

What the New Procurement Bill Means for You

A Bidders' Guide



South Africa recently took a big step forward by passing the Public Procurement Bill to change how public tenders work nationwide. If you're a business that bids on government contracts, here's what you need to know and how it might affect you.

<p>A Fresh Start with a Unified System</p>	<p>The new Bill is all about simplifying and fairing things. It creates a single set of rules for public procurement, replacing the old, often confusing system. This means everyone follows the same guidelines, making the process more transparent and predictable.</p>
<p>Introducing the Public Procurement Office (PPO)</p>	<p>A new office, the Public Procurement Office (PPO), will be part of the National Treasury. Think of the PPO as the game's referee, ensuring everyone plays by the rules. They'll oversee all procurement activities, ensuring processes are fair and transparent.</p>
<p>Clear Roles and Responsibilities</p>	<p>The Bill spells out what everyone needs to do. Provincial treasuries and individual procuring institutions now have clearly defined roles. This clarity helps avoid confusion and ensures that the right people are accountable for their part.</p>
<p>Fighting Corruption</p>	<p>One of the Bill's major goals is to clean up procurement processes. With new integrity measures and anti-corruption protocols, there will be less room for shady dealings. For bidders, this means a fairer shot at winning contracts based on merit, not connections.</p>
<p>Embracing Technology</p>	<p>The Bill encourages the use of technology in procurement. This means more digital submissions and communications, making the process quicker and more efficient. Bidders will need to be comfortable with these new digital tools to stay competitive.</p>
<p>Handling Disputes</p>	<p>Disputes are bound to happen, but the Bill clearly establishes mechanisms to resolve them. This ensures that issues can be handled fairly and efficiently, keeping the procurement process moving smoothly.</p>
<p>Preferential Procurement</p>	<p>The Bill includes a framework to help historically disadvantaged groups gain a better foothold in public procurement. If your business belongs to one of these groups, you might find new opportunities and advantages when bidding on contracts.</p>



“This new framework is a game-changer. It sets the stage for fair competition and supports local industries. We're excited to see how it will reshape the supply chain landscape.”

Kamogelo Mampane

Chief Executive Officer; Executive Chairman at Supply Chain Council SA; SAPICS Board Member



What this means for you

Companies that want to win more business or work with the public sector in South Africa do so because the public sector offers a massive opportunity.

As of the latest data, public sector spending accounts for a significant portion of South Africa's GDP. Public sector expenditure, which includes spending on goods, services, and infrastructure, represents approximately 32.7% of South Africa's GDP (Stats SA) (Treasury).

This substantial investment highlights the attractiveness of public sector contracts for businesses, making them a lucrative area for potential bidders.

However, the regulatory landscape has been complex and challenging to navigate. The Procurement Bill, which has been in the pipeline for years (the draft was initially a discussion document in 2020), aims to simplify the landscape.

But let's be realistic: The bill isn't where it ends.

It still needs to become an Act, followed by detailed regulations. Changes will take time as public sector procurement teams gear up for the new system. This process will involve adjustments along the way, and opinions on how it will work may vary.

What to expect

- Transparency and Fairness** Expect a more transparent process where everyone follows the same rules. This will level the playing field and help ensure that contracts are awarded fairly.
- Digital Shift** Get ready to adapt to more digital processes. Investing in technology now will pay off as you navigate the new system. Fewer paper submissions, we hope?
- Stay Informed and Compliant** It will be crucial to keep up with the latest regulations and ensure your bids comply with new integrity measures.
- New Opportunities** The preferential procurement framework could open new doors, especially if you're part of a historically disadvantaged group.



"The signing of this Bill marks the beginning, not the end. The real work starts now as we draft the necessary regulations to implement this framework."

Professor Geo Quinot

Public procurement law expert
Stellenbosch University

Looking ahead

The Public Procurement Bill is not just a set of new rules; it's a chance to create a more equitable and efficient procurement landscape in South Africa.

By understanding these changes and preparing for them, your business can adapt and thrive.

Sources

- <https://www.gov.za/news/media-statements/president-cyril-ramaphosa-assents-public-procurement-bill-23-jul-2024>
- National Treasury of South Africa
- Statistics South Africa
- Professor Geo Quinot, LinkedIn Post
- Kamogelo Mampane, LinkedIn Post



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At nFold, we work closely with our customers to help them win work through expertly crafted tenders, proposals, and pitches. This not only drives sales but also leads to job creation and improved lives. Our collaborative approach results in more sales success and less proposal stress.

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