

# UNDERSTANDING CORRUPTION IN TENDERS

In this e-book we explain how government tendering works, how to apply for a tender, how the tender is awarded, the ways in which corruption creeps in to the government tender process, the red flags to look out for, and more..



# UNDERSTANDING TENDER CORRUPTION

Public procurement processes are often complex and transparency of the process is sometimes limited, therefore manipulation of tendering procedures is hard to detect, even if you know what to look for.

But processes are there for a reason, and that is to ensure that the tender – an offer to provide a service or supply goods at a fixed price – is awarded fairly, gives all applicants an equal chance, and is not tainted by corruption.

In February 2013, in his annual budget speech, minister of finance Pravin Gordhan revealed that the government had appointed a new chief procurement officer as part of its fight against corruption. The new national procurement office is a division of the National Treasury, and its main aim is to restructure and simplify governmental procurement processes.

However, the tender process still appears to be easily manipulated for personal gain – Corruption Watch has recently been involved in a number of investigations that highlight the ease with which tender processes can be tampered.

We also receive regular reports alleging this type of corruption – from our launch in January 2012 to the end of January 2014 we have received 465 reports related to procurement corruption. These are reports that have been confirmed to be corruption, and don't include the many others submitted by concerned people which have been ruled out as corruption.

In this e-book we equip the reader with the knowledge to recognise irregularities, as we explain how to go about applying for a tender, how government tendering works, how the tender is awarded, the ways in which corruption creeps in to the process, and more.

## Table of contents:

<b>Page 1</b>	Introduction
<b>Page 2</b>	Chapter 1 – corruption in public procurement
<b>Page 4</b>	Chapter 2 – how the government tender process works
<b>Page 7</b>	– checklist for corruption in tendering
<b>Page 9</b>	Chapter 3 – a more detailed look at procurement corruption
<b>Page 13</b>	Chapter 4 – how does corruption enter into the tender process?
<b>Page 15</b>	Chapter 5 – blowing the whistle of tender corruption
<b>Page 17</b>	Chapter 6 – useful contacts for tender information

# Chapter 1

## Corruption in public procurement

Public procurement processes are often complex and transparency of the process is sometimes limited, therefore manipulation of tendering procedures is hard to detect. Corruption Watch has recently been involved in a number of investigations that highlight the ease with which tender processes can be tampered – the R182-million Mpumalanga circumcision tender, a case involving a massively inflated quotation at a municipality, and the scandal around the construction cartel, to name a few.

These investigations all involve manipulation for personal gain of the public procurement system, in some cases to the tune of millions.

The Mpumalanga tender was not awarded through a competitive public bidding process, as required by law. The municipality case involved a quote for water testing equipment that was inflated by 10 times the amount quoted by another regular supplier, who was also the whistleblower – and the tender went to the more expensive bid. The companies in the construction cartel colluded in various ways to extract advantage and maximise profits from big infrastructure projects such as 2010 Fifa World Cup stadiums.

The definition of public procurement encompasses all purchases of goods and services by public institutions in a country, and involves contracts between the government and the private sector in a variety of areas such as health services, the military, construction, etc. Reliable procurement practices transform funds into hospitals, schools and roads.

Procurement accounts for a large part of public resources and thus it is important that the tender procedures occur in an accountable, transparent and well-managed way.

Corruption in public procurement takes away benefits meant for citizens, and lowers the levels of public trust and confidence in the government. It can also be linked to service delivery protests and the erosion of honest competitive bidding.

As much as R25- to R30-billion of the annual government procurement budget is lost to tender corruption, according to Special Investigating Unit boss Willie Hofmeyr, and thus Corruption Watch decided to make this one of its focus areas for 2013.

### Corruption is rife in metros

Since the launch of Corruption Watch in January 2012 to the end of January 2014, 465 complaints have been lodged with the civil society organisation alleging corruption in public procurement.

In terms of provincial spread, 149 or 32% of the reports came from Gauteng, with all three metropolitans in the province heavily implicated in graft allegations. KwaZulu-Natal was next with 65, followed by Free State with 43.

