



water & sanitation

Department:
Water and Sanitation
REPUBLIC OF SOUTH AFRICA

MARKET ANALYSIS REPORT

1 PURPOSE

The aim of this exercise is to determine the number of suppliers available on the market to provide the listed services below.

The analysis is not taking into consideration the broadness of designated groups as per the Preferential Procurement Regulations 2022, but rather the broadness of the market for these requested services and to determine whether there are other suppliers available in the market who can provide the services.

2 BACKGROUND

The Directorate Internal Audit Forensic Investigations conducts investigations with a view to gather evidence and information on any alleged fraud, corrupt or any other malfeasance reported to them. These investigations reports are gathered to prove allegations in a manner that could be presented in a court of law or internal tribunal such as disciplinary hearings. This directorate receives numerous reports that would require them to undertake a formal investigation in terms of gathering relevant information.

3 COMMODITY AND SUPPLIER ANALYSIS/ENGAGEMENT

The Directorate has established a panel of service providers to assist in the investigations they undertake and this panel is utilised for the speeding of the investigations that must be undertaken.

The Directorate had appointed Abacus Financial Crime Advisory Pty Ltd to do an investigation in which a purchase order OR-142352 was issued to them. Abacus Financial Crime Advisory Pty Ltd is one of the 9 Forensic Investigations service providers on the previous panel that was set up. The services for such work were submitted and billed against the issued purchase order. A report to the effect was produced detailing the findings, conclusions and recommendations.

4 MOTIVATION FOR DEVIATION ON PREFERRED APPROACH

As Abacus Financial Crime Advisory Pty Ltd was appointed to undertake the initial investigations, the results of the investigations have revealed that disciplinary action be instituted against the some of the officials found to committed wrongdoing in the execution of their duties. Abacus Financial Crime Advisory Pty Ltd was the investigators at the time, and they are fully conversant with the matter and will be expected to lead evidence on behalf of the department.

Furthermore, the request to deviate from the normal process and approach Abacus Financial Crime Advisory Pty Ltd , would not require that the panel be revisited to quote as they are completely familiar with the matter of the investigation they undertook and would make the best choice to testify during the disciplinary hearing. Only 1 investigator will be required and will bill the department on an hourly basis rate for only the time spent on testifying. The approach therefore calls for consideration of their appointment as preferred service provider.

In the normal cause, the appointment of a service provider is undertaken through the open public bid invitation where proposals will be submitted by the potential service providers and the department will appoint a service provider for such services.

The department SCM policy paragraph 16.1.3 states that: "limited multiple sourcing refers to procurement where there is limited competition in the market for the required goods and or services but for justifiable reasons, the department selects only specific number of suppliers who can provide the goods or services."

The above policy provision thus provides for consideration of deviation through appointment of Abacus Financial Crime Advisory Pty Ltd as a preferred bidding supplier given the process that was followed which had them already utilised in the main investigation and disciplinary process.

5 RECOMMENDATION

Based on the above analysis and motivation indicated on the submission done by the end user, it is recommended that the request to deviate and consider the deviation from the normal procurement through limited bidding to approach Abacus Financial Crime Advisory Pty Ltd as the preferred service provider to support the department in testifying at the disciplinary hearing of officials implicated in the allegations of inflation of invoices by service providers for goods and services procured by the department at the Construction West.



Deputy Director: Demand Management

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