

**REPORT OF THE SELECT COMMITTEE ON WOMEN, YOUTH, CHILDREN AND
PEOPLE WITH DISABILITIES HELD 06 SEPTEMBER 2017**

(DEPARTMENT OF PUBLIC WORKS ROADS AND TRANSPORT)

1. INTRODUCTION

The Mpumalanga Legislature is duly vested with a mandate to maintain oversight of provincial executive authority and any organ of state and all provincial executive authority including provincial organs of state are accountable to it in compliance with section 114 of the constitution. The legislature is independent and performs its functions impartially without prejudice enshrining the rule of law.

In terms of Standing Rules and Orders of the Mpumalanga Provincial Legislature 2013, the **Select Committee on Women, Youth, Children, and People with Disabilities** (the committee), is established in terms of Rule 135 (h) and has powers to conduct oversight on transversal issues affecting designated groups. The Committee is composed of a multiparty representation and is empowered to develop mechanisms to conduct oversight over provincial departments and public institutions.

The select committee is vested with the power to monitor, investigate and enquire into and make recommendations concerning any organ of state or constitutional body regarding transversal and transformation matters to ensure a province free from gender discrimination and inequalities in promotion of the Bill Of Rights.

The committee in accordance with Rule 119 may summon any person to appear before it to give evidence on oath/ affirmation, or to produce documents and permit oral evidence. The committee may compel an institution or a person to comply with summon subject to the rules and orders or a provincial legislation.

The Legislature seeks to establish whether provincial government delivers services effectively and efficiently within the respective local municipality areas.

2. PURPOSE OF THE MEETING

The objective of the meeting was to assess the annual plan for 2017/18 on the implementation of the Preferential Procurement Regulation to Women's, Youth, and People with Disability.

3. METHOD OF WORK

The Committee invited and met with the Department of Public Works Roads and Transport as per the programme of the Legislature and quarterly target of the committee to a committee meeting, held 06 September 2017.

4. PRESENTATION BY THE DEPARTMENT OF PUBLIC WORKS ROADS AND TRANSPORT

The Chief Financial Officer took the committee through the presentation on the Preferential Procurement Regulations which was revised and come into effect for 1 April 2017.

The committee noted that the revision was largely influenced by the need to provide mechanism to empower certain categories, i.e SMME's, Co-operatives , Township ,Rural Enterprise, black people , black women, youth ,people with disabilities and military veterans through government procurement.

The regulation has introduced the prequalification criteria which allow the advancement of these selected categories of people limiting competition amongst themselves.

Furthermore the committee noted that introduction in this regulation is compulsory subcontracting of high value tenders in the region of R30 million and above, the revised regulations requires all, those with ability to deliver the required service to demonstrate the element of subcontracting to the categorized group at the tendering stage.

The committee noted that the department started a process in the 2016/17 financial year to measure the value of contracts awarded to specific designated group i.e. Historical Disadvantage Individuals (HDIs) Women Owned Enterprise (WOEs).

The department has managed to award 83% of contracts to HDIs and 44% to WOEs. The committee further noted that for 2017/18 financial year the department has retained the target and also an additional target for contractors awarded to Youth Owned Enterprises (YOE's).

PROGRESS ON 2017/18 FINANCIAL YEAR

Performance Indicators	Annual Target 2017/18	Actual Output 31/08/2017	Challenges/ Reason for Non Overachievement	Interventions/Remedial Action
Value of Contracts awarded to Historical Disadvantaged Individual (HDIs) expressed as a percentage of total contracts awarded	65%	57.8%	The project for rehabilitation of road P8/1 between Bambi and Mashishing carried a high budget (277 million)and was awarded to a contractor with small % of ownership designated groups	The new PPPFA Regulations will assist in targeting designated groups.
Value of contracts awarded to Women Owned Enterprises (WOE's) expressed as percentage of the total value of contracts awarded	35%	34.6%		
Value of contracts awarded to Youth Owned Enterprises (YOE's) expressed as percentage of the total value of contracts awarded	30%	19.7%		
Value of contracts awarded to People with Disabilities Enterprises expressed as percentage of the total value of contracts awarded	No target			

WAY FORWARD

The committee welcomed the revised PPR that it will assist the department in achieving the targets for the designated group when advertising and awarding tenders. Noting that the department has started implementing the prequalification criteria for the designated groups on all tenders that are issued.

Furthermore, the committee noted that the department will also maximize subcontracting for construction works with the value R30 million and above as a condition of tender to the designated groups.

The department will further encourages people with disabilities to fully participate in the tendering process and will add this target in the 2018/19 financial year as it has started conducting workshops on the procurement processes for the designated groups.

5.1 FINDINGS

- 1) There is no proper plan on how the designated group i.e. Historical Disadvantage Individuals (HDIs) will be informed of this programme and training on bidding process.
- 2) There is lack of effective systems to minimize unethical and corrupt practices during the bidding process to ensure that HDIs benefit from procurement.

5.2 RECOMMENDATIONS

- 1) The department must develop awareness and training programmes in ensuring that the HDIs are well informed about the preferential procurement policy.
- 2) There department should strengthen its internal processes to minimized unethical and corrupt practices, to ensure that HDIs benefit from procurement.

6. CONCLUSION

The Chairperson extended her appreciation to Members of the Committee, officials from the department of Public Works Roads & Transport; the support staff of the Legislature for their participation during the deliberations.

The Committee tables this report to the House for adoption with its recommendations and progress to be provided to the committee on the 15 February 2018.



HON AM GAMEDE (MPL)

**CHAIRPERSON: SELECT COMMITTEE ON WOMEN,
YOUTH, CHILDREN, AND PEOPLE WITH DISABILITIES**

25/10/2017
DATE