The highest number of corruption reports concerning metros implicated the City of Johannesburg in Gauteng, with the City of Tshwane following next.

The table below shows the number of reports submitted to us that allege tender corruption in major metros:

Metro area	Number of reports submitted to Corruption Watch:
City of Johannesburg	61 reports
City of Tshwane	29 reports
eThekweni	19 reports
Ekurhuleni	16 reports
City of Cape Town	11 reports
Mangaung	6 reports
Nelson Mandela Bay	5 reports
Polokwane	4 reports



## Chapter 2

### How the government tender process works

It's easier to spot corruption in a tender when you know how the process should unfold. Our guide will help to clarify the steps that should be taken, so that you'll understand when something is wrong.

A tender is an offer to do work or supply goods at a fixed price. When the government puts out a tender, this means that it asks the public for price offers to do work or supply goods. Once the government accepts a tender, it is binding to both the government and the winning tenderer. Therefore, the person or company has to provide the goods or services in the manner agreed to and at the price offered; and the government must pay the agreed price at the agreed time.

#### The first step in the tender process

A business must first ensure that it is registered on the supplier database of the relevant local, provincial or national authority – this is a requirement for tender consideration, and the government may go to these suppliers directly for smaller tenders.

It must have a bank account, and be registered with the South African Revenue Services.

To get registered, a businessperson can contact the government entity involved, which will ensure that he or she gets the right form as they may vary slightly. Forms must be accompanied by supporting documentation, such as a company registration certificate, a BEE certificate or a tax clearance certificate.

All requested information, such as the shareholders of the company, the regions in which it operates, and its previous supply chain management experience must be disclosed – but the information will remain confidential.

Once a business has registered, it is ready to bid for tenders.

#### Where to find tenders

Tenders are issued by national and provincial government departments and municipalities, and parastatals like Eskom, Spoornet, the SABC, the IDC and ACSA. They can usually be found advertised in the weekly government tender bulletin, or on the website of the body concerned.

The tender bulletin can be found on the government website, <http://www.gov.za/> or a print version may be obtained from the government printer, Private Bag X 85, Pretoria, 0001 or by calling 012 334 4735.

Government tenders are also generally advertised in major national newspapers, local newspapers, and on notice boards at government departments, post offices, police stations and elsewhere.

A tender notice or advert will usually give the following information.

- Type of item/work in question;
- Name and address of the tender authority;
- The tender enquiry reference number and/or date;
- The cost of and the last date for collection of bid document;
- Due date and/or time for submission of tender papers;
- Information on how to obtain the tender documents;
- Any other Instructions or information.

This will help you decide whether your company is capable of meeting the requirements. Only if you are sure it can should you apply for the contract. If you get the contract and default on it, you will be placed in the restricted supplier database for a maximum of 10 years.

Tenders are classified into two broad categories:

- Goods and services:
  - For tenders under R30 000 the relevant government department will usually approach three registered providers for a quote – this is why registration on the database is important;
  - Tenders of more than R30 000 must generally be advertised to all subscribers;
  - Tenders over R200 000 must be advertised and formally adjudicated.
- Building and engineering:
  - Tenders over R2-million have to be adjudicated and formally advertised;
  - Tenders below R2-million are seen as minor and under R100 000 as micro.

Tender documents vary from province to province, or between councils, so you should contact the tender issuer directly to ensure you get the correct forms. Only completed original forms are accepted, and late submissions will be refused.

If you need help or advice, there are registered tender advice centres nationally, but small companies can contact the Small Enterprise Development Agency (Seda) on 0860 103 703 or +27 (012) 441 1000, or send e-mail to [info@seda.org.za](mailto:info@seda.org.za), for information.

### **Filling in the forms**

Make sure that you have enough time to prepare and submit an offer before the due date. Completed forms must be posted or delivered by hand to the originator of the tender, and before the cut-off date and time.

All required forms and documentation will be listed in the tender document.

When filling in tender documents, all sections must be completed in full. This includes disclosure of, for example, any connection with the tender board – if this fact is hidden it may open up an opportunity for corruption.

