

CHAPTER 4

DATA PRESENTATION AND ANALYSIS OF THE EMPIRICAL STUDY

4.1 INTRODUCTION

The purpose of the chapter is to describe the research method applied and the techniques used to collect data on the study. Further, the chapter presents the results of the empirical survey which focused on assessing the ability of government to use public sector procurement to promote participation of previously disadvantaged persons in the economy of the country, particularly in the construction sector. In these, what questions were posed to, and answers from respondents are presented and analyzed.

4.2 RESEARCH METHODOLOGY

Research methodology, according to Brynard and Hanekom (2006:36), is the 'how' of collecting data, and the processing thereof within the framework of the research process. Two basic research methods for collecting data namely, the quantitative and qualitative methods can be distinguished. Both methods make use of, *inter alia*, specific techniques like literature reviews, interviews, questionnaires and direct observations to collect data. This study employs both the quantitative and qualitative methods of research though the primary research method used is the quantitative and both methods are discussed below.

4.2.1 Quantitative methodology

Quantitative research is a form of conclusive research involving large representative samples and fairly structured data collection procedures (Struwig & Stead, 2001:4). Authors state that the primary role of quantitative research is to test hypothesis. The hypothesis of this study 'Public sector procurement in Gauteng Department of Infrastructure Development can contribute immensely to poverty alleviation in the construction industry, yet, implementation is skewed against the objectives', will be tested.

Mouton (*in* Brynard & Hanekom, 2006:37) states that quantitative method of research is associated with analytical research with the purpose to arrive at a universal statement.

Bryman (*in* Brynard & Hanekom, 2006:37) adds that quantitative research is underpinned by a distinctive theory as to what should pass as warrantable knowledge, he goes on further to say that this research method requires methods such as experiments and surveys to describe and explain the phenomena. The methods could include techniques such as observations, preliminary investigations, quantitative analysis and questionnaires.

In this study a quantitative analysis of the responses from the participants is provided to present the results with precision and to draw meaningful conclusions from the data collected. Results were quantified using percentages and depicted on graphs. Questionnaires were used to collect the empirical data.

4.2.2 Questionnaires

According to Struwig and Stead (2001: 89) there are two main types of questionnaires that can be developed, namely the interviewer-administered questionnaire and the self-administered questionnaire. Brynard and Hanekom (2006:46) advise that when using questionnaires, it is necessary to supply respondents with standardised instructions on how to complete the questionnaire and to explain what is expected of the participants.

For the purpose of this study, a structured self-administered questionnaire was developed and used to obtain the views of the procurement officials and also those of the construction contractors. The questionnaire comprised of section A which was to be answered by procurement officials only and section B which was to be answered by contractors only. The questionnaire comprised both closed and open-ended questions. The researcher gave clear instructions on how the questionnaire should be completed and an explanation was given on what was expected.

4.2.3 Interviews

De Wet et al (*in* Brynard & Hanekom, 2006:40) describe an interview as a method of collecting data, that allows the researcher to explain his or her questions if the respondent is not clear on what is being asked. Interviews allow the researcher to probe more deeply following the answer of a respondent.

Face-to-face interviews and discussions were held with procurement officials to gain insight into the use of procurement at the department. The interviews enabled the researcher to create certainty about the objectives of the research and to explain further

to the respondents where clarity was needed. The responses from the participants were recorded, to enable the researcher to collect all required data.

4.2.4 Sampling population

Brynard and Hanekom (2006:54) describe sampling as a technique employed to select a small group (sample) with a view to determining the characteristics of a large group (the population). If selected discerningly, the sample will display the same characteristics or properties as a large group. For the purposes of sampling, a population refers to a group in the universe which possesses specific characteristics.

For the purpose of this study a sampling population was selected from the Soweto Construction Contractors Small, Medium and Micro Enterprise Forum and procurement officials from the Gauteng Department of Infrastructure Development. The Forum is not confined to construction contractors in Soweto only but to areas around Soweto too. The Forum is comprised of slightly more than two-hundred members. The sample population comprised of sixty-five construction contractors from the Soweto Forum and six procurement officials from the department. The sample population was well representative of the larger group. Although seventy-one questionnaires were sent out to the prospective respondents, only sixty-two questionnaires were returned. Five procurement officials from Gauteng Department of Infrastructure Development and fifty-seven SMMEs from Soweto who are in the construction industry, participated in the study.

