



# Quarter 4 2023/24 Procurement Disclosure Report



Western Cape  
Government  
**FOR YOU**

**Authored by**  
Provincial Treasury  
Provincial Government  
Supply Chain Management

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## ABBREVIATIONS

<b>B-BBEE</b>	Broad Based-Black Economic Empowerment
<b>bn</b>	Billion
<b>CSD</b>	Central Supplier Database
<b>ePS</b>	Electronic Procurement Solution
<b>FAQs</b>	Frequently Asked Questions
<b>GTB</b>	Government Tender Bulletin
<b>IPS</b>	Integrated Procurement Solution
<b>MTEF</b>	Medium-term expenditure framework
<b>NT</b>	National Treasury
<b>PCC</b>	Procurement Client Centre
<b>PPPFA</b>	Preferential Procurement Policy Framework Act
<b>PPPFR</b>	Preferential Procurement Policy Framework Regulations
<b>PT</b>	Provincial Treasury
<b>PTIs</b>	Provincial Treasury Instructions
<b>RDP</b>	Reconstruction and Development Programme
<b>RFQ</b>	Request for Quotations
<b>TBEC</b>	Transversal Bid Evaluation Committee
<b>TBAC</b>	Transversal Bid Adjudication Committee
<b>WCG</b>	Western cape Government
<b>WCBD</b>	Western Cape Bid Document
<b>WCSEB</b>	Western Cape Supplier Evidence Bank

## EXECUTIVE SUMMARY



This report shares the **Western Cape Government's fourth procurement disclosure for the 2023/24** fiscal year, highlighting both financial and non-financial performance up to and including quarter 4. We prioritize fairness, transparency, and cost-effectiveness in procurement, supporting socio-economic development through preferential policies.

For the 2023/24 financial year, the Western Cape Government spent **R21.07 billion** on procurement and related provisions. This spending highlights our commitment to efficient practices and supporting local businesses.

- 25.07% went to SMMEs.
- 59.79% supported black-owned companies.
- 55.96% was spent with suppliers based in the Western Cape, with 49.17% going to those in the City of Cape Town.



**Automated planning tools improve efficiency**, while electronic solutions ensure transparency in procurement. In the 2024/25 fiscal year, there are 2 599 planned procurement opportunities valued above R100 000. The e-Procurement solution was crucial, facilitating 20 455 RFQ opportunities, of which 11 763 were awarded in the 2023/24 fiscal year. Additionally, 164 formal tenders were advertised and 41 awards were published through the e-tender portal.

**Goods and services** made up a significant **73.69%** of the total procurement spending and related provisions. The top three categories were Property Payments (R3.68 billion), Medical Supplies (R1.74 billion), and Computer Services (R1.61 billion). Our procurement strategy emphasizes value for money and strategic supply chain management.



**The Preferential Procurement Regulations, 2022**, aim to align with constitutional requirements and the Preferential Procurement Policy Framework Act. The Western Cape Government is currently conducting a technical review to update its supply chain management (SCM) practices. This will better align with Constitutional principles outlined in section 217 of the Constitution, aiming to enhance service delivery and economic empowerment.

The Western Cape Government (WCG) submitted comments to the Standing Committee on Finance and the National Council of Provinces regarding the **Public Procurement Bill [B18B-2023]** on 22 February 2024. The comments expressed dissatisfaction with the current version of the Bill and did not support it in its current form. While the Bill aims to streamline and simplify public procurement regulations, several concerns were raised.



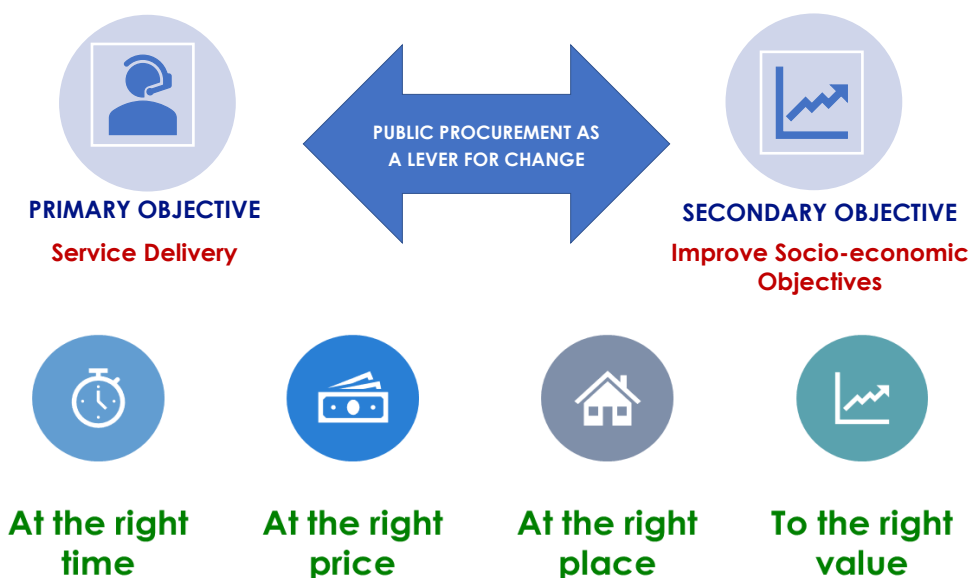
## 1. INTRODUCTION

This is Western Cape Government's (WCG) eighth procurement disclosure report since COVID-19. It covers the financial and non-financial procurement performance for the 2023/24 highlights regulatory changes and initiatives to improve procurement processes.

## 2. CONTEXT AND INTENT OF PUBLIC PROCUREMENT

Public procurement involves government organizations acquiring goods, services, and works from suppliers, guided by principles such as fairness, transparency, competitiveness, and cost-effectiveness. These principles, outlined in the Constitution, ensure timely and value-driven procurement to support service delivery. Socio-economic development is a secondary focus, encouraging preferential procurement to empower historically disadvantaged entities.

The evaluation of bids considers factors beyond price, including responsiveness to bid documents, terms, and conditions. Non-compliance with specified clauses can lead to disqualification, even if a supplier offers a lower price. Organs of state must draft specifications and criteria that allow all potential suppliers meeting requirements to participate. In promoting socio-economic empowerment, preference points are allocated to entities historically discriminated against. Bids are scored based on a points system, considering both price and preference, with the highest-scoring companies securing the tender.



## 3. PREFERENTIAL PROCUREMENT REGULATIONS, 2022

The National Minister of Finance introduced new Preferential Procurement Regulations, in 2022 to replace the invalidated 2017 regulations, aligning with constitutional requirements and court judgments.

Key Insights from the judgments:

- Preferential procurement policies must advance the requirements of s 217(1) of the Constitution [Supreme Court of Appeal]<sup>1</sup>;
- The Minister of Finance cannot prescribe policies outside the framework of national legislation (PPPFA) [Constitutional Court]<sup>2</sup>;

<sup>1</sup> Afribusiness NPC v Minister of Finance [2020] ZASCA 140; 2021 (1) SA 325 (SCA) (Supreme Court of Appeal judgment)

<sup>2</sup> Minister of Finance v Afribusiness NPC (CCT 279/20) [2022] ZACC 4; 2022 (4) SA 362 (CC); 2022 (9) BCLR 1108 (CC) (16 February 2022)

- Each organ of state must determine and implement its own preferential procurement policy within the framework. [Constitutional Court]<sup>3</sup>.

The regulations require organs of state to specify preference point systems and goals in tender documents, such as contracting with historically disadvantaged individuals and implementing programs like the Reconstruction and Development Programme.

The Western Cape Government is committed to evidence-based decision-making, international best practices, and ensuring value for money and redress. The current procurement system, guided by the Provincial Treasury will continue until new policies are finalised. A technical review is underway, to reform the procurement system, considering legal alignment, best practices, and stakeholder input. The goal is to implement a Change Management Strategy with training and collaboration.

#### 4. PUBLIC PROCUREMENT BILL

On 23 February 2024, the Western Cape Government (WCG) submitted comments to the Select Committee on Finance and the National Council of Provinces regarding the Public Procurement Bill [B18B-2023]. The WCG urged careful reconsideration of the Bill to address several concerns.

Key Issues Raised:

1. **Centralization of Authority:** Doubts about centralizing authority into a national Public Procurement Office (PPO).
2. **Transparency and Oversight:** Insufficient provisions for transparency and public oversight.
3. **Procurement and Financial Regime Disconnect:** Potential disconnection between procurement processes and the financial regime.
4. **Complex Regulations:** Concerns that the broadened scope of procurement regulation may hinder simplification efforts.
5. **Local Content Provisions:** Impact on infrastructure projects due to delays and cost escalations.

Additional Concerns:

- Complexity of the proposed dispute resolution process.
- Extension of the Bill beyond necessary frameworks for preferential procurement.

The WCG emphasized the need for a balanced approach that ensures value for money, streamlined procedures, transparency, and effective implementation of e-procurement and integrated financial management systems. They also highlighted the importance of maintaining the autonomy and operational efficiency of sub-national government entities.

In summary, the WCG called for a comprehensive and well-aligned procurement framework to support efficient governance and service delivery across all levels of government.

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<sup>3</sup> Supra



## 5. METHODS OF PROCUREMENT

The following procurement methods as regulated have been utilized in government, and will continue to be, followed in the WCG:



## 6. SCM REPOSITIONING

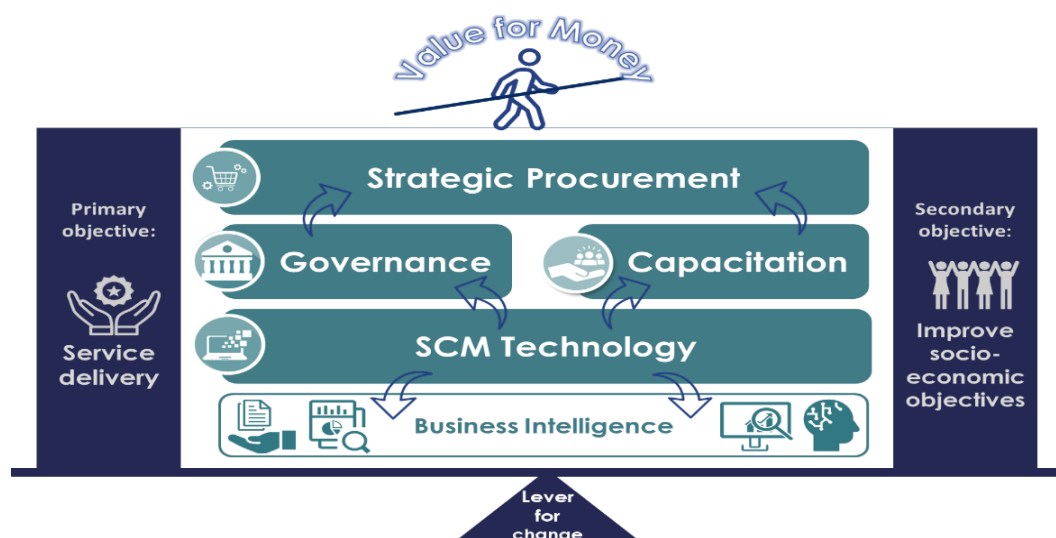
The Provincial Treasury oversees Supply Chain Management (SCM) policy and financial systems in the province, areas highlighted for improvement by National Treasury. Despite anticipated reforms not fully materializing, the province has adapted and innovated.