Also include details all the relevant experience you have in relation to the proposed contract. Here are some important points to keep in mind:

- Include your VAT registration number, if you have one;
- Give a guarantee of the quality of your products or services. Also provide details of any SABS or ISO marks or sign of quality assurance that you are entitled to use;
- Offer to substitute products or services where necessary;
- Offer to make refunds if you fail to deliver as agreed;
- State the percentage or quantity of imported products;
- Mention patents and details of any royalties;
- Specify the time and place of delivery;
- Include samples of products or goods if required;
- Use delivery documentation including delivery notes;
- Complete the tender documents in ink and sign alterations in full;
- Obtain import permits for goods that were not made in SA; and
- Supply the prices that you paid for the goods.

### **How is a tender awarded?**

Before any awarding is done, the tender board will scrutinise all applications to ensure they comply with the requirements – those with information missing, such as no price, will be rejected. The board will then check to see that the applications comply with the specifications – those that do not are disqualified, and those that do are sorted into order of price.

The applications offering the lowest price will then be considered. At this stage the preference point system will come into play – by law, a preference point system applies to tenderers who are previously disadvantaged individuals (PDI), or women.

Generally, for tenders over R30 000 and up to R1-million, 80% will be adjudicated on price and 20% on PDI or gender status. For tenders over R1-million, the 90% to 10% price system applies. In the first instance the tenderer will score a maximum of 20 incentive points, depending on the achievement of specific goals clearly specified in the tendering conditions. In the second instance, the number of points is 10.

The preference points claimed by the applicants are verified by the tender board, and the winner of the bid will be the one who complies with all the requirements and who scores the most points. If two bids score the same number of points, the winner will be the one that scored the highest for BBBEE. A contract may be awarded to a tenderer that did not score the highest number of points, but only under conditions laid down in section 2.1 (f) of the Preferential Procurement Policy Framework Act.

The tender board will notify successful applicants in writing. This may take some time so remember to keep in touch with the entity so you can check regularly on the status of the tender process. Those who are unsuccessful and who have an objection, may raise it with the department or government entity. They may also request a copy of the tender board's decision.

## Checklist for corruption in tendering:

Because the procedures involved are complex, corruption may occur at any point along the way.

Use our checklist to learn about the common signs, or red flags, which may indicate the presence of corrupt activities at different stages of the tendering processes. Please note that these flags do not confirm the presence of corruption, as there may be another explanation for their presence, but rather, they signify a potential risk.

### The pre-tendering process:

Red flags	Related type of corrupt activity
Purchase of unnecessary or inappropriate items	Corruption
Manipulation of the procurement threshold to avoid prior review	Unjustified no-bid awards
Inadequate evaluation criteria or procedures	Manipulation of bids, excluding qualified bidders, corruption
Unreasonable pre-qualification requirements	Excluding qualified bidders
Ambiguous, misleading or incomplete contract specifications	Unbalanced bidding, corruption
Contract specifications are too narrow/broad	Rigged specifications, excluding qualified bidders, corruption

### The tendering process:

Tendering red flags	Tendering type of corrupt activity
Failure to make bidding documents available	Failure to make bidding documents available
Short or inadequate notice to bidders	Short or inadequate notice to bidders
Excluding qualified bidders, corruption	Excluding qualified bidders, corruption
Multiple contracts awarded to the same companies	Corruption
Rotation of winning bidders	Collusive bidding
Unreasonable high/low bids	Collusive bidding, unbalanced bidding, corruption
Non-transparent bid-opening procedures	Manipulation of bids, excluding qualified bidders, corruption
Disqualifications that are poorly supported	Excluding qualified bidders
Pressure to select a certain contractor, subcontractor, or agent	Corruption
Winning bid is very close to the budget or estimate	Unbalanced bidding, corruption
Long unexplained delays in the contract award or negotiations	Manipulation of bids, corruption

### The post-award process:

Post-award red flags	Post-award type of corrupt activity
Use of questionable agents or subcontractors	Corruption
Complaints regarding poor quality goods, works or services	Failure to meet contract specifications
Continued acceptance of poor quality goods, works or services	Corruption
Delivery of poor quality goods, works or services	Failure to meet contract specifications
Questionable contract changes	Falsely inflated or duplicated invoices, corruption
Questionable invoices	Falsely inflated or duplicated invoices, corruption
Absent or questionable documentation	Falsely inflated or duplicated invoices

These signs are often associated with corruption, and checklists such as these are useful tools for examining a procurement process for possible corrupt activity. In the next chapter you'll learn about these criminal activities in more detail.



