

**NATIONAL COUNCIL OF PROVINCES  
QUESTION FOR WRITTEN REPLY  
QUESTION NUMBER: 503 [CW717E]  
DATE OF PUBLICATION: 6 NOVEMBER 2015**

**503. Mr F Essack (Mpumalanga: DA) to ask the Minister of Finance:**

What plans are in place to (a) consolidate the expenditure of R190 billion on procurement in the 2014-15 financial year and (b) bring better value for the money spent?

CW717E

**REPLY:**

(a) The Office of the Chief Procurement Officer (OCPO) has facilitated thirty-nine (39) centre lead transversal contracts which represents a consolidated contract at the value of ± R28 billion. This value is for the different periods that the contracts are running and the annual contract that is estimated at a value of ± R 14 billion. An additional five (5) contracts are currently in the process of publication amongst which is a bid for the printing and distribution of learner work books for the Learner and Teacher Support Material (LTSM) projects.

The OCPO has also embarked on strategic sourcing projects for travel and accommodation, mobile and fixed line communication as well as medical waste, hospital laundry and linen and hospital nutrition programmes.

National Treasury Regulations have also been amended to ensure that the use of transversal contracts by all national and provincial departments will be compulsory from the 1<sup>st</sup> April of 2016 to ensure further consolidation of procurement of common goods and services.

(b) The OCPO plans to provide government with value-for-money by:

- i. Negotiating competitive price offerings for common goods and services based on the consolidated spent of government;
- ii. Promoting locally manufactured goods and services where possible;
- iii. Reducing the administrative cost of transacting for both suppliers and departments through the establishment of the Central Supplier Database (CSD), gCommerce Centre and implementation of eProcurement system for government.