



*The Leading Event in Africa for Supply Chain Professionals*

**47<sup>th</sup> ANNUAL CONFERENCE**

Century City Conference Centre, Cape Town

**The Digital Public Procurement  
Revolution in South Africa**  
Vuledzani Nemukula

# EXECUTIVE SUMMARY

## Case for change



- South Africa's public procurement system is at a critical juncture, with nearly R1 trillion in annual government expenditure playing a strategic role in service delivery, job creation, and economic transformation.
- However, persistent challenges of **corruption, inefficiency, and inequality** necessitate a transformative shift.
- The digital revolution in public procurement offers a promising pathway to achieving these goals through **enhanced transparency, cost efficiency, and empowerment of Small, Medium, and Micro Enterprises (SMMEs)**.
- By **leveraging digital tools**, South Africa can **mitigate corruption, improve service delivery, and promote local development**.

## Challenges



Despite progress, several challenges hinder the effective implementation of digital public procurement, these include:

- The digital divide;
- Change resistance;
- Capacity gaps;
- Cybersecurity risks; and
- Interoperability Limitations

## Key Interventions



- The implementation of the Central Supplier Database (CSD), eTender Portal, and institutional automation projects.
- The National Treasury's upcoming eProcurement Framework and National eProcurement Strategy will further unify and digitize procurement processes.
- Investing in supplier and staff training, enhancing interoperability between systems, and strengthening data protection frameworks will be essential.
- By embracing innovation and digital tools, South Africa can build an efficient and transparent public procurement system.

# TRANSNET'S SCM STRATEGIC UNDERTAKING



## VALUE PROPOSITION

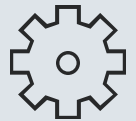
To be a **trusted strategic business partner** in delivering on **customer expectations** in an **efficient, predictable and compliant manner**, whilst enabling continued **business growth** and **local transformation**.



## STRATEGIC NARRATIVE

To deliver **sustainable value** by building an **innovative** and **digitilised SCM function** to enable customer-centricity, providing a strategic advantage by increasing **efficiency** and **effectiveness**, including:

- standardised demand management;
- focused category management;
- improved supplier relationship management; and
- embedded contract management.



## OUR PLAYBOOK

- Play a significant role in achieving Transnet's mandate of **reducing the cost of logistics in SA**, whilst transforming the lives of ordinary South Africans;
- Buy directly from OEMs, thereby eliminating the non-value adding agents;
- Develop SMMEs through the ESD Policy to be local agents of OEMs;
- Place **long-term enabling and master service agreements for strategic commodities** with value delivery objectives, including maintenance spares;
- Deploy category management to strategies across all strategic supply;
- Active contract management to ensure that value for money is achieved; and
- Subscribe to ethical procurement in our approach