4.3 VALIDITY AND RELIABILITY OF DATA

Struwig and Stead (2001:130) are of the opinion that when conducting a study, the researcher must report the extent to which instruments employed in the study have reliable and valid scores and whether the research design is valid. Authors believe that failure to address reliability and validity issues can result in the findings being worthless. The data measuring instruments play a very crucial role in the testing of the research question, research problems or the hypothesis that has been formulated (Brynard & Hanekom, 2006:47).

4.3.1 Validity of data

Validity refers to the potential of a design or an instrument to achieve or measure what it is supposed to achieve. It is concerned with the 'what' of data-collection procedures and measures. Misher (*in* Struwig & Stead, 2001:143) describes validity as the 'degree' to which the researcher can rely on concepts, methods, and inferences of a study, or tradition of enquiry, as the basis for our own theorizing and empirical research. He warns that validity in qualitative methods must be considered though it is more difficult to address validity concerns in the qualitative method. To ensure validity, the questionnaires and the interviews were specifically designed to obtain the desired information.

4.3.2 Reliability of data

Struwig and Stead (2001:130) describe reliability as the extent to which a measure is accurate, consistent or stable. Brynard and Hanekom (2006:48) concur with this description and says that reliability pertains to the accuracy and consistency of measures. The same instrument must be able to produce the same data at a later stage under similar conditions. Leedy and Ormrod (2005:29) argue that reliability is a necessary but insufficient condition for validity. A phenomenon can be measured accurately only when it is measured consistently. Yet measuring something consistently does not necessarily mean measuring it accurately. To ensure reliability, respondents were requested to answer the questionnaires as well as the interviews as truthfully as possible.

4.4 EMPIRICAL RESEARCH

Questionnaires were used as the primary method of data collection. Though interviews were conducted, they were only focused on the procurement officials. The questionnaire comprised of section A with questions 1-10 and section B with questions 11-34. Section A was completed by procurement officials from Gauteng Department of Infrastructure Development only and section B was completed by the members of the Soweto SMMEs Construction Contractors Forum only.

Section A

Question 1

The respondents were asked to choose the instrument(s) mostly used by SCM unit when procuring goods and services at GDID to achieve Black Economic Empowerment (BEE) objectives.

Respondents were provided with two different instruments namely; the balanced scorecard, preferential procurement and broad-based. All respondents indicated that only preferential procurement is used by the Supply Management Unit to procure goods and services to achieve Black Economic Empowerment objectives.

Question 2

Does the above ticked instrument(s), as applied by the SCM unit, achieve the set BEE objectives?

100% of the respondents from SCM were of the view that preferential procurement as applied by the SCM unit, does achieve the set BEE objectives.

Question 3

Do you think the 10 and 20 points allocated for preference in the 10/90 and 20/80 point system respectively, are sufficient for the achievement of the BEE objectives?

60% of the respondents are of the opinion that the number of points allocated for preference, when using the 10/90 and 20/80 point systems are not adequate to ensure that BEE objectives are achieved. 40% of the respondents are of the opinion that the number of points allocated for preference is adequate. There is a contradiction here because the respondents in question 2 are of the view that the SCM does achieve the set BEE objectives; but again the majority think that the number of preference points allocation for the achievement of BEE are inadequate. From the interviews one procurement official highlighted that in most cases when preference points are allocated, the previously disadvantaged do not necessarily get the total preference points, only part. Another concern raised was that established companies bidding prices are normally lower because they already have resources and do not have to go and hire unlike their competitors who price a little bit higher to accommodate hiring of resources and to pay professionals.

Question 4

In this question respondents were given an option to choose either tendering or quotations as a procurement method mostly employed by SCM to purchase goods or services.

According to the respondents from SCM, when procuring goods and services, GDID employs mostly the tendering method than the quotation method even though quotations are also used.

Question 5-8

The participants were asked whether the department encourage joint venture and contractor-subcontractor relationships. They were also asked whether such relationships were monitored by the department and if they thought these relationships were beneficial to the emerging contractors.

60% of the respondents say that the department does encourage both joint venture and subcontracting relationships for reasons of mentoring and skills transfer. The other 40% say the department does not really encourage such relationships. According to 80% of the respondents, the department does monitor the joint venture and subcontractor relationships in the projects that they awarded. All procurement officials are of the opinion that these relationships are beneficial to the emergent contractors.

Question 10

Asked how procurement can be improved to benefit more black owned SMMEs the respondents mentioned trainings for SMMEs on completion of tender documents and bills of quantities. The respondents said they required mentoring and information on tendering.