## Chapter 3

### Procurement corruption – a more detailed look

The World Bank notes that public procurement is an area where the public and private sector cooperate financially and involves relatively few but high level transactions. Consequently, procurement officers have more to gain by sidestepping procedures and engaging in corrupt activities.

In Corruption Watch's recent submission to the Constitutional Court in the case brought against the South African Social Security Agency by Allpay, which lost out on a R10-billion tender to distribute social grants, the civil society organisation states that tender procedures are necessary to "provide checks and balances in order to inter alia minimise procurement corruption".

In the submission, Corruption Watch also noted that the Constitutional Court made it clear, in a 2011 case, that the government is constitutionally required to put in place mechanisms to tackle corruption. This is because corruption undermines the ability of the government to deliver on its obligations laid out in the Bill of Rights, including social and economic rights.

Because of the prevalence of corruption – not just in South Africa, but worldwide – in public procurement and supply chain management, Corruption Watch made this form of corruption one of its focus areas for 2013.

#### Procurement corruption has many forms

There are a number of ways in which corruption occurs in public procurement. They include:

**Bribery** - seen as the most common type of corruption, it can be understood as an offer of money, goods or services in order to gain an advantage. Bribes can be used to avoid red tape, speed up procedures and influence the allocation of tenders.

*Active bribery* refers to the offence committed by the person who promises or gives the bribe, while *passive bribery* is the offence committed by the official who receives the bribe. Active bribery occurs on the supply side, passive bribery on the demand side.

A Corruption Watch reporter described the experience thus: *"I tendered for land but was asked by the Mayor to pay a R1 000 000 bribe. I did not comply and needless to say I did not get the tender for the land in the end. I prefer to stay anonymous as these people are very dangerous and I fear that they may hurt my family."*

**Bid-rigging** – takes place when companies conspire to fix the price for goods and services, purchased through a bidding process, to an affectedly high level. Examples of bid-rigging include:

- Excluding qualified bidders – qualified bidders are wrongly disqualified in order to promote a favoured bidder;

- Manipulation of bids – procurement officers tamper with bids after submission in order to ensure that a predetermined company is awarded the tender. This involves making changes to parts of bids or bid scores;
- Rigged specifications – procurement officer modifies the criteria in the requests for proposals to fit a particular company;
- Unbalanced bidding – procurement officer provides the favoured firm relevant information which is not shared with other participants in the bidding process.

Bid-rigging was pointed out in a recent tip-off to Corruption Watch: *“The Treasurer, School Principal and Finance Officer have ignored the resolution of a school adjudication committee and School Governing Body and changed the amounts of the school tender without following procedures. They paid the contractor immediately after changing the amounts before he completed the job. These payments are unauthorised and irregular in terms of departmental prescripts and South African Schools Act since they should have been authorised by SGB Chairperson. They are also not allowed to change the resolutions of the School Governing Body. Please investigate”*

**Collusive bidding by contractors** – contractors work together to co-ordinate markets, prices and production with the goal of increasing their own profits by reducing competition – this can be defined as a cartel. Examples of collusion include:

- Complementary bidding – occurs when competitors agree in advance who will submit the winning bid. Such bidding involves one or more of the following:
  - A participant in the bidding process agrees to put forward a bid that is higher than the bid of the appointed bidder;
  - A participant in the bidding process offers a bid that is known to be too high to be accepted;
  - A participant submits a bid that contains special conditions that are known to be undesirable to the purchaser;
- Bid suppression – occurs where one or more of the competitors agree to refrain from bidding so that one of the competitors, the appointed winner, can win the contract;
- Bid rotation – occurs when competitors take turns being the successful bidder;
- Market division – the conspirers may carve up markets in different segments and agree to not compete in each other’s segments.