## KEY DELIVERABLES



**Robust category management**



**Collaboration across the organisation**



**Effective governance**



**Streamlined processes and reduced time to delivery**



**High-performance teams and efficient use of resources**

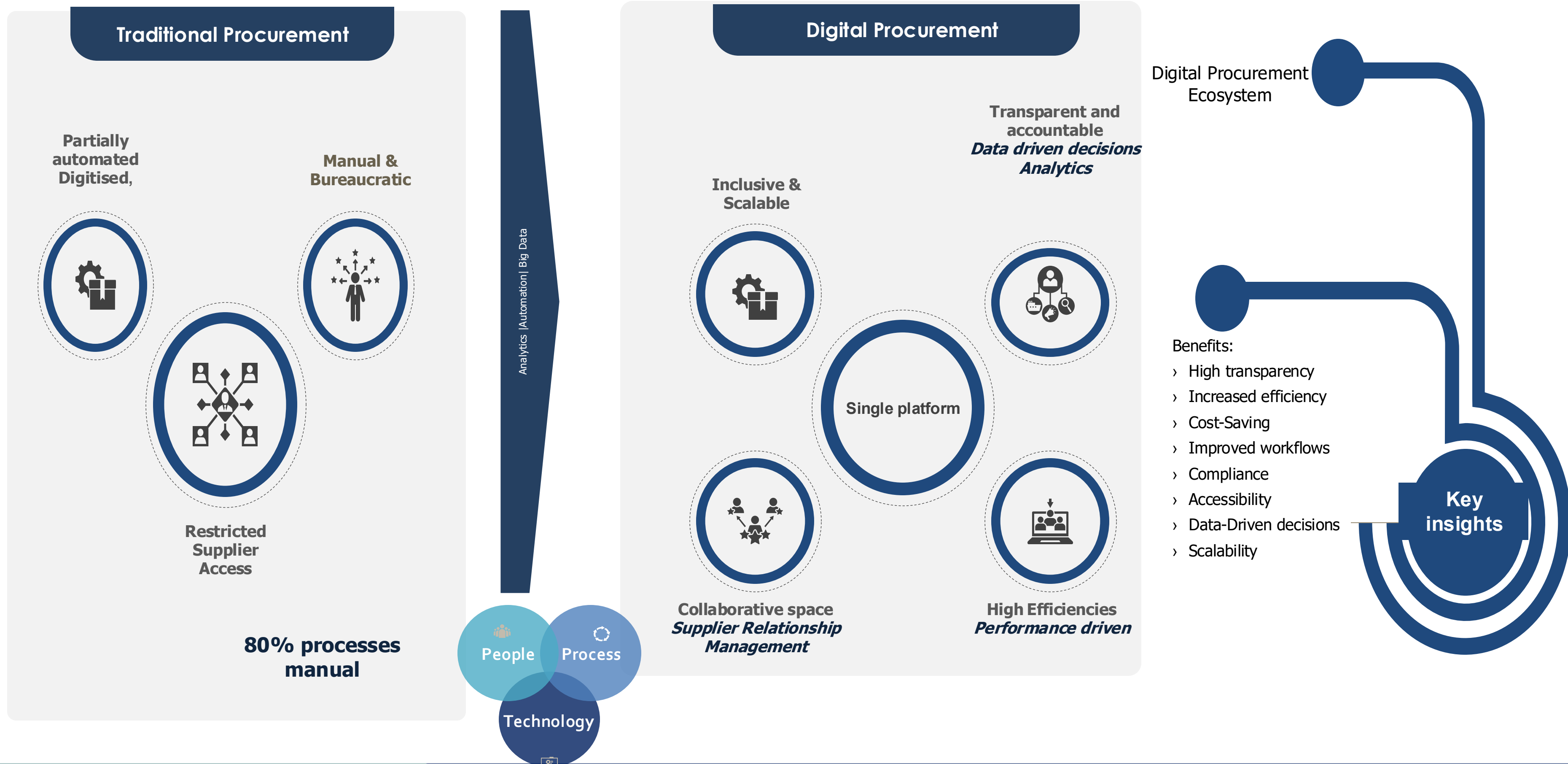