Section B

Questions 11-12

These questions provided general information on the respondents' companies in order to give background on the participating companies. Background information included the Construction Industry Development Board (CIDB) grading level of the particular company, the class of work the company is focusing on, the location at which the

company operates from, the year the company registered with CIDB to render construction work and the gender composition of the companies.

General information collected on the respondents' companies is depicted in the graphs below to give more insight on the companies. All these companies are owned by previously disadvantaged individuals.

The graph in figure 4.1 below illustrates that of the fifty-seven respondents, 53% are new entrants in the construction industry who only registered for a CIDB grading level between the years 2007 and 2010. 21% registered between 2003 and 2006, 2% registered before 2003 and 25% did not provide details on when their companies were registered.

Figure 4.2 shows the gender composition of the companies. The graph depicts that 14% of the companies are 100% owned by women, 44% are 100% owned by male whilst 35% are owned by both male and female. Only 4% of the respondents did not provide the required information.

Figure 4.1 Company registration year

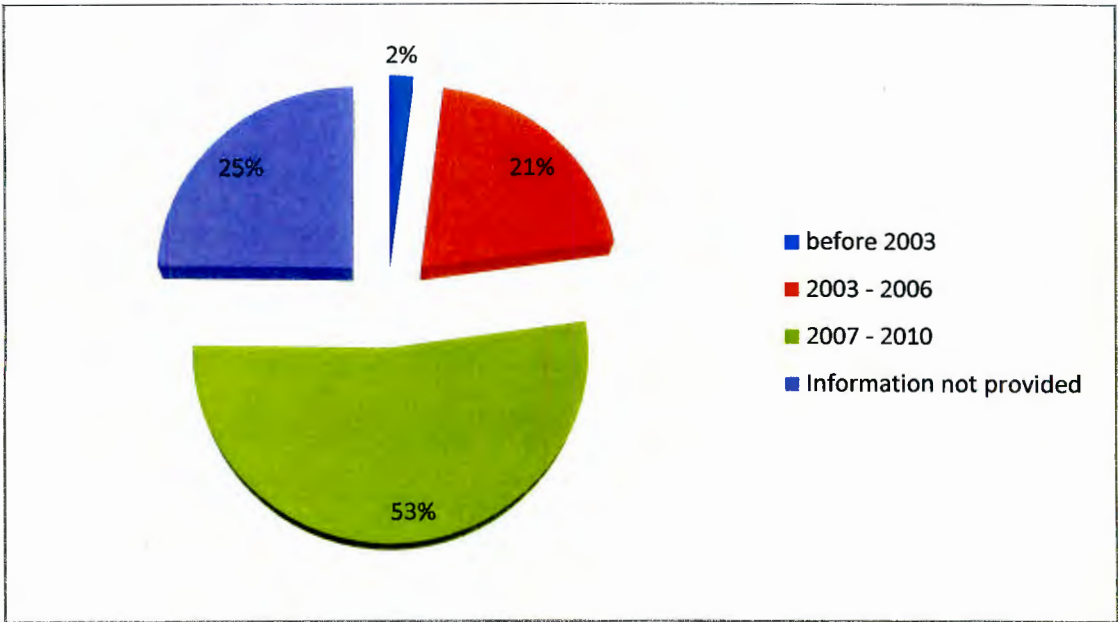
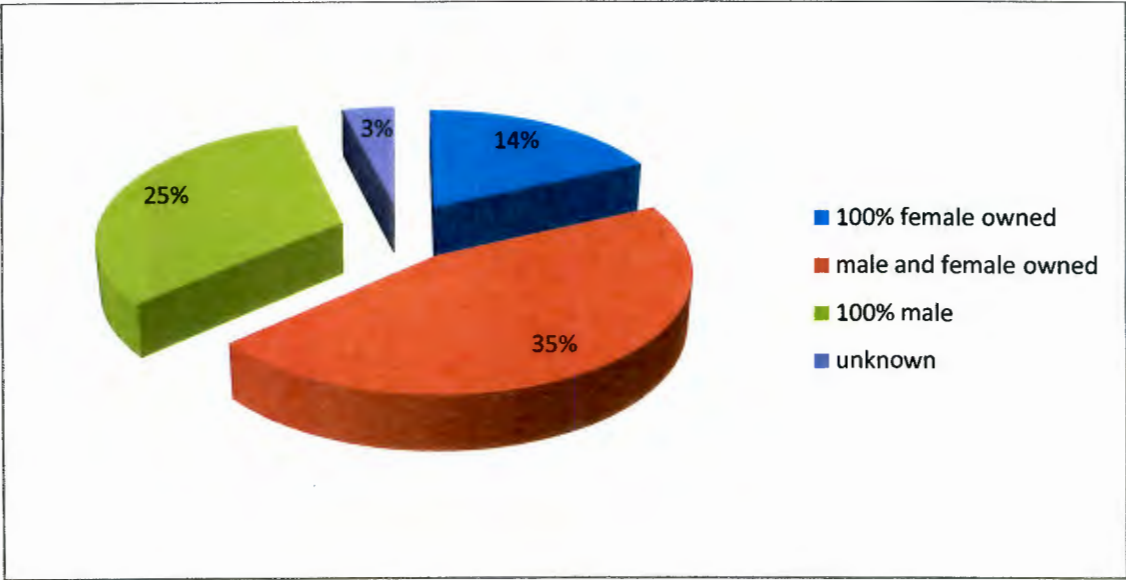


