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## PROJECTS AND INFRASTRUCTURE

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### GAUTENG MEC TABLES THE 2014/15 BUDGET VOTE FOR THE GAUTENG PROVINCIAL TREASURY

On Friday, 25 July 2014, the Member of the Executive Council (MEC) of the Gauteng Provincial Government responsible for finance, Barbara Creecy presented her budgets for the Gauteng Departments of Treasury and Finance.

Cliffe Dekker Hofmeyr attended the Budget Vote speeches, and reports back below on several particularly interesting topics covered by the Finance MEC.

#### Procurement

The MEC introduced an agreement that has been reached between Provincial Treasury and the Department of Transport, intended to enhance the transparency of provincial procurement. The two departments have agreed to run a pilot open procurement process around selected tenders, in the upcoming financial year.

It is intended that the improved process will involve:

- i. supporting bidders in their compliance with documentary requirements prior to the tender deadline;
- ii. screening of the members of the Departmental Acquisition Committee for conflicts of interest;
- iii. publicising who has bid for tenders;
- iv. introducing independent compliance audits of the evaluation process prior to tender award; and
- v. publicising winners of tenders.

The process is intended to be a model for all Gauteng Provincial Government departments, and Provincial Treasury intends to take the model to the provincial Executive Council for its consideration.

#### Contract Monitoring

The MEC also highlighted the need to ensure that suppliers to government actually deliver what is required of them. Provincial Treasury intends to improve on its capacity to oversee contracts and monitor compliance with both the letter and the spirit of supply agreements.

#### Digitisation of Government Services

The MEC's discussion on behalf of the Department of Finance involved two major points of interest:

- the creation of the Gauteng Broadband Network; and
- the use of an electronic platform for managing supplier contracts

The Gauteng Broadband Network is a project which will use municipal and private-owned dark fibre networks to create an internet connectivity link between 6 core sights, including Chris Hani

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Baragwanath Hospital, the Gauteng Department of Finance Building, and the Gauteng Funding Agency Building. These nodes will act as distribution points for connecting other government buildings in future.

The electronic platform for supplier contract management will be used by current and prospective suppliers to the Gauteng Provincial Government. It will allow for direct sending of invoices, direct communication about non-payments, and improvement of the current payment-tracking system.

### Infrastructure

The MEC noted that, in an attempt to supplement its revenue stream, alternative sources of revenue are being explored. Treasury is working together with the Gauteng Department of Infrastructure Development to explore possible revenues from advertising and rental of government properties.

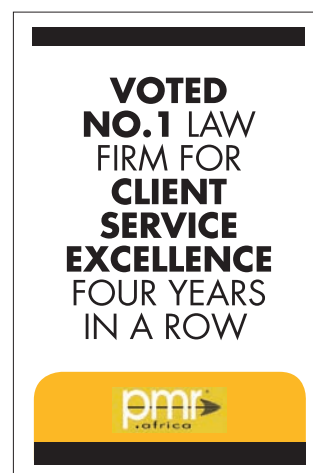
The usefulness of the Gauteng Funding Agency (GFA) was discussed at some length. The MEC noted that over the past five years the GFA has, through feasibility studies, explored funding options for social

and economic infrastructure projects. She threw her weight behind the GFA as a body which can assist Provincial Treasury in accessing alternative funding sources for major projects.

Provincial Treasury intends to reposition the GFA to provide a "full bouquet of services to projects that have been selection for alternative funding". While the GFA currently provides service up to feasibility stage, going forward, the GFA intends to assist departments with their projects up to procurement and contracting stage.

Currently the GFA is supporting the Department of Infrastructure Development with the rollout of the Gauteng Green Agenda. This involves private sector investment in construction and management of Tri-generation (power, steam and chilled water) plants for four provincial hospitals, and rooftop solar retro-fitting on Gauteng Provincial Government-owned buildings across the province.

*The article was written by Samantha Brener, Candidate Attorney, and verified by Claire Barclay, Director, Projects & Infrastructure.*



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