Over the last decade, the SCM strategy focused on governance, technology, strategic procurement, and capacity development. Challenges with implementing the Integrated Financial Management System (IFMS) led to reliance on upgrading existing systems.

In 2022, the Provincial Executive initiated a technical review of SCM to develop a procurement system ensuring value for money and socio-economic redress. Senior SCM officials and CFOs adopted the Problem Driven Iterative Adaptation (PDIA) approach to identify and address root causes of service delivery challenges linked to procurement.

Led by the Provincial Treasury, this effort established four cross-departmental workgroups to design a value-driven procurement system. Discussions affirmed the need to maintain and refresh the SCM strategy, emphasising a renewed perspective and approach. This re-positioning is depicted in Illustration 1 hereunder:

**Illustration 1: SCM Strategy**



**Outcome:** The main goal of public procurement is to efficiently deliver services to citizens with a secondary goal of advancing socio-economic objectives.

**Strategic Procurement:** Implementing a commodity-based procurement approach is crucial for a value-driven perspective. This approach requires institutions to see procurement as integral to their mandates and plan comprehensively, avoiding isolated efforts. Understanding markets deeply enables developing a procurement strategy that aligns with both primary service delivery and socio-economic goals.

**Governance and Capacity Building:** While maintaining strong governance, we aim to reduce excessive regulation and control by reviewing provincial treasury instructions, accounting officer systems, and restrictive delegations. Collaborating with lawmakers, we seek to streamline the procurement system, to be more responsive and less burdensome. Increasing transparency, we will share more information about our procurement plans, product needs, and spending with the private sector to better meet our requirements.

**Repositioning of the SCM Strategy:** Shifting from a compliance-focused to a value-for-money procurement system, requires reskilling SCM staff and engaging with suppliers to promote performance-based practices.

## 7. PROCUREMENT PLANNING

Procurement plans are an essential part of the WCG's procurement activities for a financial year. This ensures that procurement activities are aligned to service delivery objectives and budgets. Illustration 2 hereunder depicts the thinking.

**Illustration 2: Procurement Planning Rationale**



The WCG implemented an automated procurement planning toolkit in the 2021/22 financial year. All departments have transitioned to the automated procurement planning toolkit and hence the Provincial Treasury is able to produce a provincial procurement plan as well as view progress on departmental plans when the information becomes available on a quarterly basis.

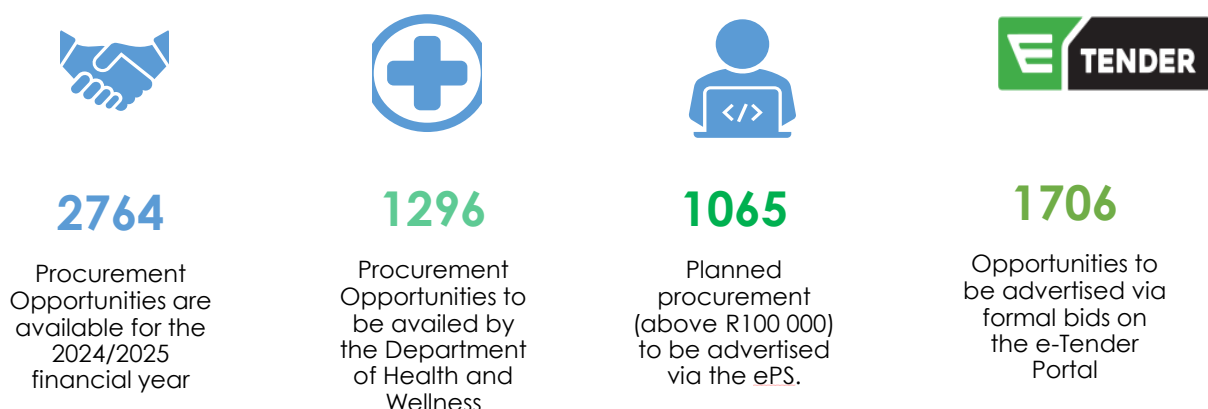
The Illustrations 3 and 4 hereunder depict the potential opportunities that are available to suppliers via the envisaged departmental procurement processes during the 2024/25 financial year:

**Note:** The procurement plans are signed off by the Provincial Departments on 31 March 2024, however, given the National fiscal framework are subject to change as the year progresses due to various factors such as budgetary constraints; refocused strategic indicators; and intended procurement is no longer a need; or there is a postponement of the need, this information is purely indicative of the planned procurement only.



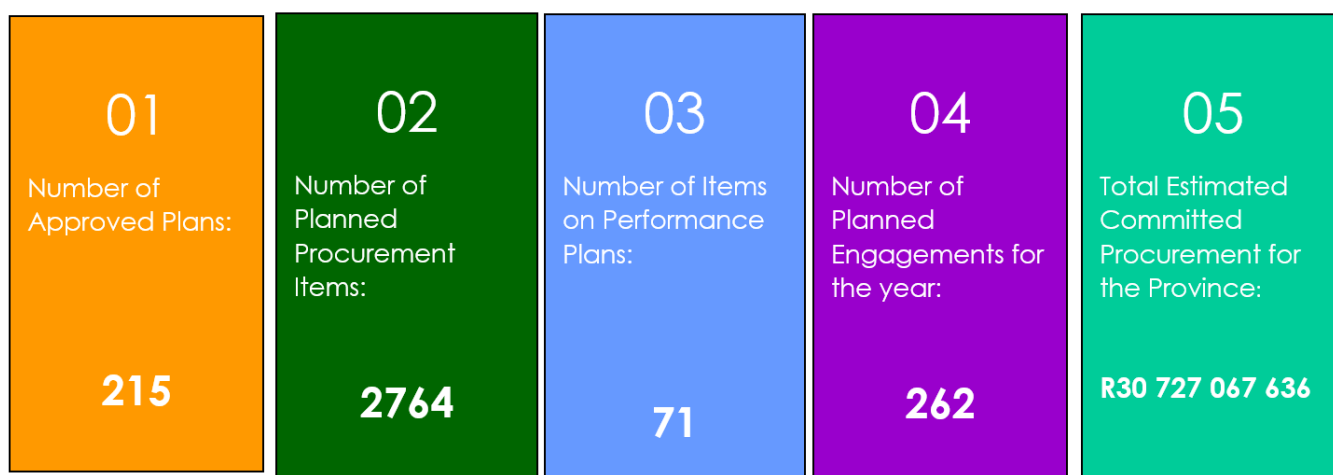
## 7.1 Planned Tender Opportunities

**Illustration 3: Planned Procurement Opportunities 2024/25**



## 7.2 Procurement Opportunities For 2024/25

**Illustration 4: Procurement Opportunities 2024/25**



**Table 1: Planned Items per Department**

Department	Total Estimate Value	No of items
Department of Health and Wellness	R16,628,877,316	1296
Department of Education	R5,630,448,978	368
Department of Infrastructure	R5,543,800,790	423
Department of the Premier	R729,325,495	123
Department of Social Development	R292,721,044	83
Department of Police Oversight and Community Safety	R99,947,327	19
Department of Agriculture	R69,750,046	129
Department of Local Government	R43,056,000	34
Department of Environmental Affairs and Development Planning	R24,630,990	11
Department of Provincial Treasury	R11,679,415	12
Department of Cultural Affairs and Sport	R7,702,947	142
Department of Mobility	R1,614,946,477	74
Department of Economic Development and Tourism	R30,180,811	50
<b>TOTAL</b>	<b>R30,727,067,636</b>	<b>2764</b>

**Table 2: Envisaged Number, Value And Process For Purchasing Planned Procurement Items**

Department	Total Estimate Value	No of items
COMPETITIVE BIDDING	R23,812,534,783	1088
DEPARTMENTAL CONTRACT	R622,413,476	192
EMERGENCY PROCUREMENT	R16,536,730	6
FORMAL QUOTATIONS	R534,196,343	1072
FRAMEWORK AGREEMENT	R2,118,496,280	34
INFORMAL QUOTATIONS	R8,383,938	7
LIMITED BIDDING	R1,350,000	1
LIMITED BIDDING - MULTI SOURCE	R1,743,126,193	82
LIMITED BIDDING - SINGLE SOURCE	R450,262,615	71
LIMITED BIDDING - SOLE SOURCE	R139,753,420	45
TRANSVERSAL CONTRACT	R1,203,354,858	163
FORMAL TENDER	R69,000,000	2
OTHER	R7,659,000	1
<b>TOTAL</b>	<b>R30,727,067,637</b>	<b>2764</b>

Tender opportunities will decline as the year progresses; hence it is critical for suppliers to ready themselves for these opportunities.

## 8. e-PROCUREMENT SOLUTION AND THE WESTERN CAPE SUPPLIER EVIDENCE BANK

Since 1999, the WCG has used an online platform for inviting bids, including a supplier database. Since 2016, the National Treasury introduced a Central Supplier Database (CSD), as compulsory for all provinces and suppliers dealing with government.

Using technology in government, particularly in procurement, is crucial for improving efficiency, reducing red tape for suppliers and ensuring accountability and transparency. Automated systems help us manage the large- scale financial transactions in government operations.

### 8.1 The In-House Developed e-Procurement Solution (ePS)

Since 1999, WCG has utilised an e-Procurement Solution to facilitate the procurement of goods, services and works up to the value of R500 000. Since 1 December 2021, the WCG implemented an in-house developed ePS that facilitates the procurement of goods, services, and works up to the value of R1 million.

### 8.2 Value and Benefits of an Electronic Procurement Solution (ePS)

The ePS include the Western Cape Supplier Evidence Bank (WCSEB) that serves as a central repository of governance documentation for utilisation when procuring via the ePS:



**For suppliers:**  
Providing procurement opportunities to a wider spectrum of suppliers; stimulating competition; automating manual processes (streamlining of procurement processes); ensuring ease of doing business with WCG; affording better transparency and accountability and helping and supporting suppliers to tender.