Figure 4.2 Gender composition of the construction companies



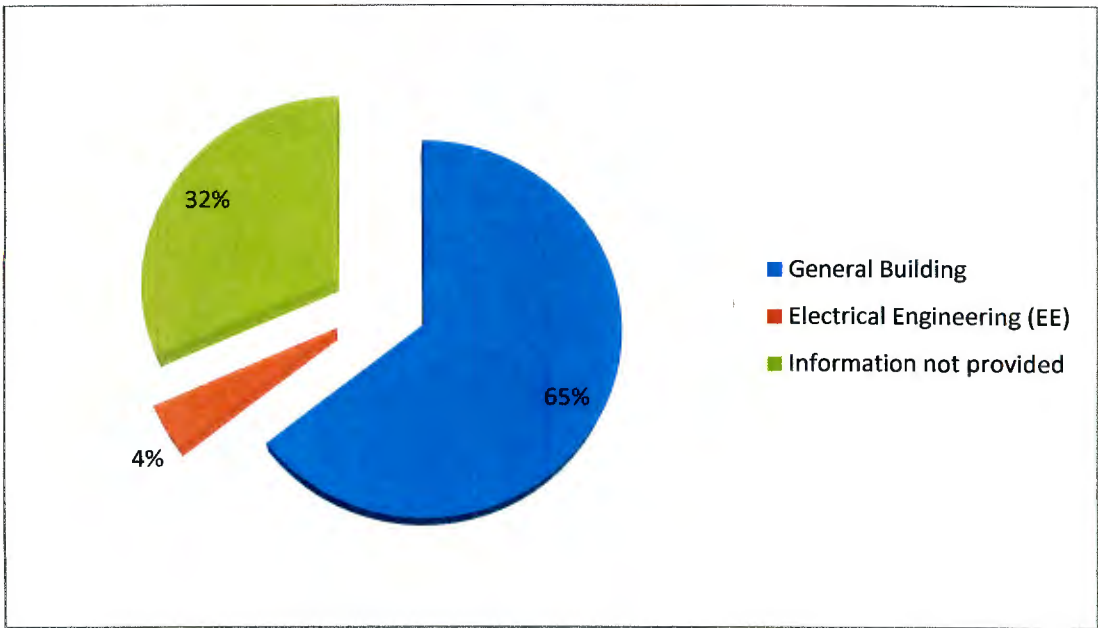
The construction industry is vast and the CIDB has therefore categorized the work into various classes. The following are the various classes of construction works and with codes as provided in the CIDB application form.

Code and Class of Construction Works

- GB General Building
- CE Civil Engineering
- EB Electrical Engineering Works - Building
- EP Electrical Engineering Works - Infrastructure
- ME Mechanical Engineering
- SB Asphalt works (supply & lay)
- SC Building Excavations, shaft sinking, lateral earth support
- SD Corrosion protection (cathodic, anodic & electrolytic)
- SE Demolition and blasting
- SF Fire prevention & protection systems
- SG Glazing, curtain walls & shop fronts
- SH Landscaping, irrigation & horticultural works
- SI Lifts, escalators & travellers (installation, commissioning & maintenance)
- SJ Piling & specialised foundations for buildings & structures

- SK Road markings & signage
- SL Structural steelwork fabrication & erection
- SM Timber buildings & structures
- SN Waterproofing of basements, roofs & walls using specialist systems
- SO Water supply & drainage for buildings (wet services, Plumbing)
- SQ Steel Security Fencing or Precast Concrete

