenges encountered by Local Government	228
7.19.12. The use of preferential procurement as an instrument of LED	229
7.19.13. The role of preferential procurement to the development of SMMEs	229

7.19.14. Current impact of procurement trends in Local Government	229
7.19.15. The creation, maximisation and dissemination of opportunities for AP firms	230
7.19.16. Supplier development	230
7.19.17. The impact of preferential procurement on buying procedures	230
7.19.18. Achievement of national objectives	231
7.20. CONCLUSION	231

CHAPTER 8: LIMITATIONS, RECOMMENDATIONS AND CONCLUSION

8.1. INTRODUCTION	235
8.2. LITERATURE RESEARCH REVIEWED	235
8.3. RESEARCH OBJECTIVES REVISITED	238
8.4. LIMITATIONS OF THE STUDY	242
8.5. RECOMMENDATIONS	242
8.5.1. Lack of infrastructure and information dissemination deficiencies	243
8.5.2. Lack of Human Resources	243
8.5.3. Cumbersome Administration	243
8.5.4. Provision of High Quality Service Delivery	243
8.5.5. Implementation of a Preferential Procurement Programme	244
8.5.6. Supplier Development	244
8.5.7. Purchasing/Buying Department	244
8.5.7.1. Training the Purchasing Officials	245
8.5.7.2. Performance Review	245

8.5.7.3. Preferential Procurement Coordinators	245
8.5.8. Early age awareness of entrepreneurial capacity	246
8.5.9. Monitoring of implementation of preferential procurement policy	246
8.5.10. Establishment of a linkage system	246
8.6. FUTURE RESEARCH	247
8.7. CONCLUSION	247
BIBLIOGRAPHY	249
APPENDIX	257

LIST OF FIGURES

FIGURE 3.1. Targeted procurement system	60
FIGURE 3.2. Targeting strategies	65
FIGURE 3.3. A model for black economic business empowerment	71
FIGURE 4.1. Minority business opportunities for purchasers and suppliers	96
FIGURE 5.1. Supplier development activities matrix	161
FIGURE 7.1. Skills index model	204

Abstract

It has been recognised in several countries that governments need to intervene in order to help socially and economically disadvantaged individuals in the society to compete in the economy with those who have gained historical advantage. Governments have changed Legislation in favour of the disadvantaged, so that to ensure that they participate in the economy in a more fairly manner and the standards of living of their communities are improved.

Local Government at the City of Tshwane Metropolitan Municipality has been given a greater responsibility in relation to Local Economic Development. A major challenge is encountered given that the new areas, which were, integrated recently, lack infrastructure and are rural in nature. Preferential procurement has been identified as a tool of socio-economic development in South Africa. However, a policy needs to be done, properly implemented, and monitored so that it can achieve the desired results.

could be used as an instrument to address imbalances (such as unequal distribution of income, poverty, unemployment, low productivity, low skills, and low levels of income-growth faced by the majority of the population) arising from the system of apartheid, particularly the skewed business ownership patterns on racial lines. Following South Africa's first democratic elections in 1994, a procurement Forum was established by the Minister of Finance and Public Works to initiate a process of Public Sector Procurement Reform in South Africa. A procurement task team was appointed to research and develop policy proposals. Procurement Reform in South Africa had two basic objectives: good governance and the attainment of socio-economic objectives through procurement. (Watermeyer, 2000:1)

Local Government in South Africa was assigned the task to promote local economic development (LED). Unlike National and Provincial Governments, Local Government is the nearest to the local community, and deals with it on a daily basis through the provision of services, which may involve the construction and maintenance of infrastructure. This may require buying goods and requesting services from the private