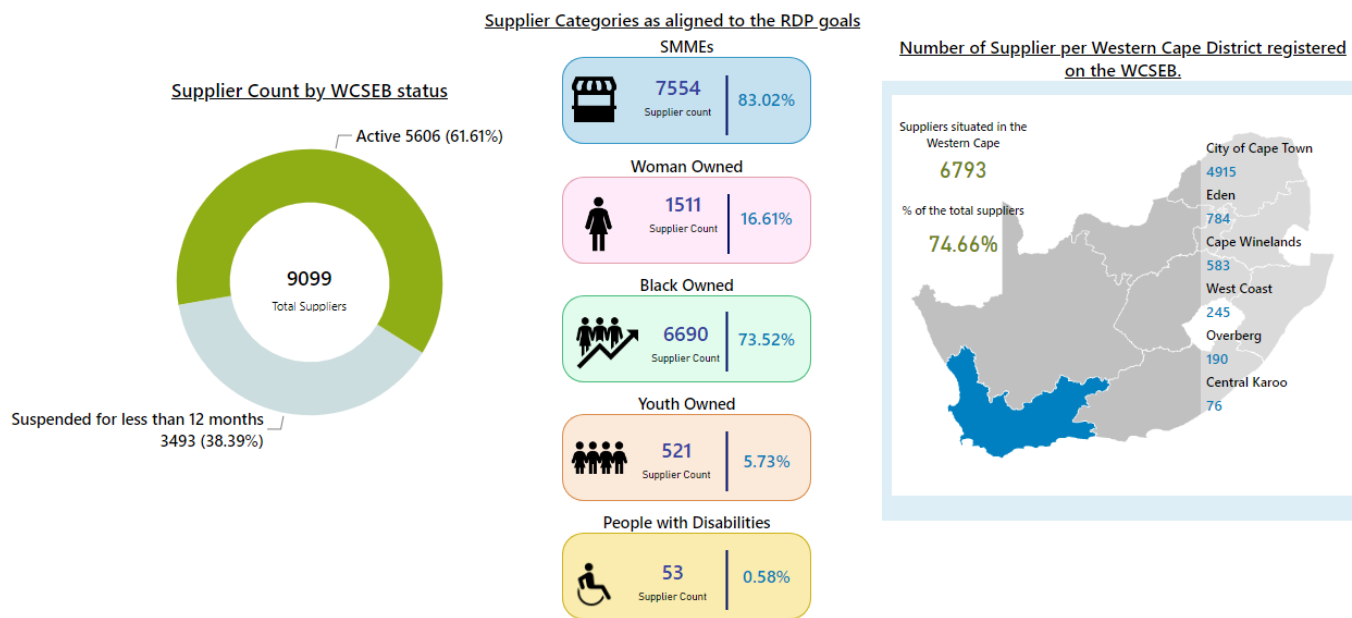
**For departments:**  
Easier compliance with legislation, improved productivity, reducing paperwork and telephone costs, etc.); working with the latest and verified suppliers - information held centrally; fairness and transparency, curbs opportunities for irregularities, fraud and collusion between suppliers and officials; and provides for accurate management of information and audit trail of all transactions.

- The WCSEB uses the national Central Supplier Database (CSD) as the primary source of supplier information. This database includes essential governance documents and acts as a central document repository.
- Registration on the WCSEB for procurement via ePS is a policy decision made by the WCG. It ensures that suppliers meet compulsory tender requirements. The WCSEB stores the WCBD 4 Declaration of interest; Bidders Past SCM Practices & Independent Bid Determination); WCBD 6.1 (Preference Points Claim and B-BBEE certification and affidavits.
- An actively registered supplier must have a valid WCBD 4 on the WCSEB which lasts for one year. If this document expires, the supplier will be suspended on the WCSEB and cannot participate in ePS procurement opportunities.

### 8.3 Western Cape Supplier Evidence Bank (WCSEB)

There are 9 099 suppliers registered on the WCSEB of which 61.61% are active and 38.39% are suspended. These suspended suppliers will therefore not be eligible to receive opportunities advertised via the ePS. Suppliers are requested to check their status on the WCSEB and uplift the suspension by submitting a duly completed Western Cape Bidding Document 4 (WCBD 4) to the Procurement Client Centre (PCC) - (detail of which can be found at the end of this report).

#### Illustration 5: WCSEB



#### Supplier Registration Overview

As of 6 May 2024, there are **9,099** suppliers registered on the Western Cape Supplier Database (WCSEB). Of these, 73.52% are at least 51% black-owned, 83.02% are Small Medium Micro Enterprises (SMMEs), 16.61% are woman-owned, 5.73% are youth-owned, and 0.58% are owned by people with disabilities. Geographically, 74.66% (6 793 suppliers) are situated in the Western Cape, with 72.32% (4 915 suppliers) in the City of Cape Town.

Illustration 5 shows the ownership distribution (black-owned, SMMEs, woman-owned, youth-owned, disability-owned). Visual 2: Map indicating supplier distribution across Western Cape and City of Cape Town.

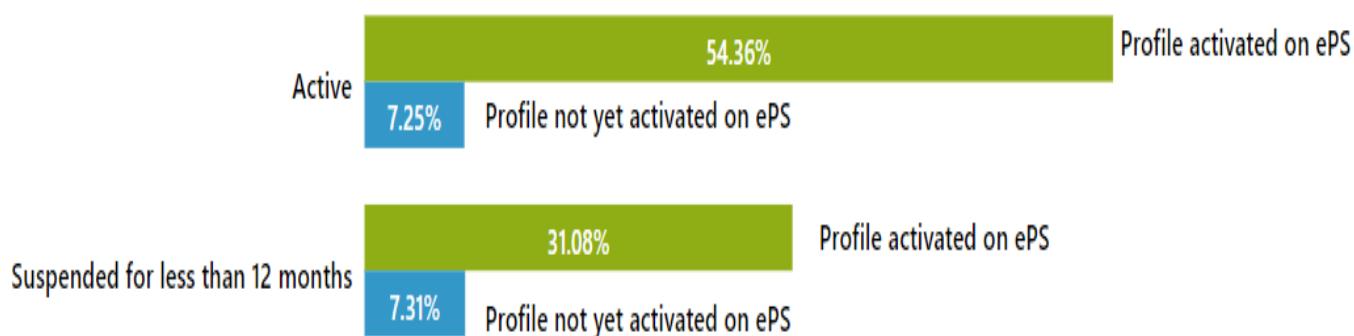
When the province moved to the new system, suppliers registered on the WCSEB were assisted with the activation of their profiles on the ePS. Once these profiles have been activated, the system generates an email with brief instructions and a link to access the ePS. A Video Tutorial can be accessed on the WCG web page: <https://www.westerncape.gov.za/provincial-treasury/tenders/eprocurement-solution>.

## 8.4 ePS Supplier Registration

7.25% of the supplier base has not yet activated their profiles on the ePS and these suppliers will not be eligible to receive opportunities via the ePS even though the supplier is actively registered on the WCSEB.

31.08% of the supplier base has a profile registered on the ePS but will not receive opportunities because they are suspended on the WCSEB (due to an expired WCBD 4). It is important for suppliers to understand and know their status on the ePS.

### Illustration 6: WCSEB Stats vs e-PS Registration



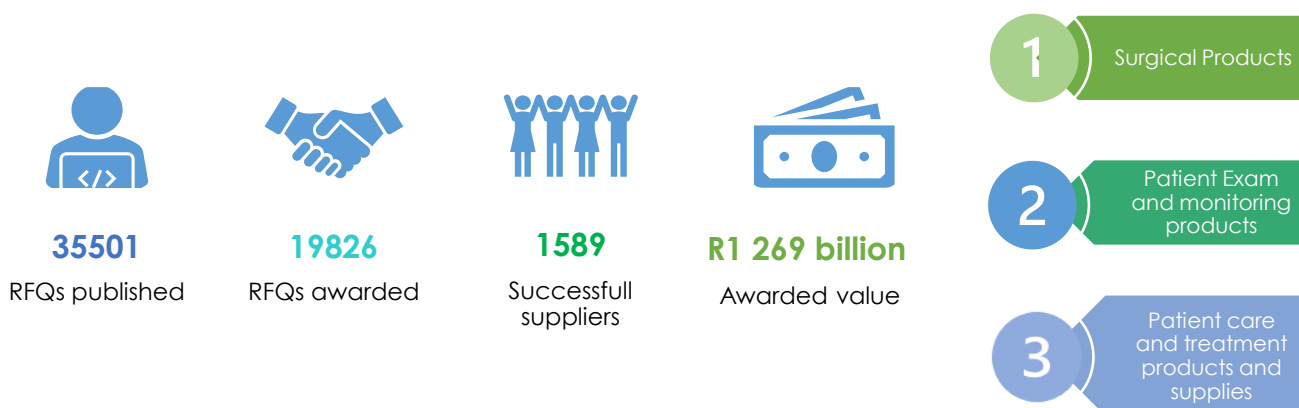
#### Supplier Status and eProcurement Solution

Supplier registration status on the WCSEB is dynamic, with changes as suppliers update their profiles. The Provincial Treasury has developed an in-house eProcurement Solution (ePS) to replace the previous Integrated Procurement Solution (IPS). The onboarding to ePS began on 7 September 2021, with ongoing supplier support detailed in Chapter 11 (page 24).

## 9. BUSINESS OPPORTUNITIES

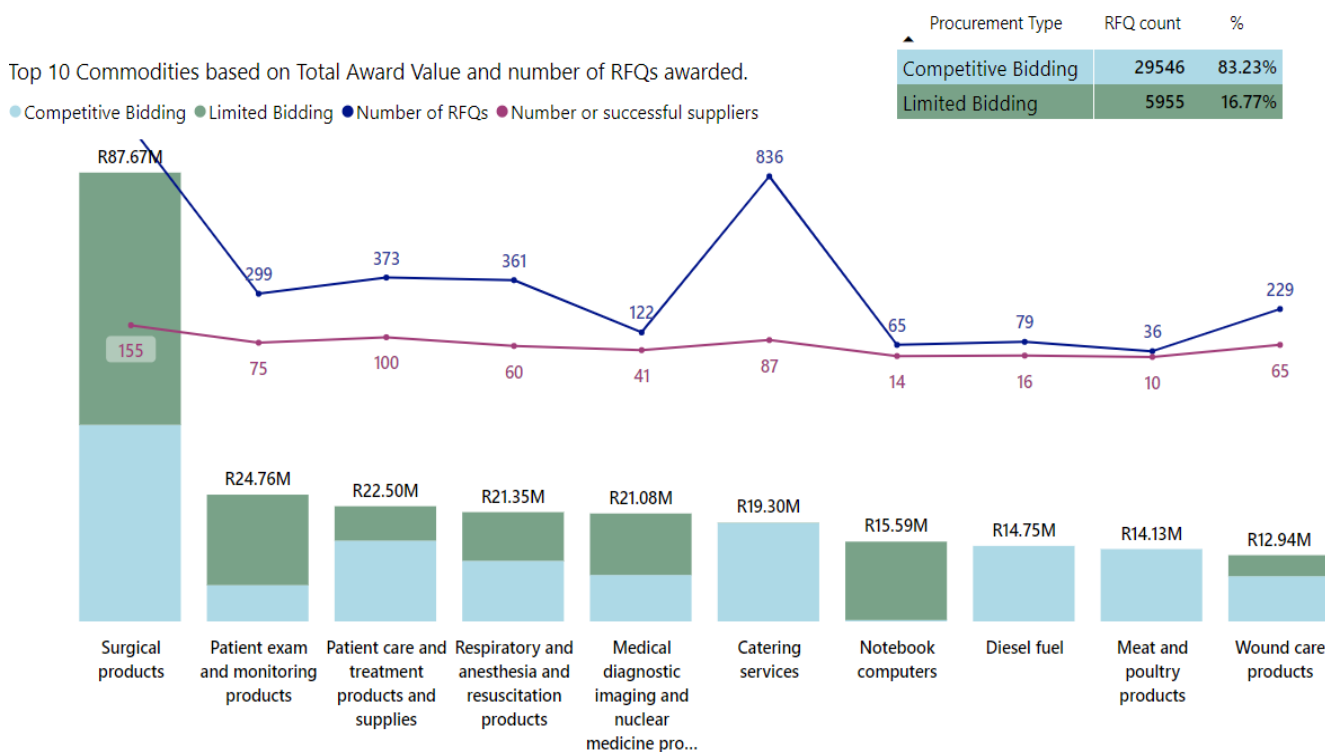
Goods or services between the value of R2 001 and up to R1 million, tax inclusive, must be invited from at least three or more service providers. It must be noted that the ePS is used for procurement from R10 000 up to R1 million, whilst utilisation of the system between R2 000 to R10 000 is discretionary and will be articulated in the accounting officer's system of each procuring entity. Should the ePS not be utilised for procurement between R2 000 to R10 000, a manual quotation system is used by departments.