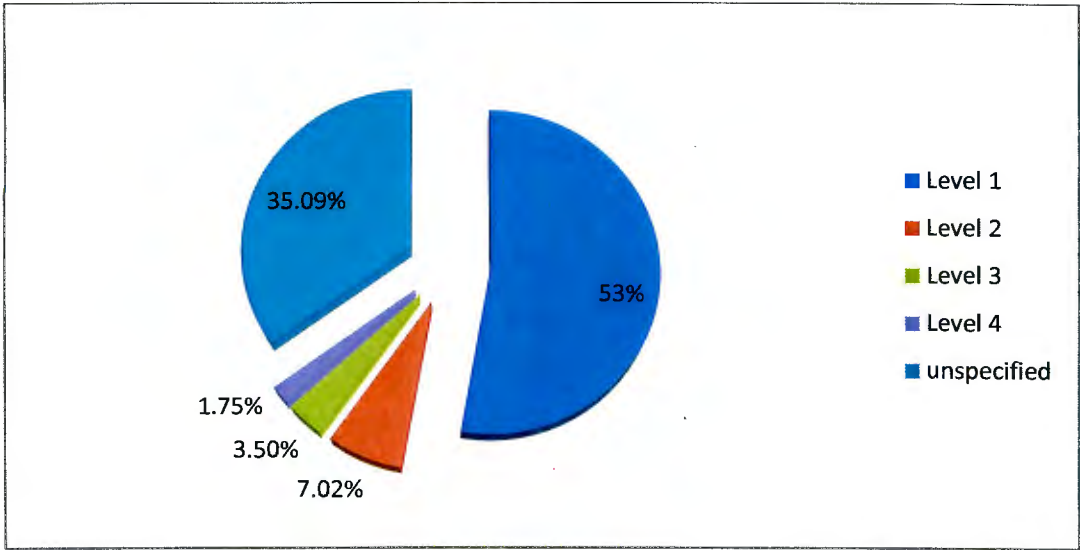
Figure 4.3 Classes of construction works



The graph above depicts that out of 20 different classes of works in construction, only two classes of construction functions namely, General Building and Electrical Engineering are the most prevalent amongst the participants. 65% of the enterprises are registered for General Building and a mere 4% for Electrical Engineering whilst 31% did not provide information. CIDB regulations require companies registering for Electrical Engineering, to provide a wireman’s license as the field is a specialized one and therefore requires qualifications.

The CIDB grading determines the maximum value in rands (R) of a contract that a contractor is considered capable of performing. Table 4.1 shows the grading levels or designation of a company and the maximum value of a project a company may tender for.

Figure 4.4 CIDB grading



In figure 4.4 above, 35% of the participants did not provide the CIDB grading levels of their companies, nevertheless the graph shows that 53% of the companies are at the entry level 1. This means that those companies may only tender for contracts of a maximum value of R200 000.00. 7.02% is on CIDB level 2 and may therefore only tender for projects of a maximum rand value of R650 000.00. 3.5% are on CIDB level 3 and may only tender for projects of R2 million and below whilst a mere 1.75% is on CIDB level 4 and may tender for projects of R4 million and below.

Question 13

The respondents were required to state the gender (male/female) composition of the member of the companies.

The gender composition of the companies is unevenly distributed as would be expected because the construction industry is traditionally male dominated. The graph shows 100 % female owned companies account for only 14%, 100 % male owned companies account for 44% and 35% of the companies are owned by both male and female whilst 7% did not provide information.

Table 4.1: Grading Levels of Companies

Designation	Upper limit, (R) of tender value range	Method A [subregulation (2A)]			Method B [subregulation (2B0)]
		Best Annual turnover (R) (2year)	Largest Contract (R) (5year)	Available capital (R)	Available capital (R)
1	200,000	-	-	-	N/A
2	650,000	-	150,000	-	N/A
3	2,000,000	1,000,000	500,000	100,000	N/A
4	4,000,000	2,000,000	1,000,000	200,000	N/A
5	6, 500,000	3,250,000	1,600,000	650,000	1,300,000
6	13,000,000	7,800,000	3,250,000	1,300,000	2,600,000
7	40,000,000	24,000,000	10,000,000	4,000,000	8,000,000
8	130,000,000	90,000,000	32,500,000	13,000,000	26,000,000
9	No limit	270,000,000	100,000,000	40,000,000	80,000,000

Source: CIDB regulations (2008:6)

Question 14

The respondents were requested to state the qualification(s) or skills related to the construction industry that the company members may have.