In 2007, bread companies were fined by the South African Competition Commission for colluding with each other to raise the price of bread to between 30c – 35c per loaf.

**Extortion** - entails causing harm or threatening a person in order to gain something.

**Fraud** - involves some kind of deceit and manipulation or distortion of information by a public officer with the intention to seek personal gain.

A report submitted to Corruption Watch states that *“\*\*\* the Deputy Principle at \*\*\* College purchased a software that costs R750 000.00 and it was never delivered. She did quotations*

*herself without following tender processes. The service provider was paid but the software was never delivered.”*

**Graft** – a form of political corruption in which an official acquires financial gain by dishonest or unfair means, especially through the abuse of one's position or political influence. Unlike bribery, graft does not require that the official actually provided an undue advantage; it is enough that she/he gains something of value apart from her/his official pay when doing her/his job.

**Nepotism** - favouring friends and family when granting jobs or benefits. In 2013, Corruption Watch exposed nepotism at the JS Moroka Municipality when procurement officer Rabelani Thukwana illegally awarded a contract worth R24 000 to her husband.

**Patronage system** - takes place when local public office holders grant favours, jobs and contracts in return for political support.

Another report received by Corruption Watch highlights this practice: *“My complaint is that a service provider named T\*\*\* was appointed even though their price was too high; more than R8 million. According to my information, T\*\*\* was disqualified from the tender process on the basis of their price but were somehow still appointed. The owner of T\*\*\*, Mr xxx is a friend to the Strategic Executive Head in the Office of \*\*\* namely Mr yyy. Our suspicion is that companies which qualified to do the work were side lined in favour of T\*\*\* because both Mr xxx and Mr yyy stood to benefit. As a result of this process, Mr yyy was put on special leave by the City Manager pending the outcome of the investigation and possible disciplinary processes. There are rumours that Mr yyy is coming back to work because no evidence of wrongdoing was found against him. However, Mr yyy has got political connections by virtue of him being the XXX Deputy Chairperson in Tshwane.”*

### **Other definitions related to corruption**

Supply chain, procurement, transparency – these terms are mentioned often in the context of corruption. While this is not an exhaustive list, below we present definitions of some of the terms that crop up frequently:

**Cartel** – an agreement (formal or informal) among competing companies to co-ordinate prices, marketing and production. Cartel members may agree on such matters as price fixing, total industry output, market shares, allocation of customers, allocation of territories, bid rigging, establishment of common sales agencies, and the division of profits or combination of these. The aim of such collusion is to increase individual members' profits by reducing competition.

**Conflict of interest** – arises when an individual with a formal responsibility to serve the public participates in an activity that jeopardises his or her professional judgment, objectivity and independence. Often this activity (such as a private business venture) primarily serves personal interests and can potentially influence the objective exercise of the individual's official duties.

**Irregularities** – these are deviations from the prescribed process. Corruption Watch’s Constitutional Court submission noted that small irregularities are often symptoms of larger problems, and that irregularities of all types act as red flags or indicators of corruption.

**Procurement**, specifically **public procurement** – the buying of goods and services by government organisations.

**Supply chain** – the network of all the individuals, organisations, resources, activities and technology involved in the creation and sale of a product, from the delivery of source materials to the manufacturer, through to its eventual delivery to the end user.

**Tender** - to invite bids for a project. It usually refers to the process whereby governments and financial institutions invite bids for large projects that must be submitted by a stipulated deadline. If a company puts work out to tender, it asks people to make offers to do the work.

**Transparency** – Transparency is the quality of being clear, honest and open. It implies that civil servants have a duty to act visibly, predictably and understandably. Transparency requires that decisions and actions are taken openly and that sufficient information is available so that other agencies and the general public can assess whether the relevant procedures are followed.