### 9.1 QUOTATIONS ADVERTISED VIA THE EPS IN 2023/2024



## 9.2 ePS Reflections

**Illustration 7: Top Commodities Awarded via the EPS**



### Top Commodities Awarded

In terms of total award value, "Surgical products" led with R87.67 million across 1,063 RFQs awarded to 155 suppliers. "Patient exam and monitoring products" followed with R24.76 million across 299 RFQs to 75 suppliers, and "Patient care and treatment products and supplies" with R22.50 million across 373 RFQs to 100 suppliers.

Illustration 7: shows top three commodities by total award value.

## 9.3 Procurement Methods Utilised via the ePS in 2023/24

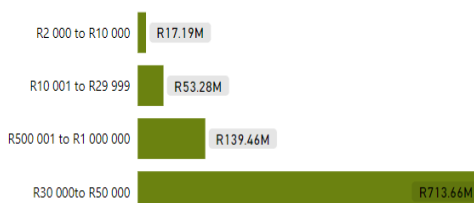
65.47% opportunities published via competitive quotations with a threshold value of R10 000 to R1 million

16.26% opportunities published via competitive price quotations with a threshold value of R2 000 to R10 000

3.64% opportunities published via limited bidding with a threshold value of R2 000 to R10 000

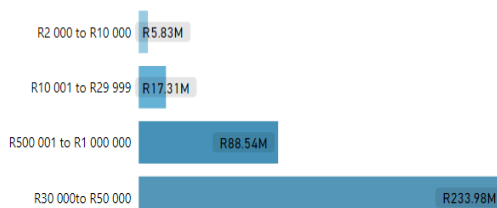
14.63% opportunities published via limited bidding with a threshold value of R10 000 to R1 million

**Competitive Bidding: Total Award Value and No of RFQs awarded**



Threshold Value	No of RFQs
R10 001 to R29 999	3141
R2 000 to R10 000	3224
R30 000 to R50 000	9486
R500 001 to R1 000 000	351
<b>Total</b>	<b>16202</b>

**Limited Bidding: Total Award Value and No of RFQs awarded**



Threshold Value	No of RFQs
R10 001 to R29 999	923
R2 000 to R10 000	721
R30 000 to R50 000	1865
R500 001 to R1 000 000	115
<b>Total</b>	<b>3624</b>

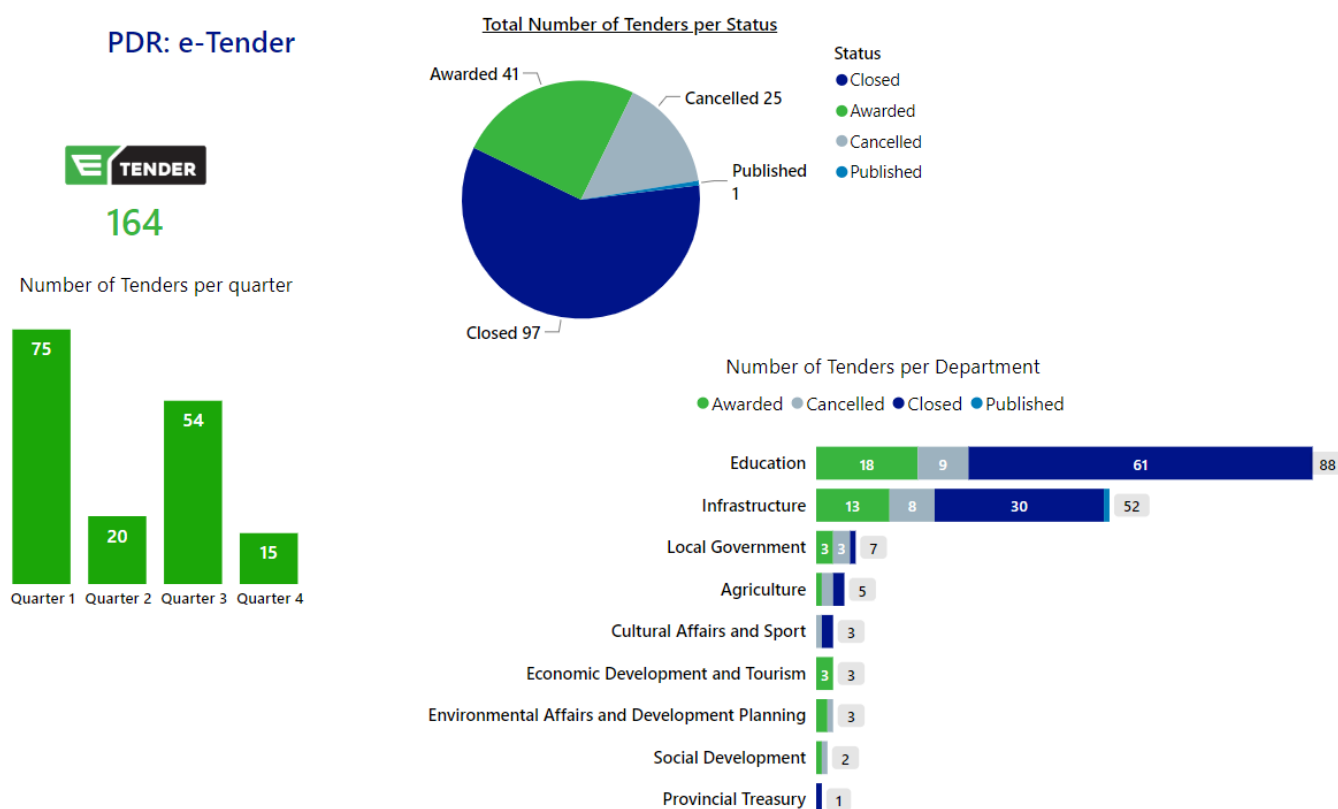
## 9.4 Formal Tenders Advertised via the National Treasury e-Tender Portal

The National Treasury has made provision for bids to be advertised on the e-Tender Portal as a compulsory requirement with effect from 02 January 2023, all procuring institutions are utilising the e-Tender Portal for the mandatory publication of opportunities, bid awards and any bid related notifications.

The illustration 8 hereunder depicts that in total 164 bids were advertised, 25 were cancelled and 41 awards were published via the e-Tender Portal.

## 9.5 Tenders Advertised For New Bid Invitations: Awards and Cancellations via the National Treasury e-Tender Portal

Illustration 8: e-Tenders



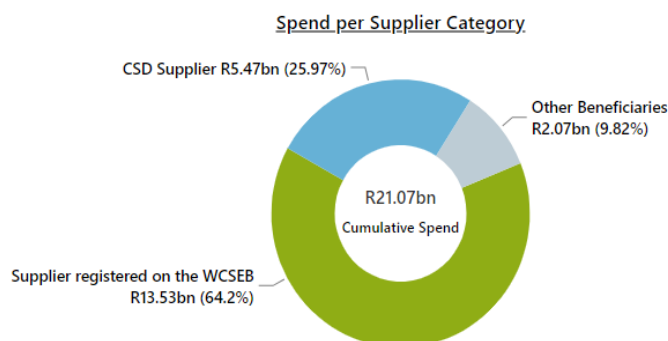


## 10. EXPENDITURE ANALYSIS 2023/2024

The analysis below provides an overarching view of the Western Cape Government Departments' financial and non-financial performance for the first, second and third quarter of the 2023/2024 financial year. This information is unaudited at this stage and must still undergo a full internal and external audit processes. While all efforts have been made to ensure the correctness of the data, some changes to the data will occur in-year as transactions are reconciled and validated.

### 10.1 Consolidated Procurement Spend For The Province

#### Illustration 9: Procurement Spend



During the fiscal year 2023/2024, the province spent a significant **R21.07 billion** on procurement and related provisions. This was distributed across various categories: R13.53 billion on WCSEB - registered suppliers, R5.47 billion on CSD - registered suppliers, and R2.07 billion disbursed to other beneficiaries, including transfer payments and petty cash disbursements.

Department New	Total Payment	% of Grand Total
Department of Health and Wellness	R8,466,885,139.45	40.19%
Department of Infrastructure	R5,330,541,501.04	25.30%
Department of Education	R4,525,114,863.59	21.48%
Department of The Premier	R1,324,247,056.26	6.29%
Department of Mobility	R525,942,745.68	2.50%
Department of Social Development	R274,694,792.71	1.30%
Department of Agriculture	R204,071,378.54	0.97%
Department of Cultural Affairs and Sport	R126,527,579.09	0.60%
Department of Police Oversight and Community Safety	R84,205,050.11	0.40%
Provincial Treasury	R64,324,875.92	0.31%
Department of Local Government	R64,024,378.03	0.30%
Department of Economic Development and Tourism	R47,863,504.41	0.23%
Department of Environmental Affairs and Development Planning	R27,654,842.90	0.13%
<b>Total</b>	<b>R21,066,097,707.73</b>	<b>100.00%</b>

#### Procurement Expenditure Breakdown

During the 2023/2024 fiscal year, the province spent R21.07 billion on procurement and related provisions. The Department of Health and Wellness was the largest spender with R8.5 billion (40.19%), followed by the Department of Infrastructure with R5.3 billion (25.30%) and the Western Cape Education Department with R4.5 billion (21.48%).