70% of the contractors do not have any qualifications nor the skills required in the construction industry whilst only a mere 30% have some basic skills or certification.

Question 15-16

The participants were requested to state whether they were registered on either database or both or if they were not registered at all.

Enterprises wishing to do business with Gauteng Department of Infrastructure Development and Gauteng Provincial Government are required to register their businesses on the departmental database and Gauteng Shared Services Centre (GSSC) database respectively. The departmental database is mostly used for quotations of small values not necessarily related with construction.

42% of the companies are registered on the GSSC database only, 15% are registered on the departmental database only, only a mere 16% is registered on both the database whilst another 16% have not registered at all on either database.

Question 17-19

The respondents were asked to state the number of projects they have tendered for at GDID in the last three years and to indicate the number of the projects they were awarded and the details of the tender.

58% of those companies that are not registered on both the departmental and GSSC database have not tendered for any project from the department. Only 16% of those who are registered on both databases have submitted offers to tender from the department ranging from once to twenty times. 44% of those companies were awarded at least one tender by the department.

Question 20-23

The respondents were asked whether their companies had subcontracted for any project awarded by the department and whether the department had monitored the project for compliance and lastly respondents were asked if they found such a relationship beneficial.

5% of the respondents have subcontracted on projects that were awarded by GDID. 90% of the respondents have never been involved in such a partnership whilst the other 5% of the respondents did not provide that information. The respondents who were

involved in a contractor-subcontractor relationship stated that the relationship was not monitored by the department. They were also of the view that the relationship was not beneficial to them as subcontractors because there were no skills transfer.

Question 24-26

Question 24-26 asked whether the companies had been involved in a joint venture project awarded by the department and whether the department had monitored the project for compliance and lastly respondents were asked if they found such a relationship beneficial.

100% of the respondents never participated in a joint venture relationship.

Question 27

Respondents were asked whether their companies had ever been registered in the register of defaulters by any government department.

All the respondents' companies have never been placed in the register of defaulters from doing business with government.

Question 28,30 and 32

Participants were asked whether public sector procurement has been able to transfer economic benefits to the previously disadvantaged individual, whether procurement was successfully utilised to provide employment to PDIs or to distribute benefits to the broader communities.

An overwhelming 88% of the respondents are of the opinion that government procurement has not been able to transfer economic benefits to the previously disadvantaged people as it was intended to. 5% believe that it had benefited the PDIs. 91% of the respondents believe that the broader community and the majority of South Africans do not benefit from government procurement. They are of the view that government procurement is not successfully utilized to create employment for the previously marginalized.

Question 29

Respondents were asked whether government initiated institutions that were established for the purpose of providing both financial and non-financial support to emerging contractors were achieving their purpose.

An overwhelming 93% reported that those institutions are not providing the necessary support, be it financial or otherwise whilst only 7% are of the opinion that those institutions do provide the support required.

Question 31

Respondents were asked whether unsuccessful bidders, particularly emerging contractors, were debriefed to encourage future participation.

According to the percentage that have tendered for government tenders, there is no debriefing after the award of a contract, to explain why they did not get the tender so as to encourage future participation.

Question 33

Respondents were asked if procurement information was easily accessible. 93% of the respondents say that procurement information is not easily accessible whilst 7% said it was easily accessible.

Question 34

Respondents were requested to provide their opinion on how procurement can be better utilized to benefit SMMEs or PDIs.

Participants were of the view that projects must be unbundled; some would like workshops and trainings to be provided so that they get the necessary information and skills required.

4.5 CONCLUSION

This chapter described the two research methods employed in this study. This was followed by explaining the two techniques used to collect data, namely the questionnaires and the interviews. The chapter also gave an explanation of how

sampling was done. The concepts of validity and reliability were explained and lastly, the results of the empirical study were outlined. The next chapter focuses on the summary, findings and recommendations.

CHAPTER 5

SUMMARY, FINDINGS AND RECOMMENDATIONS

5.1 INTRODUCTION

This chapter presents a synopsis of the preceding chapters followed by a presentation of the findings of the empirical study. The findings highlight the constraints and benefits of the use of public sector procurement to advance the historically marginalised individuals, particularly SMMEs in the construction industry. The hypothesis as stated in chapter one of this study is validated. The chapter concludes by making recommendations to management on how the department could improve its internal policies to encourage participation of SMMEs in doing business with government.

