

**KZN Smart Procurement Conference – Welcoming address by
Deputy Mayor Fawzia Peer, held at Durban ICC – 17 July 2018**

Programme director,

Patient Phiri,

Keshni Reddy,

Captains of the industry,

Media,

Ladies and gentlemen,

Sanibonani,

A very good morning to all of you, once again we are pleased to host this wonderful summit. We are grateful to see all of you gathered in this nature, a day before we celebrate the international birthday of Madiba.

Under the presidency of Nelson Mandela South Africa became a beacon of freedom and democracy. Today we continue to be guided by these values and ideals and during Freedom Month we get an opportunity to reflect on the progress made in ensuring an inclusive, transformed and free and democratic South Africa.

We are grateful and very appreciative of the legacy of Madiba and our message as government is simple – be the legacy. We are encouraging individuals and groups to make a lasting impact. Let us all be the change we want to see in our communities, homes and organisations. I encourage all of us here to spend 67minutes in impacting lives of individuals. Let us all go out and make a contribution.

Programme Director,

I am sure that some of you already had to fight with certain line managers regarding the last minute request for the day. On the other hand, some may have been asked to request sponsorship from some of your regular suppliers but you refused sighting possible conflict of interest.

If you are in a procurement department or Supply chain you are often viewed as a most corrupt or get blamed for everything that is wrong within the organisation. This is just a perception, if a perception is not challenged it becomes a reality. Don't allow people to label you for everything that is going wrong, you must fight for your image.

Supply chain management (SCM) is one of the key mechanisms enabling government to implement policy. Traditionally, SCM has been misunderstood and undervalued. Its strategic importance has not been recognised, and it has been under-capacitated. The negative effects of inefficient public sector SCM, particularly in the procurement phase of the chain, are well documented. Suppliers charge excessive prices; goods and services contracted for and delivered are of poor quality and unreliable; and there is corruption and waste. These are some of the challenges within the public sector across the board. It requires all of us, from business leaders, government administrators and political leadership who are policy makers.

The private sector, by contrast, has tended to invest astutely in SCM in order to maximise shareholder value and ensure that its products and services match clients' needs. In South Africa, government is starting to value the strategic importance of SCM to service delivery, value creation, socio-economic transformation and fiscal prudence. The establishment of the Office of the Chief Procurement within the National Treasury reflects

government's commitment to quality service delivery at the right place and time.

In our ANC 2014 election manifesto, we promised to use state procurement strategically and radically, to ensure localization, promotion of black-owned, women-owned, youth-owned enterprises and SMMEs, as well as to facilitate industrialization.

It is therefore important that those who sits and work at procurement departments to see themselves as enablers of services. They must advise all of us correctly in order to archive our service delivery outcomes and our manifesto promises. We have made promises as politicians and your duty is to ensure that such is achieved within the law. You must not be a hurdle to service delivery by giving us millions of excuses, the best thing is to suggest possible ways. Be a solution.

Program Director, it is important to note that we are forging forward with our radical economic transformation agenda which seeks to empower black people. Another key proposal of the Preferential Procurement Regulations was to increase the values of the existing 80:20 and 90:10 point systems to below and above R100m respectively.

Further, it is now compulsory to sub-contract a minimum of 30 per cent of the value of the contract for all contracts above R30 million to further develop emerging suppliers. This is good news for all those who embrace transformation and want to do business with eThekweni Metro.

Even if a tender is not above R30m we want to see all suppliers to sub-contract with SMME's, cooperatives and the township and rural enterprises. People shall share – this is what the freedom charter said to us.

Programme Director,

The world is fast changing, we are now in a digital age, an age of technology. We are in what has been termed as fourth industrial revolution. Everything has changed and it is therefore important that at our procurement departments we adapt to this change. We must make doing business with government much easier by using the most appropriate technology. The technology that will be able to accommodate both big and small business, it must be accessible to people in affluent and poor areas. As government, we are rolling out WIFI in order for people to access our services and for them to be able to connect to the world.

Secondly, SCM must be flexible to service department or clients departments, when they make changes that are in line with technology. The procurement process must not take long it must be short. Sometimes when the product arrives, it is already out of fashion due to the fast nature of technology. So it is important that we move fast and we must not be left behind with our long process.

As a smart city, Durban and eThekweni Municipality is fast adapting to changes that are out there. We are doing a number of things which are in line with our vision of being a smart city. We work with different agencies and government departments to fulfil this dream of being a smart city.

The eThekweni Municipality has achieved cost reduction of its internal communications, enabled business and other government departments with affordable and high speed broadband connectivity, benefited public with free library Wi-Fi services with the broadband infrastructure it has

developed so far. eThekweni now aims to expand its access reach of its broadband network in order to extend broadband reach to a wider user base, while establishing the telecommunications infrastructure needed to enable smart city applications.

Without further waste of time, I would like to welcome you and wish you a fruitful engagement. And let us not forget to remember Madiba and be the legacy.

In closing, I thought it is important that we quote Mandale when he said – **“One of the things I learned when I was negotiating was that until I changed myself, I could not change others.”**

Siyabonga.