**Technology systems leveraged**



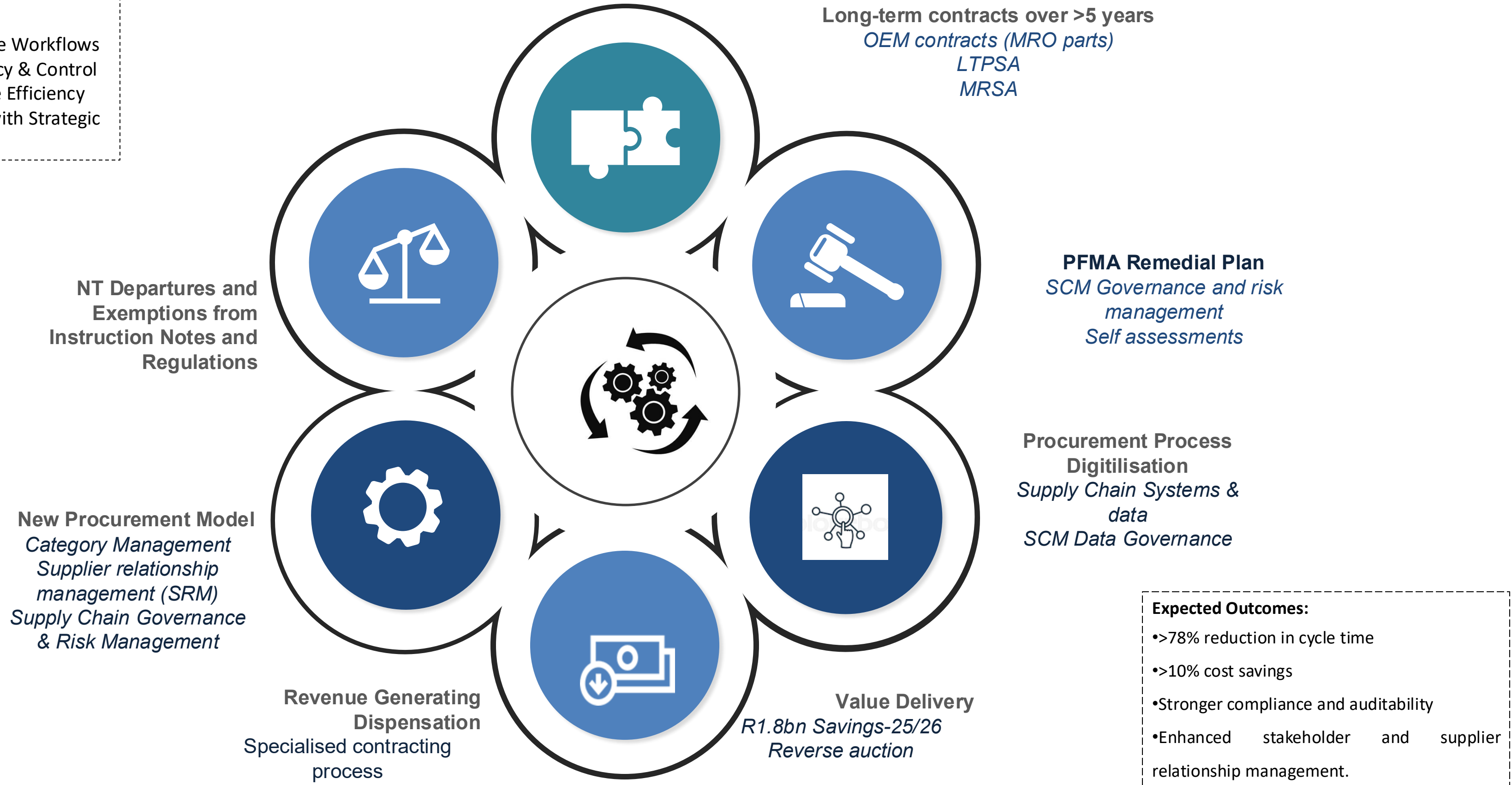
**Value delivered**

# TRADITIONAL VS DIGITAL PROCUREMENT ENVIRONMENT



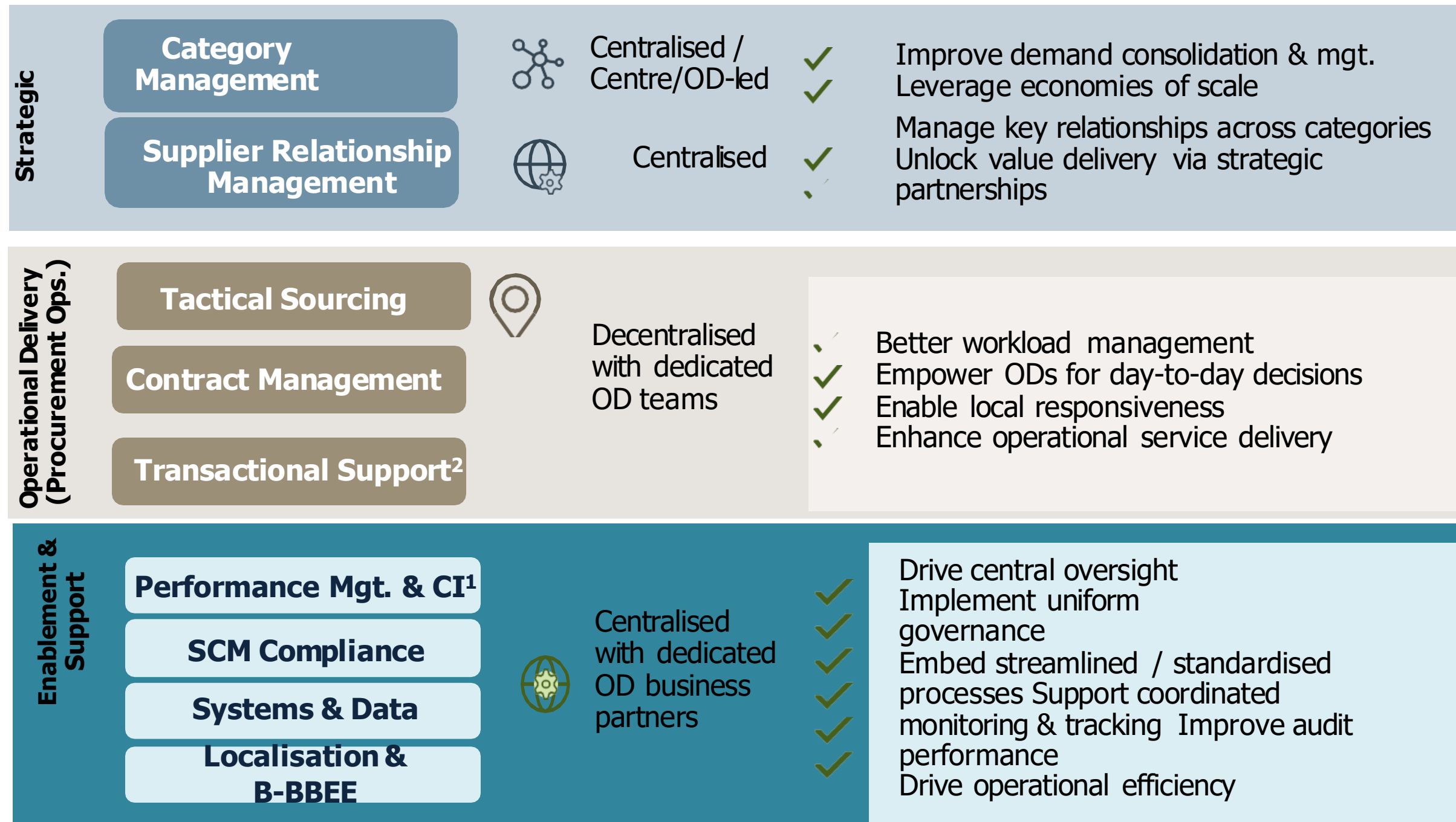
# TRANSNET PROCUREMENT INNOVATIVE INITIATIVES