5.2 SUMMARY

Chapter one presented the background to the study. The chapter introduced the research statement and the hypothesis to be tested. The purpose of procurement reform in South Africa was mainly to encourage participation of the previously disadvantaged individuals in the economy of the country. The chapter introduced the research questions and the research objectives, and it concludes by presenting the research structure and an outline of the chapter layout.

Chapter two provided a literature review on the concept public sector procurement and its use as a mechanism to achieve secondary objectives not necessarily related to the object of procurement. The chapter probed into the legislative framework that governs public sector procurement in South Africa. Supply Chain Management as an all encompassing concept, which gives attention to all aspects of procurement was discussed. Black Economic Empowerment as a transformation tool aimed at the promotion of the previously disempowered was expounded on. The chapter concluded by highlighting the importance of ethics in the procurement environment.

Chapter three explored the processes and procedures employed by Gauteng Department of Infrastructure Development to achieve BEE objectives. The chapter

examined the structures and the role players involved in the purchasing of goods and services in the department. The performance management process of the supply chain management unit is discussed together with the general performance of the department towards the achievement of BEE objectives with a focus on procurement. The chapter concludes by highlighting the measures the department put in place to combat corruption when procuring goods and services.

Chapter 4 discussed the research methods used to collect data. Both the qualitative and quantitative methods as employed in the empirical study were discussed. The research techniques used to collect data were also discussed. The chapter also addressed the validity and reliability of the data. Further, the chapter provided an in-depth analysis of the results.

5.3 FINDINGS

From the analysis of the responses provided in the questionnaires and the interviews, the following findings were drawn from the study:

- Although preferential procurement constitutes one element of the Broad-Based Black Economic Empowerment (BBBEE), the findings show that it is the main instrument used to evaluate bids and quotations when procuring goods and services at Gauteng Department of Infrastructure Development. This shows that preference points are only awarded for specific goals as contemplated in the preferential policy Act and for the Reconstruction and Development Goals. This also shows that other elements of BBBEE as provided for in the Generic Scorecard are not considered.
- The Preferential Procurement Regulations stipulates that the 90/10 and 80/20 point system be used for the evaluation of bids and quotations. The 10 and 20 preference points are intended to promote participation of the previously disadvantaged individuals in the economy of the country. These preference points are supposed to place an enterprise that is owned by a previously disadvantaged person or an enterprise that contributes to the advancement of the PDIs at an advantage when competing for a government contract. The findings reveal that the 10 and 20 preference points allocated for the

advancement of the previously disadvantaged individuals and the promotion of RDP goals are not adequate.

- Subcontracting and joint venturing is one way that can be used by government, through its procurement powers, to compel established private enterprises who wish to do business with government, to contribute towards the promotion of BEE objectives through skills transfer and otherwise, to enterprises owned by previously disadvantaged persons. The findings have revealed that joint venturing is not necessarily encouraged as some of the procurement officials claim. This is supported by the finding that none of the contractors had ever been in a joint venture relationship. The findings also show that the contractor subcontractor relationship is not necessarily successfully implemented because those who have subcontracted are of the view that the relationship is not beneficial because there is no skills transfer.
- The findings also reveal that monitoring and evaluation for compliance purposes in a contractor subcontractor relationship, is not successfully implemented.
- Government has established a number of institutions to provide financial and non-financial support to emerging contractors. These institutions include amongst others, Khula Enterprise, Gauteng Enterprise Propeller, Ntsika Enterprise Promotion Agency and the Industrial Development Agency to mention but a few. Despite this government intervention to address the challenges borne by the enterprises owned by PDIs, the findings reveal that the contractors still do not have the necessary skills nor the qualifications required to operate a business particularly in the construction industry.
- Enterprises wishing to do construction business with government must be registered with the CIDB. The enterprises are then graded according to levels, from level 1 to level 9. The CIDB grading level determines the maximum value in rands (R) of a contract that a contractor is capable of performing. Although most of the enterprises, registered with the CIDB for more than three years, these contractors are still on CIDB grading level one which is the entry level for a construction company in the construction business.
- Although preferential procurement was intended for the previously marginalised to participate fully in the economy of the country by owning businesses that would contribute immensely towards the economy of the country, the findings reveal that unless government improves its procurement practices, it will not achieve its BEE objectives.