**Whistleblower** – can be defined as an employee, former employee, or member of an organisation who reports misconduct to people or entities that are able to take corrective action. National legislation in the US, UK, Australia, South Africa, the Republic of Korea and others establishes different degrees and types of protection of whistleblowers in the private and public sector.

[Wikimedia Commons](#)



# Chapter 4

## How does corruption enter into the tender process?

Dodgy public procurement deals pop up frequently in the media and the practice is consistently reported to Corruption Watch. However, it is helpful to understand what factors influence the opportunities for corrupt practices and the actors who are involved.

According to the handbook *The Basics of Integrity of Public Procurement*, published by Norway's Chr. Michelsen Institute and available for download on the organisation's website, the suppliers of bribes (often companies) are influenced by the competitive environment they operate within. Preparing for a tender is time-consuming and costly, thus to offer a bribe is seen as a short-cut to a contract.

### What influences the opportunities for corruption?

- Sizes of contracts – bribes tend to be calculated as percentages of the total contract amount. Thus, the more money involved the higher the potential kickbacks.
- Complexity of technology – where a contract involves high-level technology, there tends to be greater difficulty in evaluating if the price paid for goods or services is realistic or not.
- Type of sector involved – some sectors are more prone to corruption than other sectors. According to Corruption Watch's data these sectors include:
  - Schools
  - Construction
  - Health care
  - Tertiary education
  - Housing
- Discretion – the more a procurement officer can influence demand and preferences, the easier it is for that officer to take part in corruption.
- Lack of financial controls – if oversight systems are weak there is a lesser chance of being caught in corrupt acts, and thus leads to a higher level of corruption.
- Restricted access to information – if there is poor transparency involving executive decisions, especially if it is combined with a lack of public demand for information, this can have an increasing effect on the corruption level.
- Immediacy – the urgency to complete a contract leads to greater opportunities to inflate the price of a contract.
- Conflict of interest – the risk of corruption increases when public duties and the private interest of an involved actor are conflicting because there is a chance that the public position might be exploited to the advantage of private interests.

### Actors involved in corrupt tender processes

Global watchdog Transparency International (TI), in its *Handbook for Curbing Corruption in Public Procurement*, available for download on TI's website, says that corrupt deals require the involvement of different actors depending on the type of corrupt practises.

- Public official – the official extorts a bribe from a bidder before making an official decision in that bidder's favour;
- Bidders (suppliers, contractors, consultants, and sub-contractors) – bidders wishing to do business with the government take the initiative to either offer/give a bribe/advantage to a government official in order to gain a favourable advantage over other bidders;
- Agents, middlemen, consultants, joint venture partners, subsidiaries – individuals who aim to manipulate a government decision-making process sometimes refrain from committing corrupt acts themselves but use agents/consultants/middlemen/local subsidiaries/joint venture partners for the actual corrupt activity;
- Witnesses – individuals who have information about corrupt activity in tender processes.

### **The impact of corruption in public procurement**

According to TI, the main goal of public procurement is to satisfy the needs and interests of citizens. But when corruption occurs in tendering processes it can have damaging effects on the country because it diverts state funds away from public needs, often leading to service delivery protests, and erodes the public's trust in government.

Corruption in procurement encourages competition in bribery instead of competition for good quality or price. It has a harmful effect on honest bidders. It poses a danger to the economic development of the country and thus the poor of the country are the inevitable victims of this corruption.



## Chapter 5

### Blowing the whistle – reporting tender corruption

If corruption is present, our experience shows that there is often somebody brave or outraged enough to expose it, as you'll learn in this chapter.

A Corruption Watch reporter blew the whistle on a company, later found to be involved in the construction corruption case: *“The cost of pipeline sections is hundreds of millions yet during the tender process for construction of the pipelines, there is indication on numerous occasions from [the state-owned water management entity] that the pipeline materials shall be free issued to building contractors. The piping materials are exclusively supplied by the two suppliers in a collusive anti-competitive nature. No other suppliers are called to quote on supply of these bulk materials; however they have ability to supply.”*

The scandal broke in early 2013. In a submission made to the Competition Tribunal, Corruption Watch added its voice to those condemning the collusive activities and lauding the Competition Commission for levying hefty fines – totalling R1.5-billion – to the 15 companies implicated in the cartel. Corruption Watch called for all parties affected by the cartel's actions to lay criminal charges against the construction companies for damages suffered.