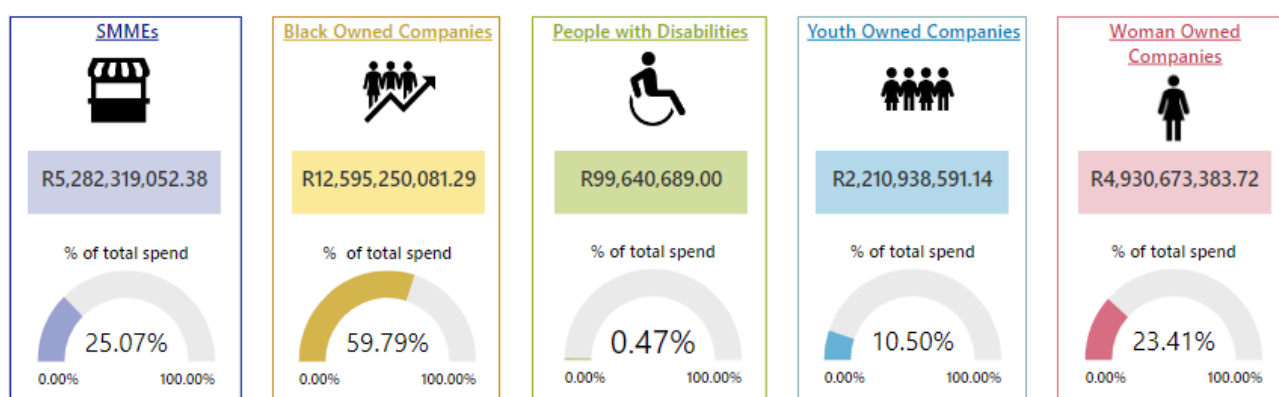
Illustration 9 shows expenditure distribution among major departments.

## 10.2 EXPENDITURE TO SMME's

The analysis focuses on payments to WCSEB - registered suppliers, designated categories in terms of suppliers' B-BBEE scorecards as defined in the B-BBEE Act. It must be noted that while this analysis is relevant to the third quarter of the 2023/2024 financial year a new set of revised Preferential Procurement Regulations, 2022 (PPPFR) were issued via Government Gazette No. 47452 on 4 November 2022 with an effective date for implementation of 16 January 2023. The Provincial Cabinet endorsed that WCG will maintain the status quo of the current procurement system post 16 January 2023 until the executive policy directives and technical reviews have been concluded.

### Illustration 10: Spend per Categories of Persons Historically Unfairly Discriminated Against and as Aligned to RDP Goals.

#### Spend per categories of persons historically unfairly discriminated against and as aligned to RDP Goals



#### RDP Goals and Expenditure on Disadvantaged Groups

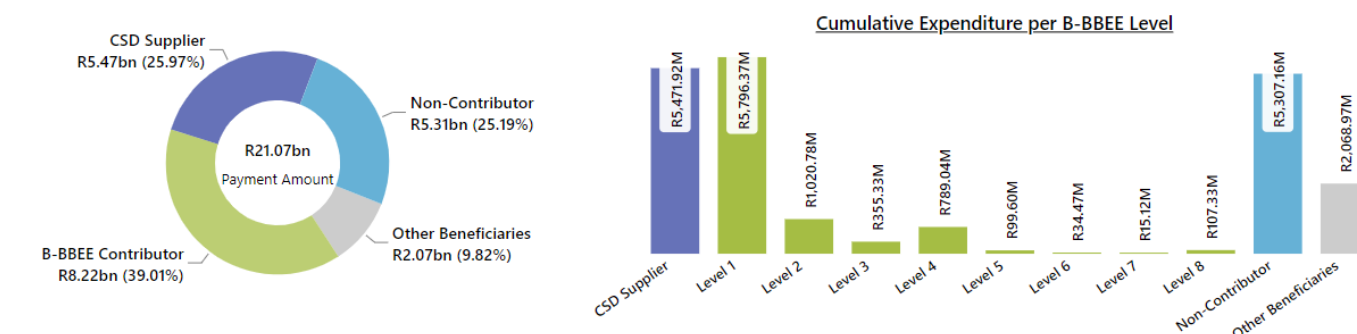
Expenditure aligned with the RDP goals shows

- 25.07% supporting SMMEs,
- 59.79% to black-owned companies,
- 0.47% to individuals with disabilities,
- 10.50% to youth-owned companies, and
- 23.41% to woman-owned companies.

*Illustration 10: shows percentage expenditure on different disadvantaged groups.*

## 10.3 Expenditure Analysis per B-BBEE Level

Illustration 11: Spend per B-BBEE Level



Supplier Category	B-BBEE Contributor		CSD Supplier		Non-Contributor		Other Beneficiaries		Total	
Department New	Payment Amount	% of CT	Payment Amount	% of CT	Payment Amount	% of CT	Payment Amount	% of CT	Payment Amount	% of CT
Department of Health and Wellness	R3,574,313,989.46	43.49%	R2,309,575,955.98	42.21%	R2,177,743,730.30	41.03%	R405,251,463.71	19.59%	R8,466,885,139.45	40.19%
Department of Infrastructure	R1,604,664,179.71	19.53%	R902,331,172.86	16.49%	R1,388,151,308.10	26.16%	R1,435,394,840.37	69.38%	R5,330,541,501.04	25.30%
Department of Education	R2,119,211,233.75	25.79%	R908,934,272.47	16.61%	R1,346,799,543.81	25.38%	R150,169,813.56	7.26%	R4,525,114,863.59	21.48%
Department of The Premier	R215,508,367.99	2.62%	R886,022,175.87	16.19%	R219,452,118.83	4.14%	R3,264,393.57	0.16%	R1,324,247,056.26	6.29%
Department of Mobility	R278,211,192.47	3.39%	R173,724,517.74	3.17%	R36,975,667.53	0.70%	R37,031,367.94	1.79%	R525,942,745.68	2.50%
Department of Social Development	R138,375,591.71	1.68%	R97,987,137.68	1.79%	R29,497,298.34	0.56%	R8,834,764.98	0.43%	R274,694,792.71	1.30%
Department of Agriculture	R83,748,405.25	1.02%	R74,855,157.28	1.37%	R33,784,072.27	0.64%	R11,683,743.74	0.56%	R204,071,378.54	0.97%
Department of Cultural Affairs and Sport	R76,089,140.61	0.93%	R16,100,749.98	0.29%	R31,219,970.90	0.59%	R3,117,717.60	0.15%	R126,527,579.09	0.60%
Department of Police Oversight and Community Safety	R47,976,884.24	0.58%	R24,601,927.72	0.45%	R1,213,270.67	0.02%	R10,412,967.48	0.50%	R84,205,050.11	0.40%
Provincial Treasury	R13,925,129.95	0.17%	R40,695,402.39	0.74%	R7,796,940.41	0.15%	R1,907,403.17	0.09%	R64,324,875.92	0.31%
Department of Local Government	R24,685,599.41	0.30%	R14,698,742.78	0.27%	R23,606,052.82	0.44%	R1,033,983.02	0.05%	R64,024,378.03	0.30%
Department of Economic Development and Tourism	R27,302,337.01	0.33%	R12,666,173.38	0.23%	R7,376,952.31	0.14%	R518,041.71	0.03%	R47,863,504.41	0.23%
Department of Environmental Affairs and Development PL...	R14,039,601.19	0.17%	R9,725,057.72	0.18%	R3,542,994.59	0.07%	R347,189.40	0.02%	R27,654,842.90	0.13%
<b>Total</b>	<b>R8,218,051,652.75</b>	<b>100.00%</b>	<b>R5,471,918,443.85</b>	<b>100.00%</b>	<b>R5,307,159,920.88</b>	<b>100.00%</b>	<b>R2,068,967,690.25</b>	<b>100.00%</b>	<b>R21,066,097,707.73</b>	<b>100.00%</b>

### B-BBEE Contribution

In 2023/2024, 39.01% of the budget supported B-BBEE registered companies, while 25.19% went to non-B-BBEE contributors. B-BBEE information is extracted from the WCSEB as of 6 May 2024, with credentials confirmed by the WCSEB.

Illustration 11: shows the distribution between B-BBEE contributors and non-contributors.

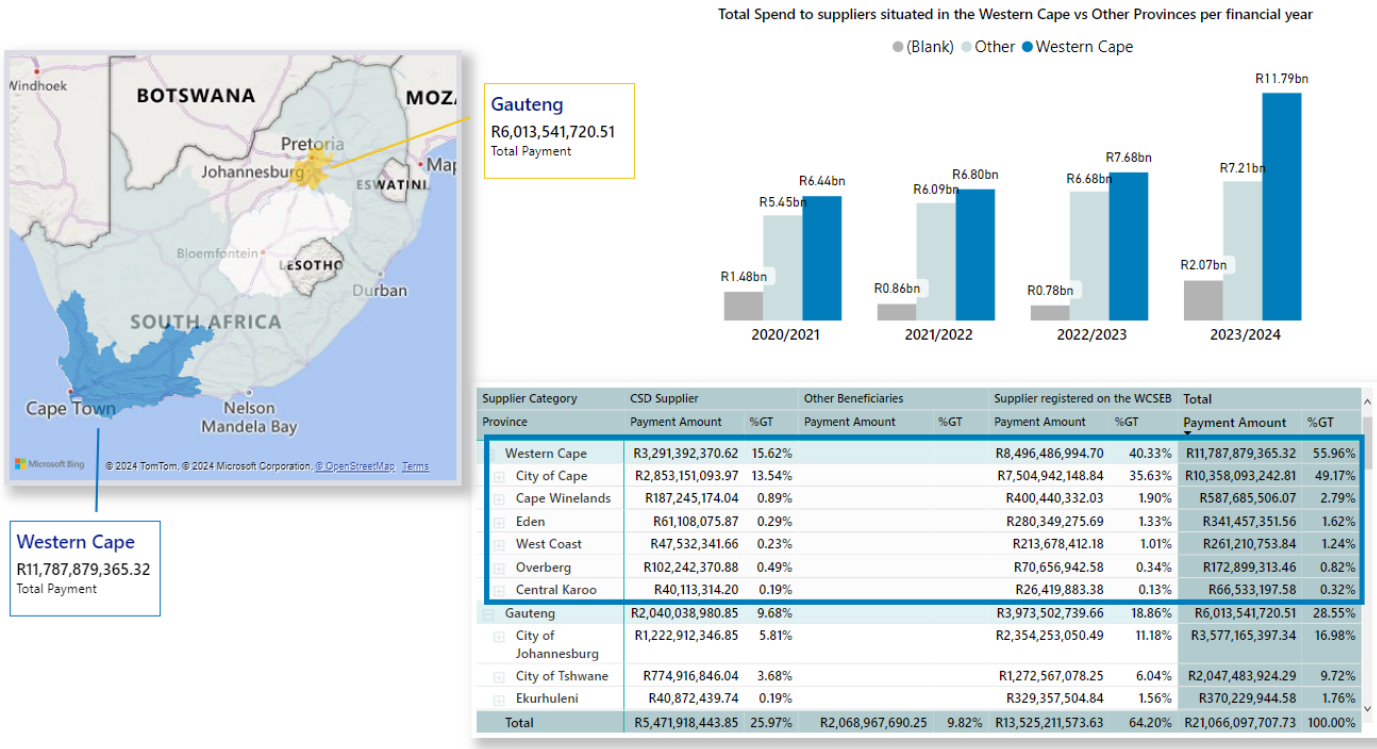
- B-BBEE contributor means the B-BBEE status of an entity in terms of a code of good practice on black economic empowerment claimed via a B-BBEE status level certificate or affidavit in the procurement process.
- B-BBEE non-contributor means bidders who have not submitted a B-BBEE status level certificate or affidavit in the procurement process to claim preference points.
- B-BBEE information was extracted from the WCSEB as of 06 May 2024 and does not necessarily reflect the B-BBEE level on award.

