



Municipal Compliance with the Tender Procurement Process: A Case of Dr Kenneth Kaunda District Municipality

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DECLARATION

I, Palesa Tikoe, hereby declare that this dissertation titled 'Municipal Compliance with the Tender Procurement Processes: A Case of Dr Kenneth Kaunda District Municipality' submitted in fulfillment of the requirements of the degree Master of Arts in Public Management and Governance at the North-West University, Potchefstroom Campus is my own work and has not previously been submitted by me to any other University. I understand that copies of this dissertation submitted for examination will remain the property of the North-West University.

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Exodus 15:2-3: *The Lord is my strength and my defence; he has become my salvation. He is my God, and I will praise him, my father's God, and I will exalt him. Thank you, God, for carrying me through this academic journey and for being my greatest source of strength.*

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ABSTRACT

Supply Chain Management is ultimately concerned with maximising affordability and value for money in the process of procurement and disposal of the assets of institutions (Moeti, 2017:148). Moreover, the Municipal Supply Chain Management Regulations set the minimum standard to which all municipalities must adhere, regarding the procurement processes (Dobie and Xinwa, 2015:7). However, it is argued that corruption is found in procurement transactions more than anywhere else, as the opportunities to engage in corrupt practices are greatest and where the rewards of corruption are often high (Mantzaris, 2014:67); this elucidates the impression that there are challenges within the procedures of the procurement process. To further clarify on this, an indication of challenges within the procedures of procurement was exposed by the Directorate for Priority Crime Investigation, where the Deputy Director of Supply Chain Management at the eThekweni Metropolitan Municipality was arrested. The arrest followed an investigation by members of the Directorate for Priority Crime Investigation's National Clean Audit Task Team into fraud and corruption regarding R430M Durban Solid Waste (DSW) tender saga (Singh, 2020).

This study investigates how compliance with the tender procurement process is maintained within the Dr Kenneth Kaunda District Municipality, as required by the Municipal Supply Chain Management Regulations of 2005. The purpose of the study was to enable the researcher to determine the necessary interventions required to improve compliance utilising the Resource Based View Theory. The study is embedded in qualitative research approach and employed interview questions and document analysis as instruments to collect data.

The research findings implied that Dr Kenneth Kaunda District Municipality does maintain compliance with the tender procurement process; however, it has been noted that the Dr Kenneth Kaunda District Municipality encounters challenges of ambiguity of roles, lack of skills and knowledge, professionalism and ethics, inducements, high vacancy rate, oppression, IT systems, compliance monitoring, wasteful expenditure, and political interference.

Keywords: Dr Kenneth Kaunda District Municipality, Interventions, Municipal Compliance, Municipal Finance Management Act, 2003 (Act 56 of 2003), Municipal Supply Chain Management, Tender Procurement Process

TABLE OF CONTENTS

Declaration of Originality.....	i
Acknowledgements.....	ii
Abstract.....	iv
Keywords.....	v
CHAPTER ONE: INTRODUCTION AND BACKGROUND.....	1
1.1 Context / Background to study	1
1.2 Problem statement	5
1.3 General research question	6
1.4 Specific research questions	6
1.5 Research objectives.....	7
1.6 Central Theoretical statements.....	8
1.7 Research approach and design.....	8
1.7.1 Literature study	9
1.8 Significance of the study	10
1.9 Provisional Chapter Layout	10
1.10 Conclusion	12
CHAPTER TWO: LITERATURE REVIEW ON MUNICIPAL SUPPLY CHAIN MANAGEMENT AND THE TENDER PROCUREMENT PROCESS	13
2.1 Introduction	13
2.2 Municipal Supply Chain Management and Financial Management.....	13
2.3. Procurement through tenders.....	15

2.4 Procedures involved in the Tender Procurement Process	15
2.4.1 Calling for tenders	16
2.4.2 Opening and assessing received tenders	16
2.4.3 Awarding Tenders	17
2.5 Challenges of the tender procurement process	17
2.5.1 Ethics and Professionalism	17
2.5.2 Unclear roles	18
2.5.3 Lack of knowledge and capacity	18
2.5.4 Inadequate monitoring and evaluation	18
2.5.5 Lack of effective training.....	19
2.6 Recommendations for improving compliance of the tender procurement process	19
2.6.1 Promoting training and capacity building	19
2.6.2 Investing in monitoring and evaluation	20
2.6.3 Scheduling regular internal audits	20
2.6.4 Instituting consequences for non-compliance	20
2.7 The manner in which the Dr Kenneth Kaunda District Municipality maintains compliance of the tender procurement process as required by the Municipal Supply Chain Management regulations of 2005	21
2.8. Conclusion	21
 CHAPTER THREE: THEORETICAL EXPOSITION: THE RESOURCE BASED VIEW THEORY	 22
3.1 Introduction	22
3.2 Resource Based View (RBV)Theory	22
3.2.1 Applicability of the Resource Based View (RBV) Theory to the Study	25