- CIDB has classified the vast construction works under specialist classes. The study shows that most of the contractors have registered for general building as a class of construction work. This reveals that there is too much competition amongst these CIDB grading level ones in this particular class of work.
- The findings show that contractors do not have access to information regarding doing business with government. This is so obvious given that most of them are not registered on the Gauteng Shared Services Centre neither the departmental rotational database. A number of the participants would like government to provide training and workshop on tender procedures. They indicated that the respective training and workshop would enable them to adhere to the principles of BEE and excel in their jobs.
- The study revealed that bidders are not debriefed after their bids were unsuccessful. The communication breakdown discourages the beneficiaries and develops lack of trust in government officials.
- Access to information is one of the cornerstones of human development. The study found that the principles of public participation (access to justice and information and decision making) is lacking; whereby the prospective bidders do not receive explanation about the disqualified tender applications.

5.4 RECOMMENDATIONS

The following recommendations are offered for management attention and to improve the use of public sector procurement.

- For Gauteng Department of Infrastructure Development to achieve the objectives of Broad-Based Black Economic Empowerment fully, there should be an alignment of the preferential procurement policy and the score card in the evaluation of tenders so that preference points are also allocated for other elements which are provided for only in the scorecard. This will ensure that big businesses with support the objectives of BBBEE also benefit from government procurement whilst the SMMEs also benefit.
- It is imperative for the department to ensure that all contracts are monitored for compliance purposes and to ensure that the necessary skills are transferred to the emerging contractors. If this element of preferential procurement is not addressed, then Black Economic Empowerment will remain a pipedream.

- It was found that not all procurement officials agreed that the department encouraged the subcontracting and joint venture relationships. There is a need for the department to include in its procurement policy that all contracts from a specified value, be issued with a subcontracting clause. A clause to compel the main company to subcontract ensures that not only a few but a vast number of contractors benefit from government procurement.
- In order to ensure that procurement benefits the targeted groups or individuals, it is highly recommended that the department provide tendering information to contractors. The department must provide support by also conducting workshops on how to complete tender document, how to price and any other related information.
- It is recommended that for those contractors who do not have the necessary skills, the knowledge or qualifications in construction, special programmes must be designed to accommodate their needs. Depending on their level of education some could be enrolled at various institutions for formal training. Those who do not have any formal education but possess the skills could be assessed on the job and given a qualification for recognition of prior learning.
- To ensure that emerging contractors are developed, special incubator development programmes targeting specific contractors, on a specific CIDB grading levels, could be designed to ensure that contractors are given the necessary support to develop.

5.5 REALIZATION OF OBJECTIVES

The objectives of the study as mentioned in chapter one have been met. Firstly, the study intended to give a theoretical exposition of the concept public sector procurement. This was achieved by providing a literature review on the concept of public sector procurement in chapter two. Legislation governing public sector procurement in South Africa was also discussed and, the use of public sector procurement to achieve secondary objectives of poverty alleviation and employment creation was discussed.

Secondly, the study intended to explore the processes and procedures used to procure goods and services at Gauteng Department of Infrastructure Development. Chapter

three explicitly outlined the processes and procedures employed by the departments' SCM unit.

Thirdly, the objective of the study was to determine the success or failure of the use of procurement in the construction industry within the Gauteng Department of Infrastructure Development. An empirical study was conducted and the results of the empirical study as presented in chapter four, exposed that public sector procurement as employed by the department, was not achieving the objectives of Black Economic Empowerment.

Lastly the objective of the study was to give recommendations to improve the use of public sector procurement to achieve its secondary objectives of poverty alleviation and employment creation. The findings and the recommendations are presented in chapter five.

5.6 TESTING THE HYPOTHESIS

The research was based on the premise that 'Public sector procurement in Gauteng Department of Infrastructure Development can contribute immensely to poverty alleviation in the construction industry yet, implementation of it is skewed against the objective'. To validate or reject the hypothesis, the study employed both the qualitative and quantitative methods of data collection. Questionnaires and interviews were used to collect data for the empirical survey. An in-depth analysis of the results and the findings, led to the validation of the hypothesis as stated above.

5.7 CONCLUSION

The chapter gave a synopsis of the previous chapters. The findings of the empirical survey were outlined. The chapter concludes by providing recommendations to the management of Gauteng Department of Infrastructure Development to action.

Gauteng Department of Infrastructure Development is the provider of infrastructure across the province. It therefore plays a very crucial role towards the advancement of black SMMEs through the procurement of goods and services related to construction.

The use of procurement as a way to advance SMMEs, depends largely on the success of the department in meeting its BEE objectives.

The study objective were realised because the hypothesis, as stated in chapter one was validated by the findings of the empirical survey and recommendations to improve the use of public sector procurement to achieve the BEE objectives, have been provided.