Note: All B-BBEE level credentials depicted have been confirmed by supporting evidence via the WCSEB. In instances where this could not be done is where suppliers are only registered on the CSD and not on the WCSEB. B-BBEE information of suppliers registered on the CSD could not be verified. Actual B-BBEE status levels are however verified within departmental procurement processes at the time of award, and within internal and external audit processes.

10.4 Contributions Towards The Local Economy

Illustration 12 hereunder depicts the expenditure that went to each provincial and/local region. Regional information is extracted from the CSD and WCSEB and is an indication of where the suppliers' head offices are situated. For some suppliers the head office might be situated in other provinces.

Illustration 12: Spend per Region



Geographical Distribution of Expenditure

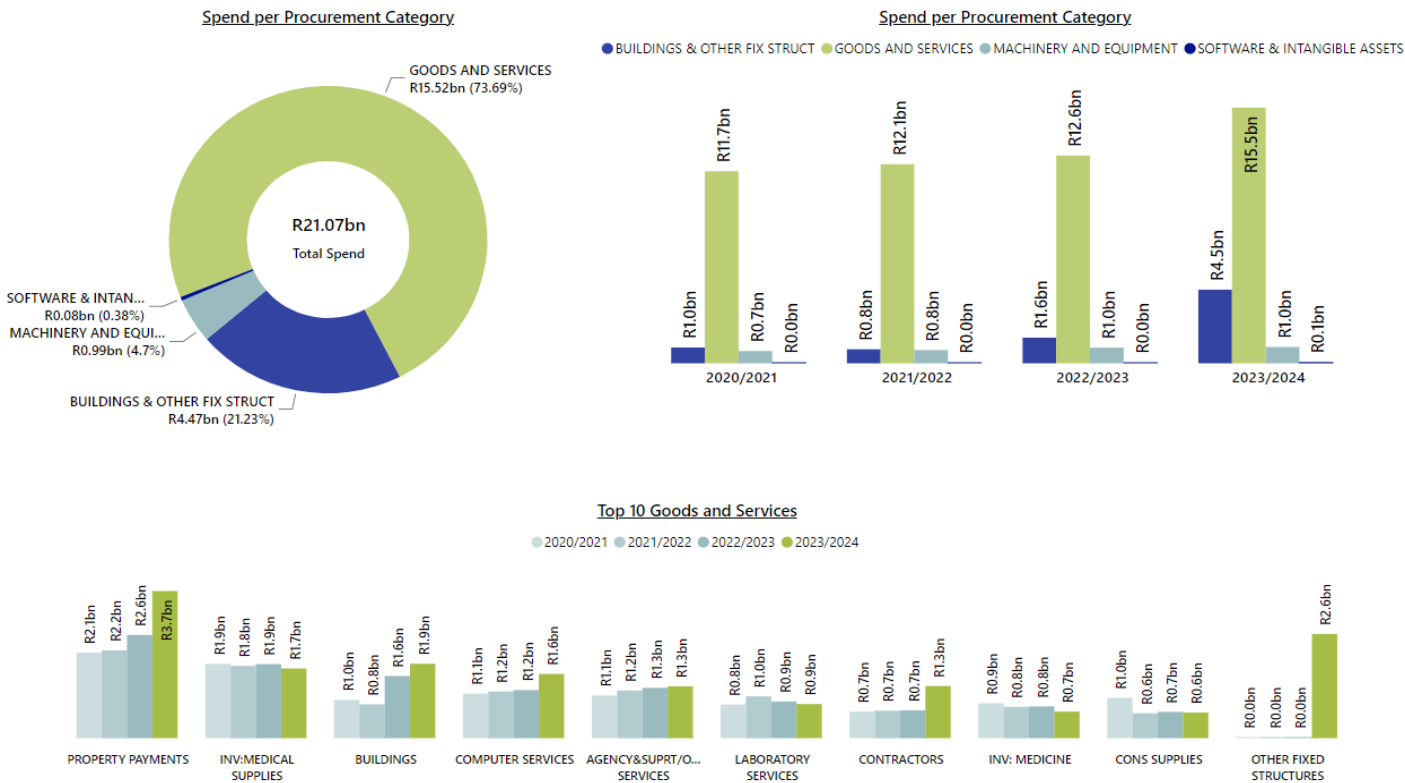
Businesses in the Western Cape received R11.79 billion (55.96%) of the total expenditure, with R10.36 billion (49.17%) directed to suppliers in the City of Cape Town. Suppliers outside the Western Cape received R9.23 billion (44.04%) with Gauteng totaling 28.55%, amounting to R6.01 billion.

Illustration 12: Map expenditure distribution inside and outside the Western Cape.

10.5 Commodity Analysis

Illustration 13 hereunder depicts the expenditure per commodity category as well as the trend over the last four financial years for each category.

Illustration 13: Spend Per Commodity Category



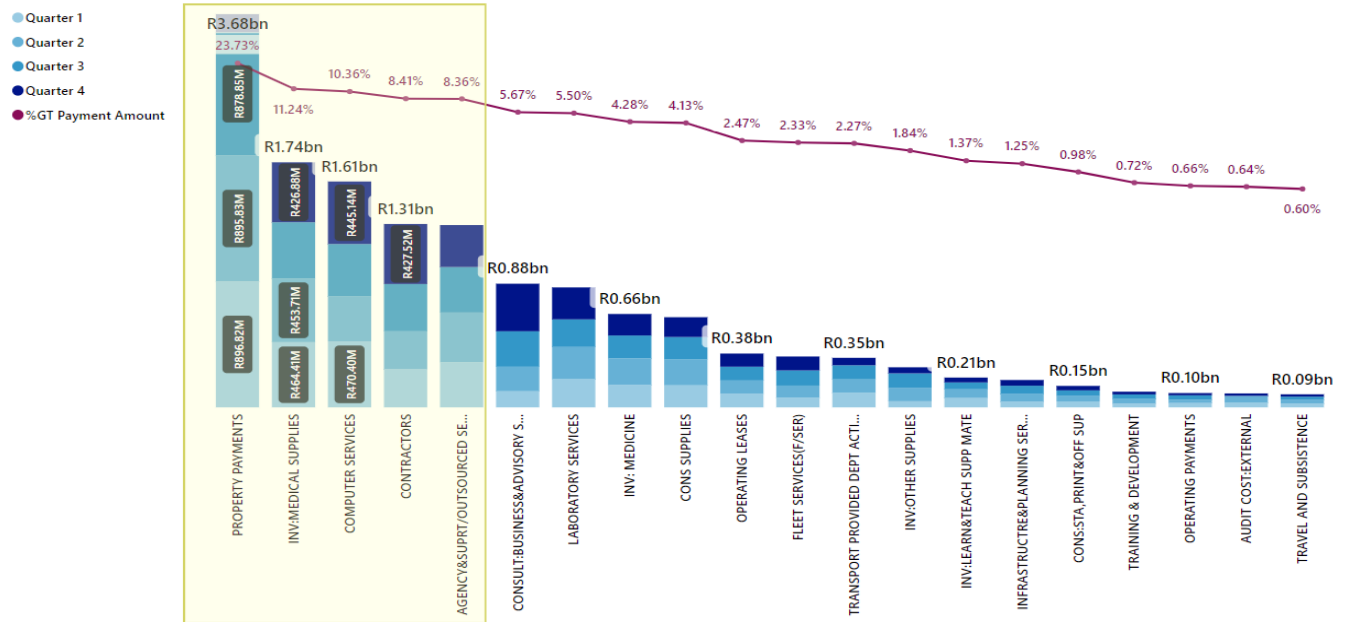
Spending by Category

Out of R21.07 billion spent in 2023/2024, R15.52 billion went to goods and services, R4.47 billion to buildings and other fixed structures, and R0.99 billion to machinery and equipment. Property payments were the largest expenditure within goods and services, followed by medical supplies and computer services.

Illustration 13: shows spending by category (goods and services, buildings, machinery). Visual 10: Detailed pie chart of goods and services expenditure categories.