3.3 Principles of Procurement	27
3.3.1 Fairness and equitability	28
3.3.2 Transparency.....	28
3.3.3 Competitiveness and cost-effectiveness	29
3.3.4 The five Principles must be looked at as a whole rather than separately	29
3.4 Approaches to Procurement.....	29
3.5 Conclusion	30
CHAPTER FOUR: RESEARCH DESIGN AND METHODOLOGY	31
4.1 Introduction	31
4.2 Research Defined	31
4.3 Research Approach	32
4.3.1 Qualitative Research Approach.....	32
4.3.2 Descriptive Case Study approach	33
4.3.3 Validity and reliability of the research approach and design	34
4.4 Data Collection.....	35
4.4.1 Interviews	35
4.4.2 Document Analysis.....	36
4.5 Data Analysis	36
4.6 Population and Sampling	37
4.7 Ethical Considerations	38
4.7.1 Seeking informed consent.....	39
4.7.2 Maintaining confidentiality	39

4.7.3 Avoiding harm to respondents.....	39
4.8 Limitations and Delimitations.....	40
4.9 Conclusion	40
CHAPTER FIVE: DATA ANALYSES AND INTERPRETATION	41
5.1 Introduction	41
5.2 Section A: Biographical Data and Profile of participants	41
5.3 Section B: Semi-structured Interview Questions.....	43
5.4 Section C: Document Analysis	68
5.4.1 Dr Kenneth Kaunda District Municipality Economic Agency Oversight Report 2020/21	68
5.4.2 Dr Kenneth Kaunda District Municipality 2021/2022 Annual Report.....	69
5.4.3 Auditor General's Report 2021/2022.....	70
5.5 Section D: Key Findings	70
5.6 Conclusion	72
CHAPTER SIX: CONCLUSION AND RECOMMENDATIONS.....	74
6.1 Introduction	74
6.2 Chapter Outline	74
6.3 Summary of findings based on research questions/objectives.....	75
6.4 Recommendations	76
6.5 Areas for future research.....	77
6.6 Conclusion	78
LIST OF REFERENCES	79

List of Tables

Table 1: Population and Sampling of the Study.....	38
Table 2: Biographical Data and Profile of Participants.....	41

List of figures

Figure 1: Map of Dr Kenneth Kaunda District Municipality.....	4
Figure 2: Resource Based View Theory Model.....	26
Figure 3: Official procedures involved in the tender procurement process.....	72

Annexures

Annexure A: Questionnaire and interview questions.....	89
Annexure B: Informed consent form.....	93
Annexure C: Ethics Approval letter.....	102
Annexure D: Gate keeper approval letter.....	105
Annexure E: Language editing certificate.....	106

List of Acronyms

AGSA – Auditor-General South Africa

BAC – Bid Adjudication Committee

BEC – Bid Evaluation Committee

BEE – Black Economic Empowerment

CFO – Chief Financial Officer

CSD – Centralised Supplier Database

IDP – Integrated Development Plan

MBD – Municipal Bidding Document

MFMA – Municipal Financial Management Act

MM – Municipal Manager

MPAC – Municipal Public Accounts Committee

MSCM – Municipal Supply Chain Management

PFMA – Public Financial Management Act

RBV – Resource Based View

SCM – Supply Chain Management

SCOPA – Standing Committee On Public Accounts

SDBIP – Service Delivery and Budget Implementation Plan

UIFW – Unauthorised, Irregular, Fruitless and Wasteful expenditure

VRIN – Valuable, Rare, Inimitable and non-substantial

VRIO – Valuable, Rare, Inimitable and Organisation

CHAPTER ONE: INTRODUCTION AND BACKGROUND

1.1 Context / Background to study

According to the Council of Supply Chain Management Professionals (Cited by Ambe, 2016:21) “Supply Chain Management (SCM) encompasses the planning and management of all activities involved in sourcing and procurement, conversion, and all logistics management activities. It also includes coordination and collaboration with channel partners, which can be suppliers, intermediaries, third-party service providers, and customers”. The Western Cape Government (2014) adds that Supply Chain Management, as a financial management tool, seeks to reform and regulate the manner in which public funds are utilised when procuring goods and services whilst in pursuit of service delivery that is responsive to the needs of society and to curtail any mal-administrative and fraudulent practices on the procurement front.