- Key Objectives:**
- Simplify & Streamline Workflows
  - Enhance Transparency & Control
  - Improve Cost & Time Efficiency
  - Align Procurement with Strategic Goals



- Expected Outcomes:**
- >78% reduction in cycle time
  - >10% cost savings
  - Stronger compliance and auditability
  - Enhanced stakeholder and supplier relationship management.

# PROCUREMENT PROCESS RE-ENGINEERING ALIGNMENT TO BEST PRACTICES



## Key considerations:

### Historically unreliable delivery from the Centre

- These are new teams: Roles / responsibilities have been redefined
- Required capacity (and skills) will be phased in gradually for slow ramp up

### Business operations require local responsiveness

- Teams are fully decentralized in the ODs
- Clear delineation of tasks with dedicated teams per functional area

### Balancing central oversight with local responsiveness

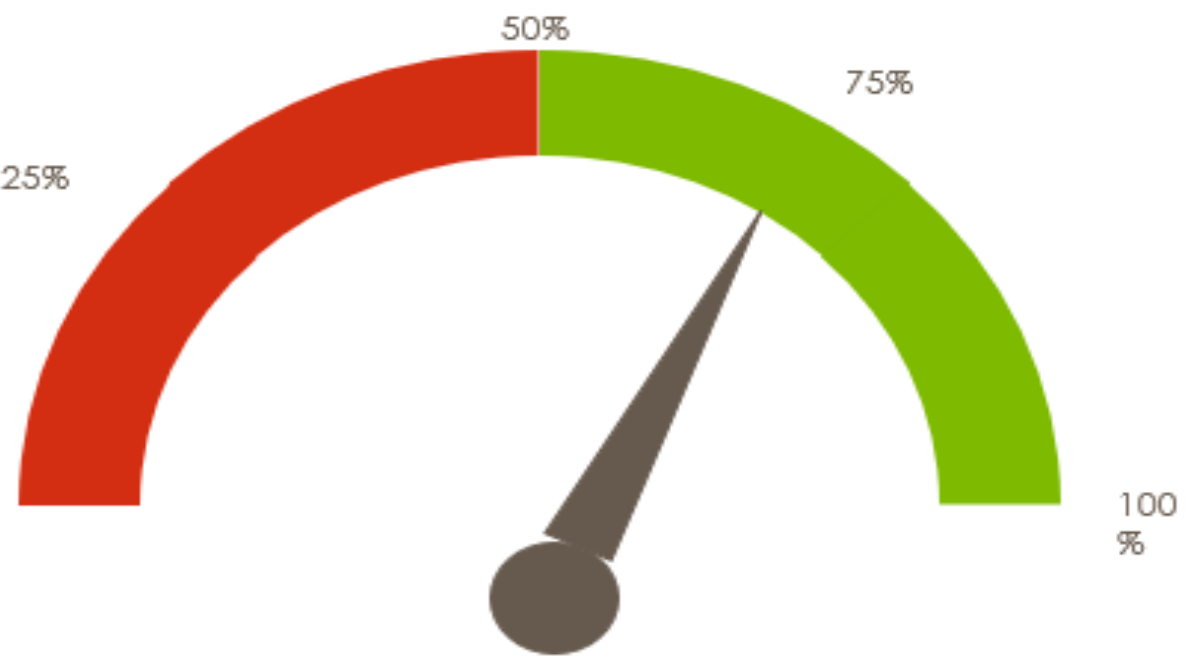
- Enablement activities need central oversight to execute effectively & realise benefits
- Dedicated OD resources designed to meet local needs proactively