The Competition Tribunal has now issued certificates against some of the construction companies found guilty, which will pave the way for civil claims, and more certificates are expected to be issued to affected parties.

Our municipality reporter submitted the following: *“Our company is a registered Vendor to the DR JS Maroka municipality. In the past we received orders and payment from them. However, we have been advised that orders will now be placed via a 3rd party for the municipality on ourselves. It so happened that [a company] called us to supply glassware that we previously quoted the municipality at R 1 915. Confusion at the municipality caused the 3rd party order for the goods to be faxed to us ... however ... the price to the municipality suddenly increased to R 23 996.”*

Corruption Watch investigated the allegations, and as a result, three officials from the municipality were suspended.

Another reporter expressed his/her concerns: *“The Municipal Manager & the members of the ANC were involved in the illegal tender procurement. The contractor paid bribes to the Municipal Manager and the other members of the Municipality – I I was present during their meeting when they were discussing about their ‘cuts’, I have reason to believe that the correct tender process was not followed.”*

And this from another reporter: *“There is a project for \*\*\* General Construction, the CLO is selling the job to subcontractors, who don't even qualify to work, ward comitee members have subs on the*

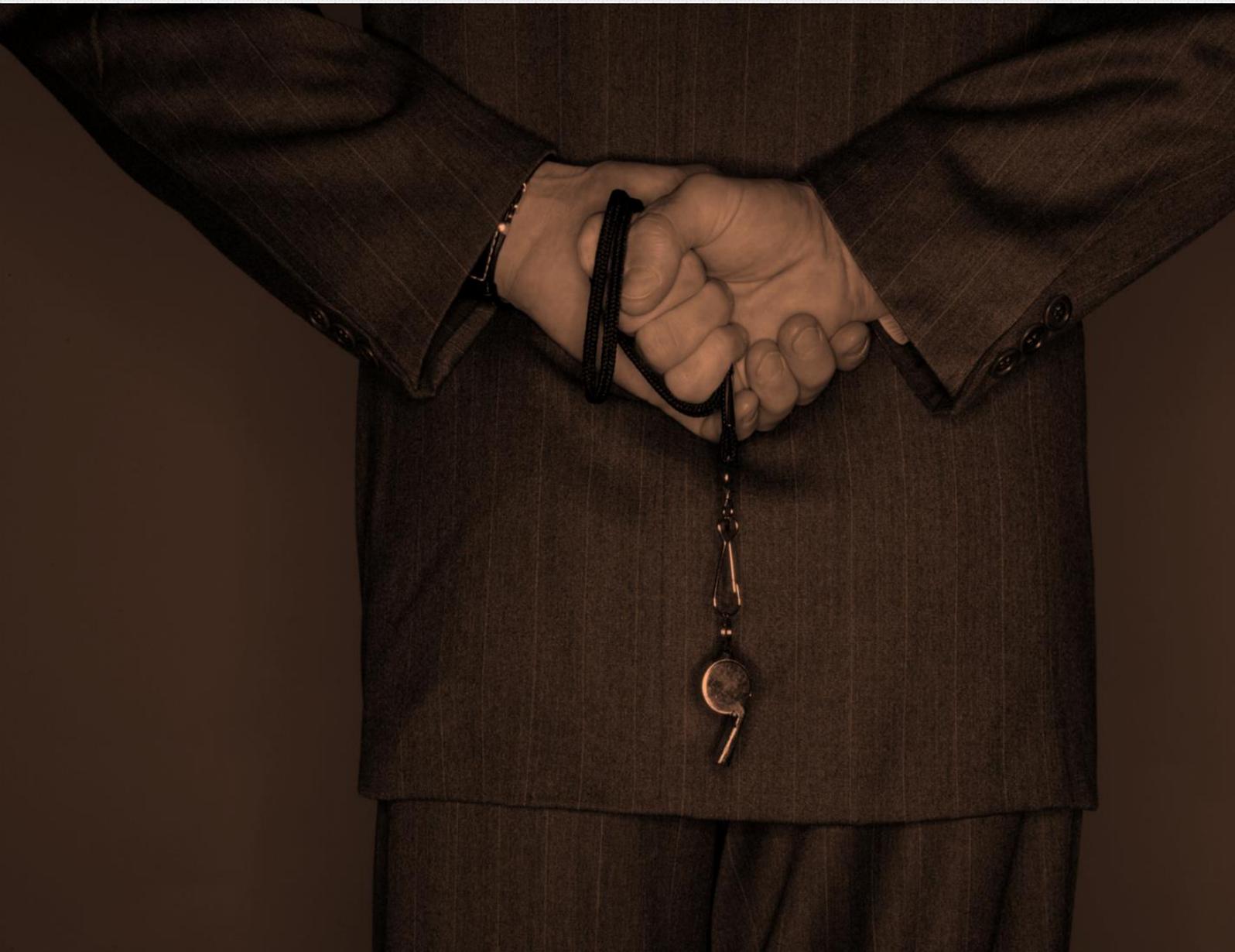
*project of which according to their job description and constitution they not allowed to have tenders, there is a silent subcontractor which is an advocate who stays in a classy suburb, we as concerned community member we need to know cause the purpose of this project was to create job opportunities for the unemployed and not to enrich the riches, as this was a ward base project to benefit the community.”*