Supply Chain Management can further be defined as the identification, acquisition, access, positioning and management of resources and related capabilities that an organisation requires or potentially desires in the achievement of strategic objectives (The Institute for Supply Chain Management cited by Ambe, 2016:21). From the aforementioned definitions of Supply Chain Management, it can be deduced that Supply Chain Management is ultimately concerned with maximising affordability and value for money in the process of procurement and disposal of the assets of institutions (Moeti, 2017:148). The process of Supply Chain Management for any municipality commences when the operational needs are identified during the strategic planning phase of the organisation when service delivery targets are identified, to the point of finally disposing of an asset (Amahlathi Local Municipality, 2014:19). Moreover, the Municipal Supply Chain Management Regulations set the minimum standard, to which all municipalities must adhere, regarding the procurement processes (Dobie and Xinwa, 2015:7).

In this study, the researcher analyses municipal compliance with the tender procurement processes as required by the Municipal Supply Chain Management Regulations. Compliance refers to the act of obeying an order, rule, or request (Cambridge Dictionary, 2021). Therefore, municipal compliance suggests adherence and obedience of local regulatory and procedural issues.

The Municipal Supply Chain Management Regulations, 2005, published under government Notice 868 of May 2005, have been put in place in terms of Section 168 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003). The purpose of these Regulations is to deal with a variety of Supply Chain Management issues, including the establishment and implementation of a Supply Chain Management policy by every municipality; logistics, disposal, risk and performance management; prohibition on awarding tenders to certain persons; and other miscellaneous matters (SALGA, 2020:19).

Despite having Municipal Supply Chain Management Regulations in place (which set the minimum standard for the tender procurement process), they are, to date, still mainly characterised by non-compliance. This is indicated by poor audits received from South African municipalities; for example, the Auditor General of South Africa (AGSA) (2020:23) reported that compliance with Supply Chain Management Regulations regressed since 2016-17, with only 2% of municipalities fully complying. Another indication of non-compliance was demonstrated by the investigations conducted by the Directorate for Priority Crime Investigation (DPCI), which is responsible for the combating, investigation and prevention of national priority crimes such as serious organised crime, serious commercial crime and serious corruption in terms of Section 17(b) and 17(d) of the South African Police Service Act, 1995 as amended (DPCI, 2014).

This study concentrates on Supply Chain Management Regulations because it sets the minimum standard for procurement, and the study focuses on procurement, specifically in tendering processes. Procurement refers to the process or act of sourcing or obtaining goods and services, other than the services of officials for the people and their administration by means of commercial transactions (Pauw *et al.*, 2015:223). Procurement involves all steps, from the identification of the project or products to be procured, soliciting and evaluating tender offers, awarding, and administering contracts, to confirming compliance with requirements (Ngobeni, 2011:13). Tendering on the other hand simply refers to the process by which an organisation who is in need of goods and services invites other parties to submit a proposal or bid to provide these goods/services (Shields, 2020). The organisation then awards the contracts to the best bid (according to the criteria) without negotiation.

Mantzaris (2014a:67) provides a corruption context within which non-adherence is often reported. This author argues that corruption is found in procurement transactions more than anywhere else, where the opportunities to engage in corrupt practices are greatest and where the rewards of corruption are often high. Krappe and Kallayil (cited by Mantzaris, 2014a:71) further assert that corrupt practices, specific to procurement transactions, include bribery, extortion, embezzlement, nepotism, patronage systems, fraud, kickback schemes, false invoices, overpaying, fronting in Black Economic Empowerment (BEE) companies, inflated prices, unnecessary purchases, payments made for goods or services not received, ghost suppliers on the “preferred suppliers list”, the use of shell companies, and “facilitation fees” required by state officials (a type of bribery). This aims to substantiate a problem of compliance with Municipal Supply Chain Management Regulations as they set the minimum standard for the tender procurement processes and demonstrate that this is a researchable problem.

This study sought to analyse compliance with tender procurement processes as required by Municipal Supply Chain Management Regulations within Dr Kenneth Kaunda District Municipality. In essence, this compliance could mean that an adherence to the Municipal Finance Management Act, 2003 (56 of 2003) is maintained. It was previously mentioned that the Municipal Supply Chain Management Regulations of 2005, have been made in terms of section 168 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) to ensure compliance. The focus was on discussing a lack of compliance with the tender procurement process, as characterised by challenges of poor audit outcomes. The perennial challenge of poor audit outcomes elucidates the impression that efficiency and effectiveness are not maintained in the tender procurement process.