1. CI = Continuous Improvement; 2. Transactional Support teams will be lifted & shifted to Shared Services in the future

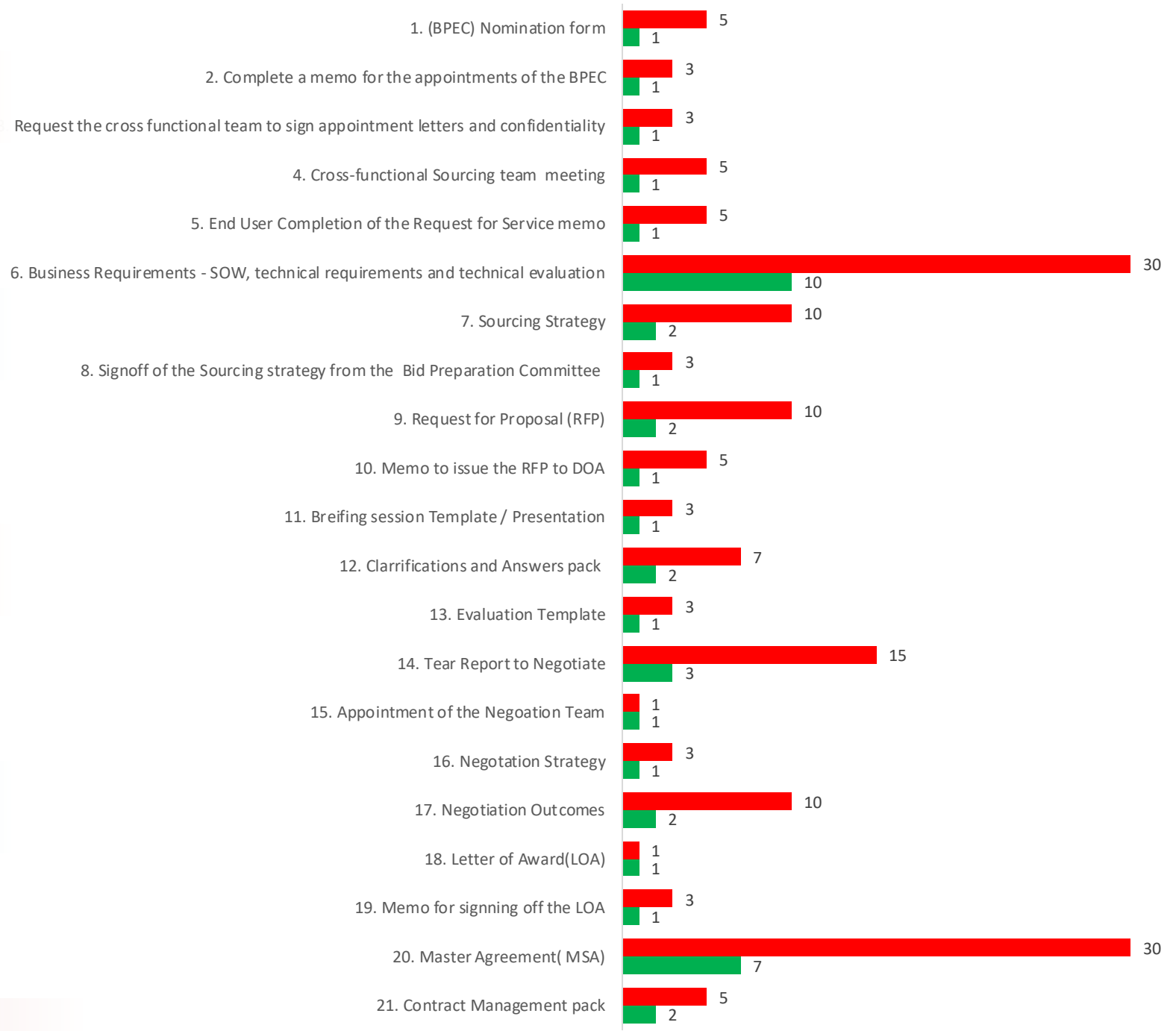
# PROCUREMENT CYCLE TIME OPTIMISATION



