DATE: 14 July 2026

MEMORANDUM

TO: **SIBUSISO DHLADHLA**

ACTING CHIEF EXECUTIVE OFFICER

CC: **TSHAMUNWE NESAMARI**

ACTING CHIEF FINANCIAL OFFICER

FROM: **MAMABELE MOTLA**

EXECUTIVE MANAGER: STRATEGY AND INSIGHTS

SUBJECT: REQUEST FOR DEVIATION FROM NORMAL PROCUREMENT PROCESS TO APPOINT QUANTEC TO PROVIDE ACCESS TO RAW ECONOMIC DATA

1. PURPOSE

To request a deviation from the normal procurement process to appoint Quantec to provide the Strategy & Insights Department access to its raw economic data. The economic data to be used for the sectoral and national economic analysis in developing the Services SETA Sector Skills Plan (SSP). As per the Department of Higher Education and Training (DHET) SSP framework, there is a mandatory section titled "Sector Profile" which requires SETAs to analyze, interpret, and forecast the sector's economic performance. Thus, the data is crucial to the development of the SSP and to compliance with the DHET's framework.

2. BACKGROUND

Skills development is both a national priority and a legislative imperative. The Government of South Africa, through the National Development Plan 2030 (NDP), aims to eliminate poverty and reduce inequality by 2030. To realise this, the NDP aims to reduce unemployment to 6% by 2030 with a corresponding targeted 6% growth in Gross Domestic Product (GDP) in 2030. Developing the skill sets of the labour force is a critical component of realising this goal.

The development of skill sets of the South African labour force finds direct expression in the Skills Development Act (SDA) (Act No. 97 of 1998 as amended). Section 10 (1) of the Act enjoins SETAs to develop and implement Sector Skills Plans (SSP) within the framework of the national skills development strategy.

The development and implementation of a sector skills plan requires an evidence-based decision-making process informed by rigorous research. Economic and labour market data are a critical input for this exercise. Access to relevant databases is key for the Strategy and Insights Department to develop evidence-based sector skills plans and related strategies.

3. SCM LEGISLATION

3.1 As provided in **clause 18.2 of the Services SETA SCM Policy**

If, in a specific case, it is impractical to invite competitive bids, the Chief Executive Officer may procure the required goods or services by other means, provided that the reasons for deviating from inviting competitive bids must be recorded and approved by the Chief Executive Officer.

3.2 In this Instruction, procurement by "other means" includes-

(a) limited bidding.

(b) written price quotations within the threshold determined by National Treasury Instruction; and

(c) procurement that occurs in emergencies and urgent cases.

4. MOTIVATION

Statistics South Africa is a statutory body responsible for producing quarterly and annual reports on key economic and social indicators. However, two limitations make it difficult for the Services SETA to fully understand skills demand in the services sector. Firstly, much of the data is presented in published reports with limited access to raw datasets, which restricts the ability to conduct deeper analysis. Secondly, the industry classifications used by Statistics South Africa differ from those applied by the Department of Higher Education and Training, making direct comparisons and sector-specific interpretations challenging.

Apart from the service provided by Quantec, there is no other organisation that provides access to raw data for analysis purposes. A letter of confirmation is attached herein – **Annexure A**. The majority of companies provide a consultancy service that provides customised reports, with data drawn from Quantec in most instances, at inflated prices with limited flexibility. It will make economic sense for the Strategy and Insights Department to have direct access to Quantec data and conduct its own analyses and research studies/surveys internally as per the approved research agenda.

Macroeconomic and Industry-specific Data and Analysis

Chapter one of the SSP, which discusses the sector profile, examines the sector's economic performance, including projections. A table titled "Projected growth in gross value added" presents a 5-year growth forecast. This was attained through econometric modelling. The chapter also prompts for macroeconomic and industry-specific indicators, contrasting industry data with its contribution to the Gross Domestic Product (GDP):

- The Services SETA's contribution to the South African economy
- Imports and exports
- Growth in gross value added.

Due to unpredictable annual data releases from various institutions, it is difficult to provide fixed delivery dates. However, the datasets for core labour market research should be submitted and used annually by the SETAs to comply with the SSP requirements.

5. FINANCIAL IMPLICATIONS

Access to Quantec is available for a duration subscription of 4 years at the value of **R1,580,451.00**. Refer to **Annexure B** for the quotation.

6. LEGAL IMPLICATIONS/RISKS

- SCM to issue Purchase Order
- MOA/SLA

7. RECOMMENDATION

It is recommended that approval be granted for the Services SETA to purchase a subscription at the cost of **R1,580,451.00 (One million five hundred and eighty thousand four hundred and fifty-one rand)** for a period of 4 years.

REQUESTED BY:

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Dr Tsiliso Tamasane
Senior Manager: Performance, Monitoring & Evaluation

RECOMMENDED BY:

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Mamabele Motla
Executive Manager: Strategy And Insights

SUPPORTED BY:

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Tshamunwe Nesamari
Acting Chief Financial Officer

APPROVED/~~NOT APPROVED~~:

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Sibusiso Dhladhla
Acting Chief Executive Officer

Date: 24 July 2026

(Note: Memorandum is only for Internal Use)