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Factors that influence the time performance of the procurement process of public private partnership projects in South Africa from request for qualifications (RFQ) to financial close

Thabane, Mphoto

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ABSTRACT

Public Private Partnerships (PPP) are a unique model for countries that wish to deliver infrastructure services to the communities they serve. This unique form of procurement combines the efforts of both the public and private sectors. PPP procurement allows governments with resource constraints to access private sector funds to implement their infrastructure and services delivery programmes. South Africa has taken a decision to adopt PPP's as an alternative to the traditional form of infrastructure delivery. PPP's are however a fairly new way of procurement for government departments. The delivery of PPP's has therefore come with its own unique challenges that need to be addressed in order to make this type of procurement effective.

South Africa has adopted world-class PPP procurement guidelines which are on par with those of established PPP markets. The PPP procurement process is outlined in the National Treasury's PPP Manual and Standardised PPP Provisions. The PPP Manual provides guidelines for the implementation of the full project life-cycle of a PPP. PPP procurement forms an important part of the project lifecycle, and ensures that the outcomes of a PPP are met, being affordability, value for money, and equitable risk transfer for the contracting parties.

The aim of this research was two-fold. Firstly, this research aims to investigate the time performance of the procurement process for PPP projects in South Africa. Secondly, the research aims to determine the factors that influence the time performance of the procurement process for these projects.

The case study research strategy was identified as the most suitable method of addressing the research aims. The justification of the use of the case study strategy was based on the type of research questions posed, the extent of control the researcher had over behavioural events, and the ability of case studies to address the contemporary as opposed to historical events. In addition, the case study strategy was considered advantageous because it follows a rigorous methodical path that protects against threats of construct, internal and external validity. To this end, four cases were selected for the research. The cases selected were as follows:

- Maropeng and Sterkfontein PPP Project;
- Department of Statistics South Africa (DSSA) New Head Office Accommodation PPP Project;
- Department of Foreign Affairs (DFA) New Head Office Accommodation PPP Project; and
- Department of Rural Development and Land Reform (DRDLR) New Head Office Accommodation PPP Project.

The cases were initially analysed individually, and thereafter a cross-case analysis was conducted. The cross-case analysis was used to identify trends and associations across cases, together with any differences worth highlighting.

Analytical procedures were used to analyse the time performance of the PPP procurement process from Request for Qualification (RFQ) to Financial Close. Planned and actual procurement timelines were collected from the PPP procurement documentation (i.e. RFQ and RFP documentation) and the interview respondents respectively. Semi-structured interviews were used to collect qualitative information on the factors that the respondents deemed to have influenced the time performance of

the procurement process for the selected cases. The interview questions were based on insights gained from the literature review related to the factors that influence the time performance of the PPP procurement process.

It is envisaged that the insights gained from the research will go a long way to improving the time performance of the procurement process for PPP projects in South Africa. An improved time performance of the procurement process can lead to quicker delivery of PPP projects to marginalised communities where the need for infrastructure services is the highest.

Keywords: Construction, Procurement, Public Private Partnerships, Time Performance, South Africa.