## Illustration 14: Top 20 Goods & Services (SCoA Level 4)

Payment Amount and %GT Payment Amount - GOODS & SERVICES



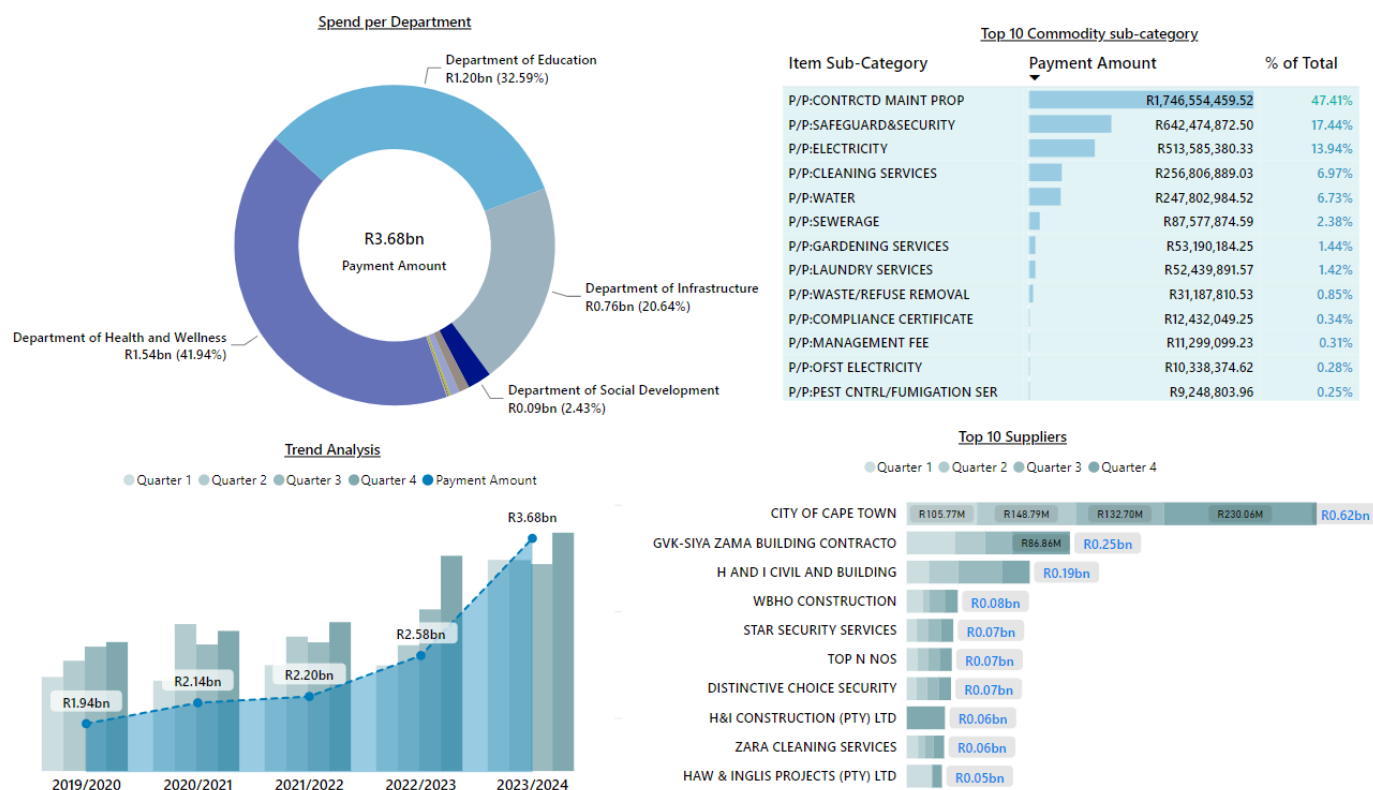
### Key Expenditure Details

- R3.68 billion on property payments, mainly by the Department of Health and Wellness, Western Cape Education Department, and Department of Infrastructure.
- R1.74 billion on medical supplies by the Department of Health and Wellness.
- R1.16 billion on computer services, mainly by the Department of the Premier via the Centre for e-Innovation, Department of Health and Wellness, and the Department of Mobility.
- R1.31 billion on contractors, mainly by the Department of Health and Wellness, Department of Infrastructure, and Western Cape Education Department.
- R1.30 billion on agency and support/outsourcing services, mainly by the Western Cape Education Department and the Department of Health and Wellness.



Property Payments, medical supplies, computer services, contractors and agency and support/outsourcing services are the top 5 goods and services procured during the year 2023/2024. Illustration 15 to 19 is a deep dive analyses for the top five goods and services.

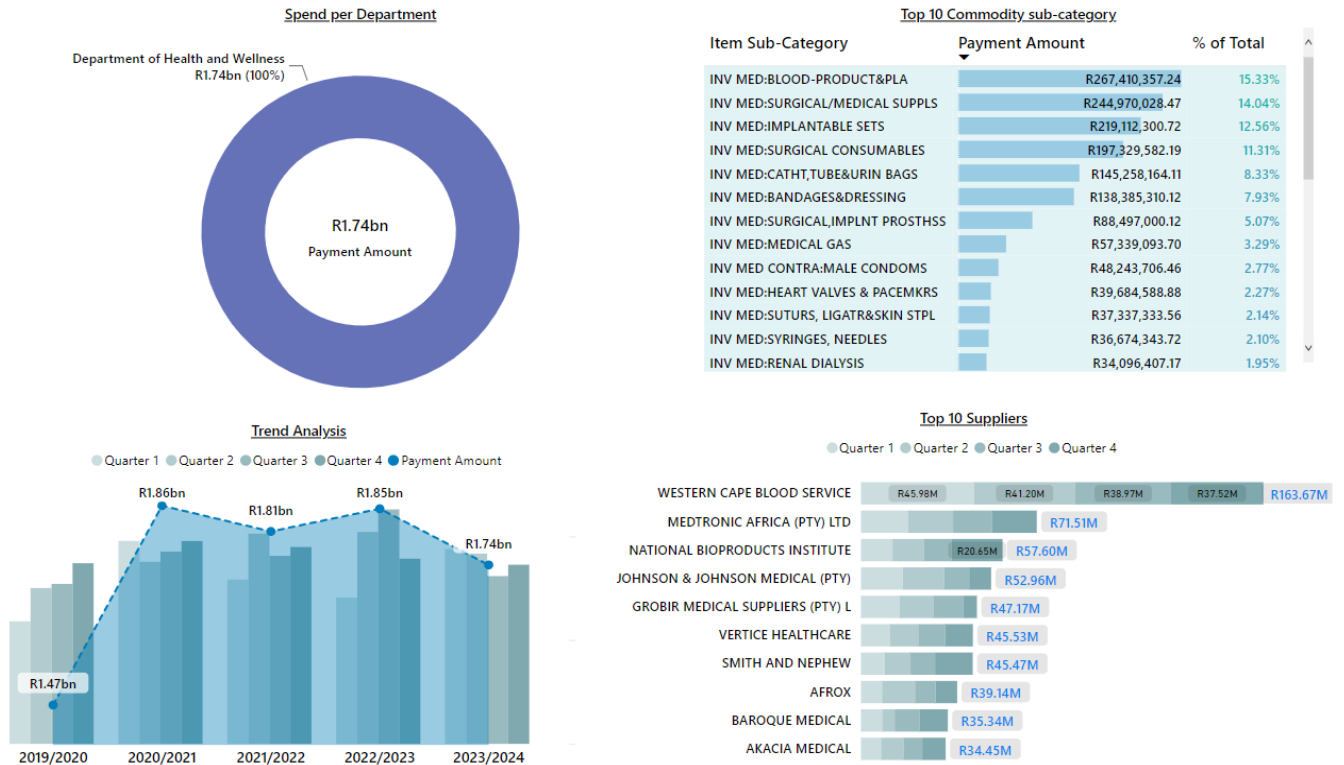
### Illustration 15: Property Payments



#### Key Expenditure Details

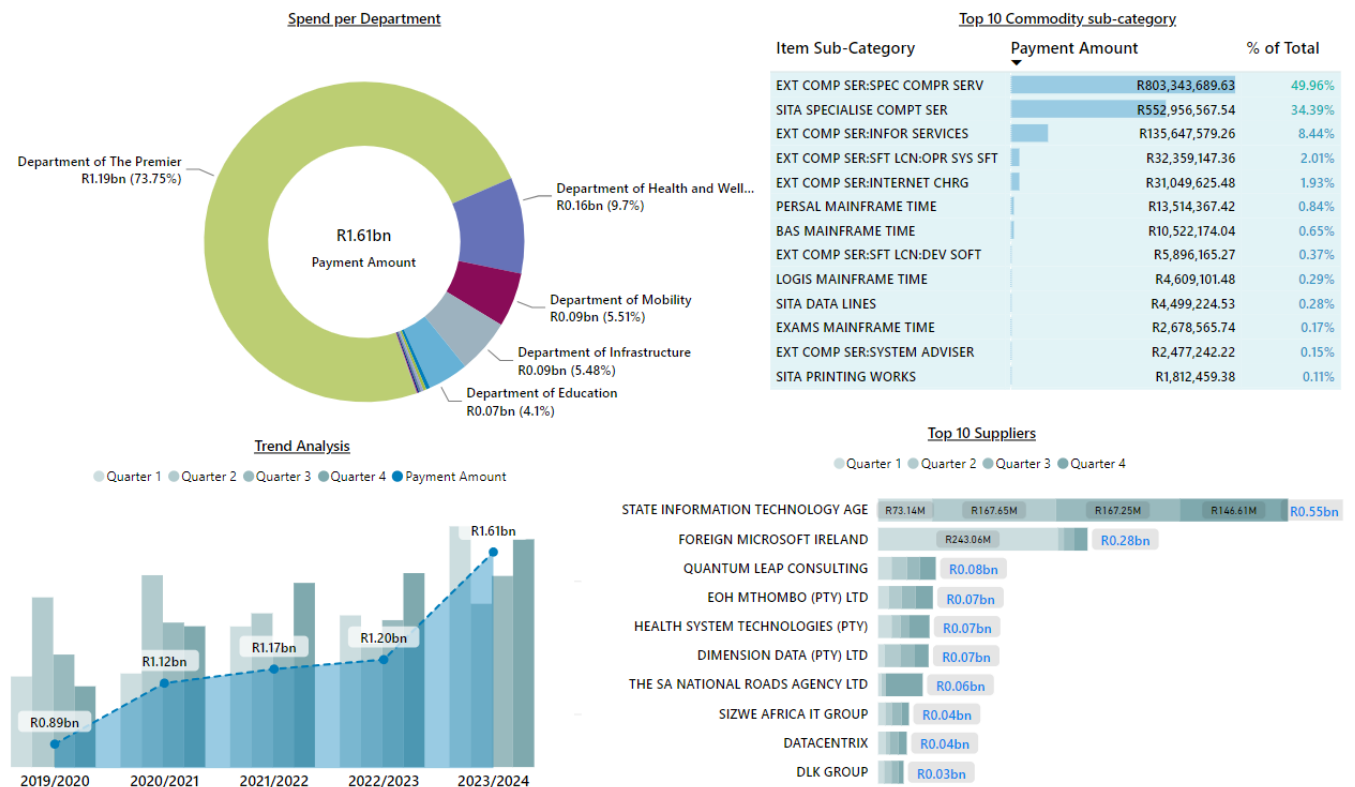
- R3.68 million on property payments, mainly by the Department of Health and Wellness, Western Cape Education Department, and the Department of Infrastructure.
- R1.75 billion was allocated towards contracted maintenance of properties.
- R642 million spend went towards safeguarding and security services.