These are all extracts from real reports involving procurement, which have been submitted in the last 18 months.

### **Trends in reports**

According to Corruption Watch data, the trends that emerge from submitted reports indicate that:

- Bribery is rampant in tender processes;
- Relevant committees indicate a preference for a certain supplier;
- Tenders are not being advertised or circulated;
- Dates are altered to accommodate certain suppliers;
- Appointment of suppliers whose scores do not reflect that they are the best applicants.



## Chapter 6

### Useful contacts

These organisations and entities will help you with any tender-related queries.

#### Small Enterprise Development Agency (Seda)

**Tel:** 0860 103 703 (national information centre)

**E-mail:** [info@seda.org.za](mailto:info@seda.org.za)

<http://www.seda.org.za/>

#### Department of Trade and Industry

**Tel:** 0861 843 384 or +27 (12) 394 9500

**E-mail:** [contactus@thedti.gov.za](mailto:contactus@thedti.gov.za)

<http://www.dti.gov.za/>

#### The Government Gazette online

<http://www.greengazette.co.za/>

#### National tender bulletins

<http://www.greengazette.co.za/publications/tender-bulletins>

#### Western Cape government – hints on how to tender

[http://www.westerncape.gov.za/tenders/how to tender](http://www.westerncape.gov.za/tenders/how_to_tender)

#### Office of the chief procurement officer, National Treasury

**Tel:** +27 (12) 315 5111

<http://www.treasury.gov.za/divisions/ocpo/default.aspx>

#### National Treasury – tender information

<http://www.treasury.gov.za/tenderinfo/default.aspx>

#### Chartered Institute of Purchasing and Supply – South Africa

**Tel:** +27 (12) 345 6177

**E-mail:** [infosa@cips.org.za](mailto:infosa@cips.org.za)

<http://www.cips.org/en-za/>

#### Smart Procurement

**Tel:** 0861 33 4326 or +27 (861) 33 4326

**E-mail:** [admin@smartprocurement.co.za](mailto:admin@smartprocurement.co.za)

<http://smartprocurement.co.za/#sthash.goYfFCE1.dpbs>

#### Contributors:

Kavisha Pillay, Janine Erasmus

#### Editor:

Janine Erasmus



4th Floor Rosebank Corner  
191 Jan Smuts Avenue, corner 7th Avenue  
Parktown North  
2193 Johannesburg  
South Africa