## Overall Procurement Efficiency Score



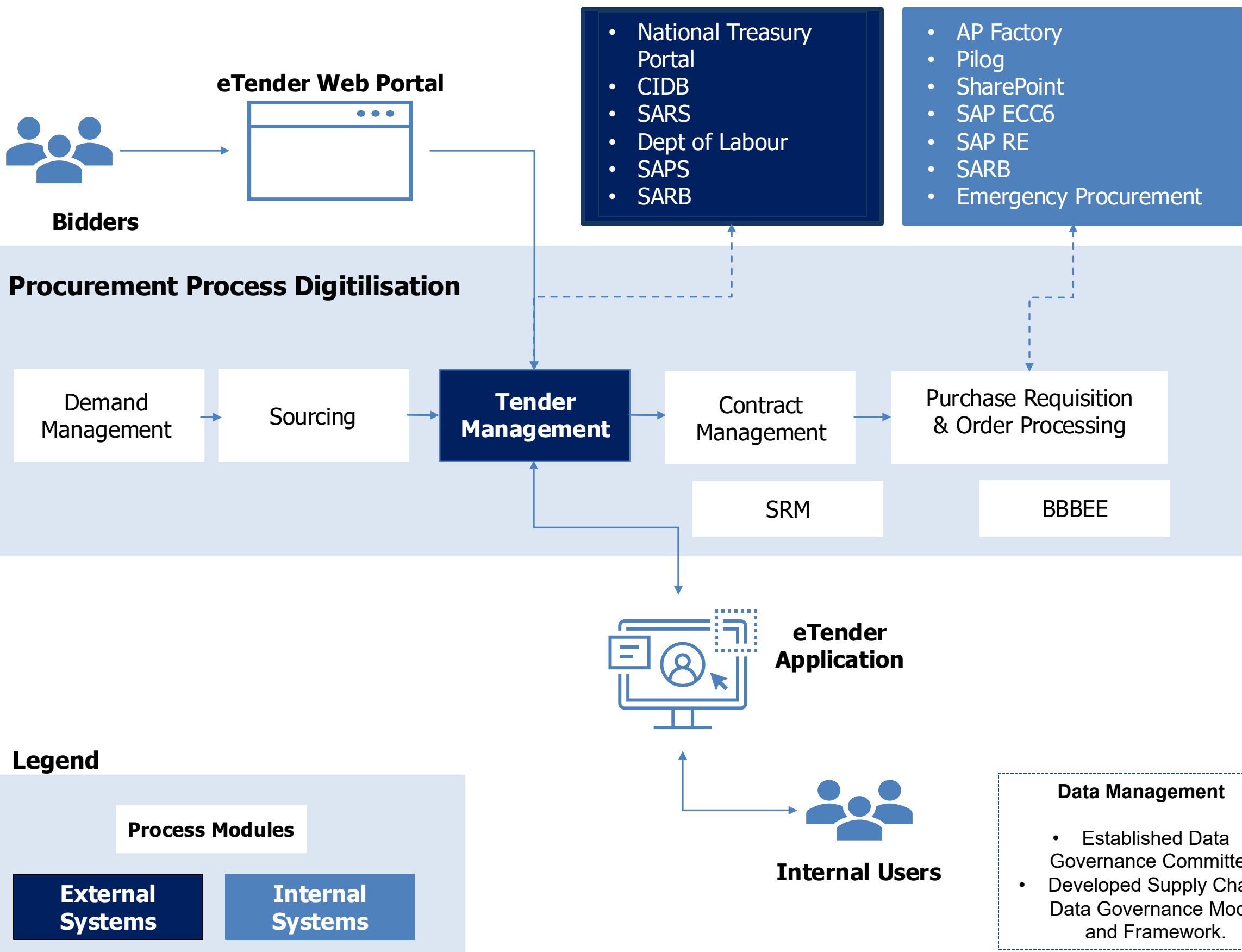
- Tender submissions
- Evaluations and Adjudication
- Tender Award
- Contract Management
- Contract close out



