



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT

DRAFT PUBLIC PROCUREMENT BILL – EXTENSION OF PERIOD FOR PUBLIC COMMENTS

The period allowed for public comments into the Draft Public Procurement Bill has been extended by a month to 30 June 2020 from 31 May 2020. The extension was necessitated by the impact of the Covid-19 virus on many operations around the country.

One of the main objectives of the Bill is to do away with the current fragmentation of public procurement regulations. The draft Bill proposes a single regulatory framework for procurement applicable to national, provincial and local government; as well as state-owned entities. The modernisation of public procurement necessitates procurement that:

- is developmental;
- ensures value for money in the use of public funds;
- aspires to expand the productive base of the economy;
- supports innovation and investment and achieve economy, efficiency and maximum competition; and
- uses technology to simplify procurement processes and better leverage economies of scale.

The Bill proposes the repeal of the Preferential Procurement Policy Framework Act of 2000 and thereby do away with its preferential point system. In its place, the Bill creates a more flexible preferential procurement regime and enabling the Minister of Finance, after consulting responsible Ministers, to prescribe a framework for preferential procurement. To advance economic opportunities for previously disadvantaged people, specific provision is made for women, the youth and people with disabilities, small businesses, locally produced goods, including local technology and its commercialisation.

The key areas of regulation in the Bill are-

- general procurement requirements;
- an enabling framework for preferential procurement;
- establishing a Public Procurement Regulator within the National Treasury and its functions;
- determining the functions of Provincial Treasuries;
- measures to ensure the integrity of the procurement process including sanctions in the form of debarment and criminal offences;



- the power to prescribe different methods of procurement, one of which is procurement from another organ of state, and bidding processes;
- a framework for supply chain management;
- dispute resolution mechanisms entailing review within an institution and also by the Regulator and the Provincial Treasuries and then an independent Tribunal, to resolve disputes expeditiously and to limit the need to litigate in the courts; and
- the repeal and amendment of certain laws.

Comments should be submitted through
<https://web.treasury.gov.za/publiccomments/PublicProcurementBill/>
by 30 June 2020.

Issued by National Treasury
Date: 27 March 2020