## Illustration 16: Medical Supplies



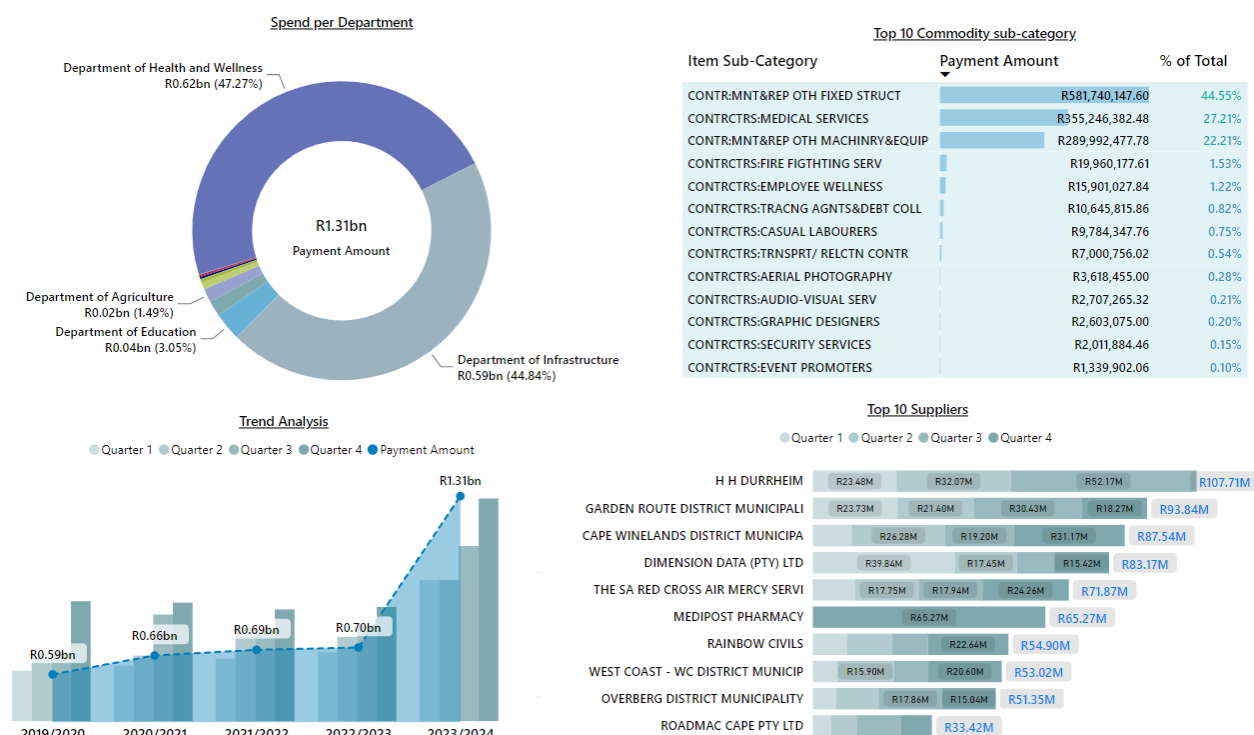
The Western Cape Government allocated R1.74 billion for medical supplies, spent by the Department of Health and Wellness. This amount represents 11.24% of the total spending on goods and services. The Department of Health and Wellness used these funds predominately on blood products, surgical and medical supplies.

## Illustration 17: Computer Services



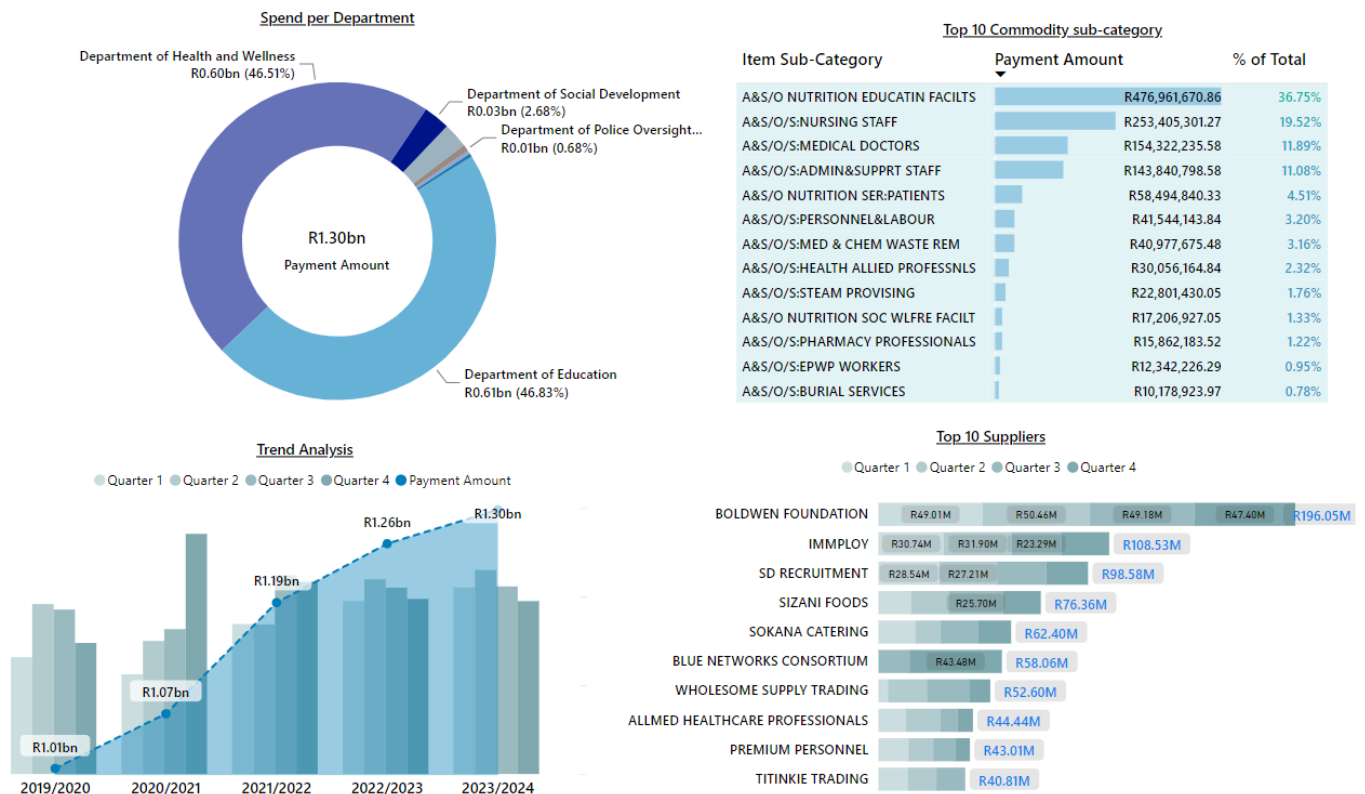
The Western Cape Government allocated R1.61 billion for computer services, accounting for 10.36% of its total spending on goods and services. The Department of the Premier made the largest contribution to this amount, with expenditures totaling R1.19 billion (73.75%) focuses on Strategic ICT, IT Management, Transversal Applications, and Connected Government and Infrastructure. The Department of Health and Wellness had the second highest expenditure on computer services, spending R0.16 billion, which represents 9.7% of the total. Out of the overall spending on computer services, R803 million (49.96%) was directed towards specialized computer services.

## Illustration 18: Contractors



The Western Cape Government allocated R1.31 billion for contractors, accounting for 8.41% of its total spending on goods and services. The Department of Health and Wellness made the largest contribution to this amount, with expenditures totaling R0.62 billion (47.27%). The Department of Infrastructure had the second highest expenditure on computer services, spending R0.59 billion, which represents 44.84% of the total. Out of the overall spending on computer services, the majority of the spend allocation went towards maintenance and repairs of other fixed structures totaling R581.74 million.

## Illustration 19: Agency And Support/Outsourced Services



The Western Cape Government allocated R1.30 billion for agency and support/outsourced services, accounting for 8.36% of its total spending on goods and services.

- The Western Cape Education Department made the largest contribution to this amount, with expenditures totaling R0.61 billion (46.83%).
- The Department of Health and Wellness had the second highest expenditure, spending R0.60 billion, which represents 46.51% of the total spend for agency and support/outsourced services.
- Out of the overall spending, the majority of the spend allocation went towards nutrition educational facilities totaling R476.96 million.

## 11. Supplier Support

In 2019, the Western Cape Government (WCG) opened the Procurement Client Centre (PCC) to help with procurement issues. The PCC provides face-to-face support and advice to suppliers, helping them register and maintain their profiles, manage important documents, and answer questions. The goal is to make it easier for suppliers to do business with the WCG, improve their bidding skills, solve problems, to improve government procurement and in turn delivery to the citizens we serve.

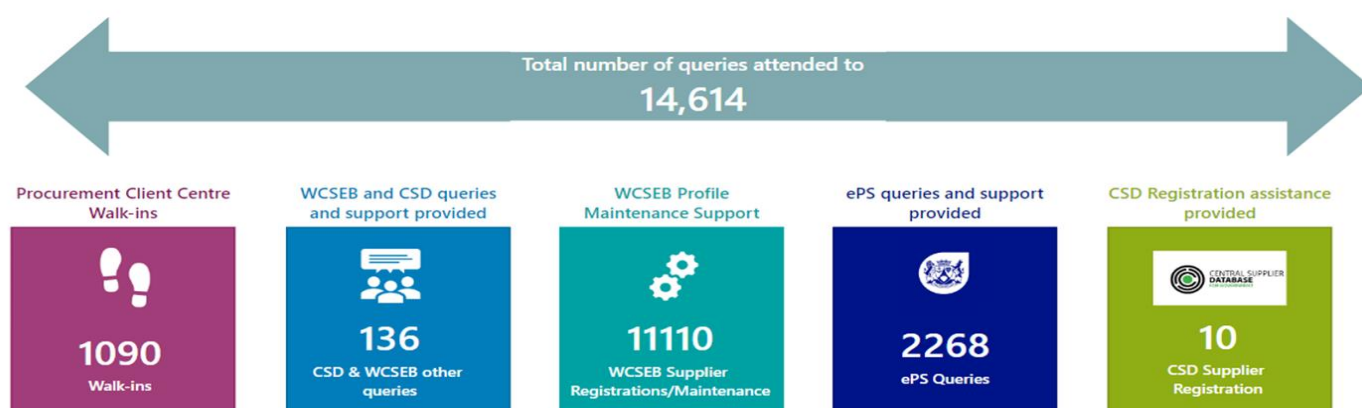


The PCC offers various services to make doing business with the government easier. It helps provincial departments, entities, municipalities, and suppliers with procurement support. The integrated helpdesk guides clients through tender processes and helps suppliers correctly register and maintain their profiles on the National Treasury's Central Supplier Database (CSD) and the Provincial Treasury's Western Cape Supplier Evidence Bank (WCSEB). It also provides support for the eProcurement Solution (ePS).

### 11.1 Procurement Client Centre Performance for 2023/24



#### Procurement Client Centre Performance Report



In addition, "Frequently Asked Questions" (FAQs) related to:

- CSD) and WCSEB) can be here: <https://www.westerncape.gov.za/provincial-treasury/tenders/supplier-databases>; and
- FAQs and video tutorial related to the Provincial Treasury's in-house ePS can be found on the following link <https://www.westerncape.gov.za/provincial-treasury/tenders/eprocurement-solution>

These FAQs are constantly refined and reviewed to ensure suppliers are kept abreast of the most recent developments relating to the databases and ePS.

## 12. CONCLUSION

this report reaffirms our commitment to transparent, fair, and effective procurement processes. Despite regulatory changes and global economic challenges, the Western Cape remains dedicated to delivering services efficiently while advancing socio-economic goals.

Our emphasis on aligning procurement practices with constitutional standards ensures fairness, transparency, and competitiveness. Ongoing technical reviews and stakeholder consultations demonstrate our commitment to governance improvement and achieving value for money.

Initiatives like e-procurement solutions and the Western Cape Supplier Evidence Bank illustrate our proactive approach to modernizing procurement, enhancing efficiency, and supporting local businesses.

As we navigate economic challenges and adapt to new regulations, our focus remains on strategic fiscal management, supporting economic growth, and maximizing the impact of procurement to meet citizen needs effectively.

Overall, this report provides a comprehensive view of our procurement performance, offering insights into planned opportunities, expenditure analysis, and initiatives aimed at boosting procurement effectiveness and fostering socio-economic development across the Western Cape.



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