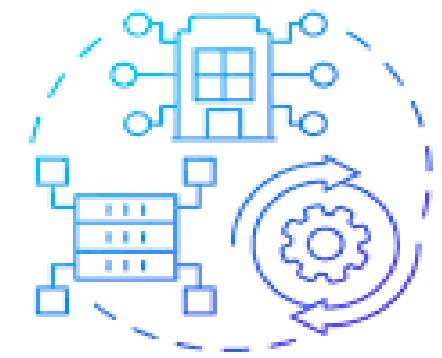
AS-IS Days to Complete TO-BE Automated Processes

- Cycle Time Reduction (Red triangle down)
- Cost and waste reduction (Red triangle down)
- Order Accuracy (Green triangle up)
- Data driven decisions (Green triangle up)
- Governance and Risk Management (Green triangle up)
- Supplier Relationship Management (Green triangle up)

# END-TO-END PROCUREMENT PROCESS DIGITILISATION: SOLUTION



## Digital Procurement Ecosystem

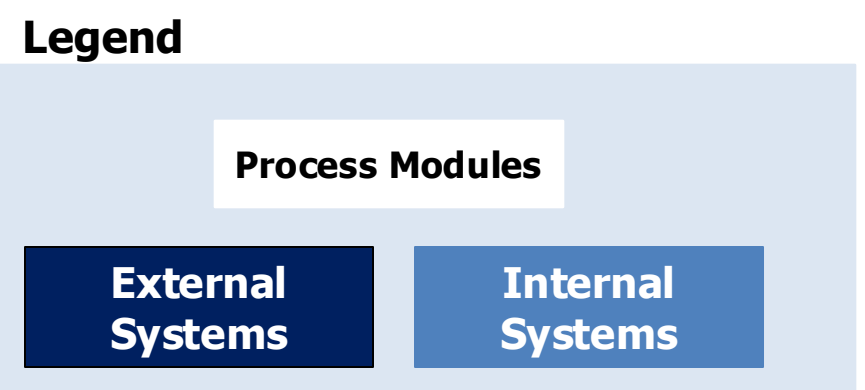


### BENEFITS TO THE SUPPLIERS

- Visibility throughout the procurement value chain.
- Reduces efforts and cost of bidding.
- Anytime and anywhere bidding.
- Fair, free participation.
- Zero administrative hassles.
- Ease audit trail .

### BENEFITS TO TRANSNET

- Promote transparency, accountability, efficiency and compliance.
- Enhanced Supply Chain Efficiency (and turnaround time)
- Improved agility of service delivery,
- Data driven decision making.
- Effective supplier relationship management.
- Alleviation of corruption through minimized human intervention and errors.
- Digitalised supply chain committee systems.
- Digitalised reports and decisions.










- Data Management**
- Established Data Governance Committee.
  - Developed Supply Chain Data Governance Model and Framework.



