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DIGITIZING PUBLIC PROCUREMENT: E-TENDERING, AUTOMATION & DATA INTEGRITY

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**9th National Public Sector Supply Chain Process Audit
Convention**

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About OS Holdings

The OS Holdings Story

The OS Journey began in **2012**. OS Holdings is an award-winning, process-driven software solution business with a footprint in South Africa and other SADC countries.

We assist public sector entities with technology and support to ensure that they meet their legislative, financial management, internal controls, and compliance requirements using technology and expert skills.

We are one of the partners appointed to the **RT25 MSCOA Panel by the National Treasury in 2016**. We are a development house, Sage Certified Partner, Cyber Security & Artificial Intelligence Specialists.



Legal Framework & Core Responsibilities of procurement officers.



▪ **Section 217 of the constitution:** Requires procurement to be fair, equitable, transparent, competitive and cost effective.

Public Finance Management Act (PFMA): Ensures sound financial management and accountability in procurement processes.

Policy Framework Act (PPPFA): Guides the implementation of preferential procurement policies to promote Equity, redress historical

Municipal Finance Management Act (MFMA): Applies to local government, reinforcing the same principles.

Public Procurement Act (2024): Introduces electronic procurement systems, and stricter transparency requirements.



Key Challenges In the Public Sector Procurement

1. Endemic Corruption and State Capture

- Procurement is often exploited for personal and political gain.
- Investigations by the Special Investigating Unit (SIU) show that up to **90% of cases involve procurement-related corruption.**
- The Zondo Commission highlighted **systemic failures** in curbing corruption, with procurement being a central vulnerability



Key Challenges In the Public Sector Procurement

2. Fragmented and Inconsistent Processes

- Lack of uniformity across departments leads to inefficiencies and loopholes.
- The procurement system suffers from **poor coordination and weak enforcement of regulations**, making it hard to ensure accountability.
- **3. Weak Implementation of Policies**
- While South Africa has sound procurement legislation, **implementation remains poor.**
- Challenges include limited training, poor management, and weak performance systems.



Key Challenges In the Public Sector Procurement

4. Transparency and Accountability Deficits

- The current Public Procurement Act has been criticized for failing to incorporate sufficient safeguards against corruption.
- Civil society groups like AmaBhungane are challenging the Act in court, arguing it repeats the failures of previous systems.



Key Challenges In the Public Sector Procurement

5. Limited Use of Technology and Innovation

- Compared to global peers like Canada and Singapore, South Africa lags in **ICT adoption and digital procurement systems**.
- Transitioning to a robust e-procurement system linked to financial management platforms is a key reform priority.



The Urgency for Transformation

•Fragmented systems and manual processes hinder service delivery

Auditor-General findings highlight recurring compliance gaps

SMMEs struggle to access opportunities due to opaque systems

Citizens demand transparency and value for public spend





Digitizing public procurement in South Africa—through e-tendering, automation, and data integrity—is not just a technical upgrade; it's a strategic imperative for transparency, efficiency, and inclusive economic growth. Here's a comprehensive look at the current landscape:



E-Tendering: Opening Access and Enhancing Transparency

- **Central Supplier Database (CSD)** and **eTender Portal** are key platforms enabling digital tendering across government departments.
- These systems reduce paperwork, improve access for SMMEs, and allow real-time tracking of tenders and contracts.
- E-tendering promotes **fair competition** and **reduces corruption** by making procurement processes more visible and auditable.

Benefits of Digital Transformation & e-Procurement



Improved
supplier
performance



Greater
transparency



Enhanced Data
Analytics



Cost Savings



Efficiency



Enhanced
Collaboration



Automation: Streamline Procurement Processes

- Automation speeds up procurement cycles, cuts administrative overheads, and improves service delivery.
- **State-owned entities** are adopting **predictive analytics and AI** to optimise sourcing, contract management, and supplier performance.
- Examples include **Transnet Digitised Strategy**, which emphasises category management, supplier relationship management, and ethical procurement



Data Integrity & Building Trust

- Centralized data platforms reduce fragmentation and improve compliance with laws like the **Public Finance Management Act (PFMA) & Municipal Finance Management Act (MFMA)**.
- Data-driven procurement also enhances **audit readiness**, supplier evaluation, and contract governance.
- Digitized systems enable **real-time oversight**, allowing officials to monitor spending and flag irregularities.



Although progress has been made, several obstacles still exist.

01

Digital divide and limited broadband infrastructure

02

Resistance to change within institutions

03

Cybersecurity risks and data protection concerns

04

Interoperability issues between legacy systems and new platforms



Strategic Partnerships



Treasury & AGSA
for policy
alignment



SALGA for
municipal
engagement



Local tech hubs
for SMME support



Academia for
innovation and
research



iServe Eprocurement Impact Metrics

Metric		Target
Tender Cycle Time	↓	40%
Supplier Participation	↑	60%
Audit Findings	↓	70%
SMME Inclusion	↑	50%
Citizen Trust Index	↑	Notable Improvement





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Thank You

Digitize Your Procurement Today!

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