# E-TENDER PORTAL

## Product Overview

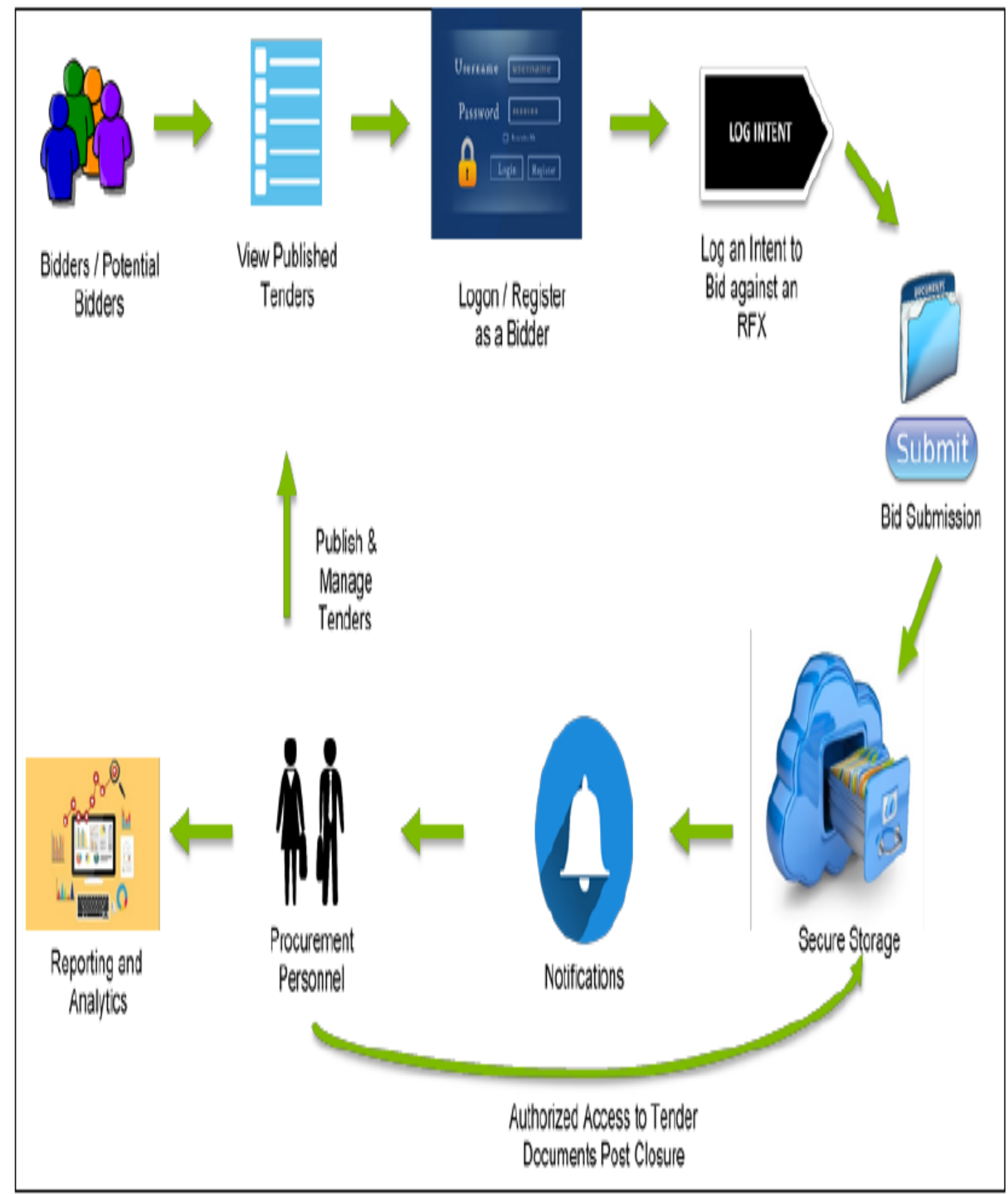
### Key functionalities

-  Manage tender creation
-  Manage tender publishing
-  Manage bid submission
-  Reporting and analytics (power BI dashboard)
-  Electronic filling
-  Sending email communication to the bidders
-  Audit trail



### Notes:

- Developed in-house by ICT in collaboration with Procurement (owned by Transnet)
- Cloud based solution.
- Broad accessibility for all SA Suppliers.
- Automated RF/RFX Publishing and submission process
- Secure and transparent submissions
- Complies to government procurement policies and regulations.
- Reporting analytics.



>100 000 bids advertised  
Document storage

Traceability of bid documents

Reduced irregular expenditure  
**37%**

Cost saving  
**R1.8b**

Reduced Audit Findings  
**67%**

No limitation of scope



# KEY TAKE AWAYS

- Procurement digitalisation is no longer a future aspiration—it is a present-day necessity.
- By moving from manual, paper-based systems to smart, automated platforms, organizations unlock greater efficiency, transparency, and strategic value.
- Digital tools not only **reduce costs and speed up procurement cycles** but also foster accountability, broaden supplier participation, and ensure better compliance with regulations.
- Ultimately, digital procurement empowers government to become **more agile, inclusive, and resilient**, aligning procurement not just with operational needs, but with broader goals of innovation, sustainability, and public trust.