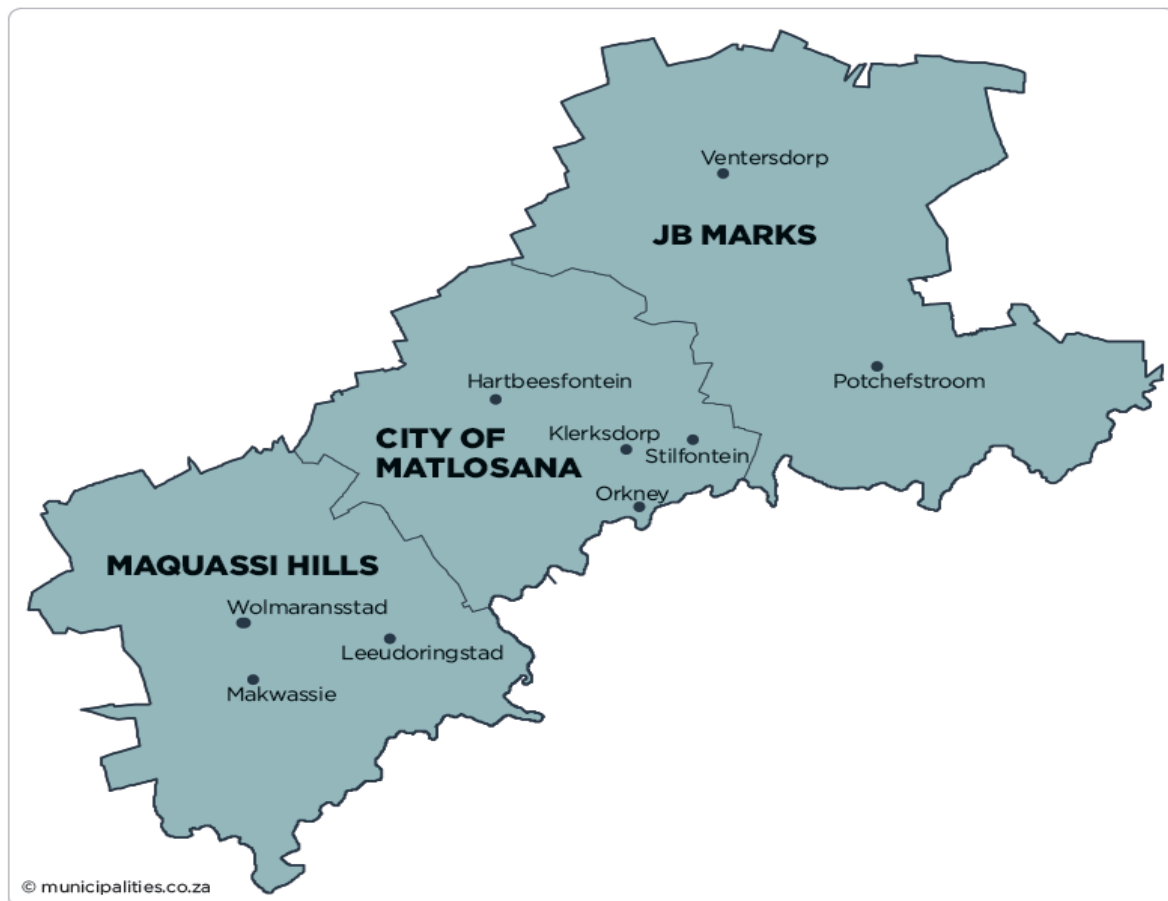
Hence, it is of vital importance to give clarification and highlight the distinctiveness of the terms *efficiency* and *effectiveness*, as they also influence compliance (Moeti, 2017:8):

- Efficiency has to do with inputs and outputs. Efficiency occurs when the maximum amount of output for a given amount of input(s) is produced. This implies that efficiency has to do with the state of being able to accomplish something with the least amount of waste in expenditure and competency in performance.

- Effectiveness has to do with meeting objectives. Effectiveness refers to the ability to be successful and produce intended results (Cambridge Dictionary, 2021).

The Dr Kenneth Kaunda District Municipality, which is the municipality central to this study, is considered a Category C Municipality. In terms of Section 155 of the Constitution of the Republic of South Africa, 1996, category C municipalities refer to municipalities that have municipal executive and legislative authority in an area that includes more than one municipality. Dr Kenneth Kaunda District Municipality comprises the City of Matlosana Local Municipality, JB Marks Local Municipality, and Maquassi Hills Local Municipality as indicated in figure 1.1 below. According to Municipalities of South Africa (2021), Dr Kenneth Kaunda District Municipality is the smallest district in the North-West Province, making up 14% of its geographical area.

Figure 1.1. Map of Dr Kenneth Kaunda District Municipality.



Source: (Municipalities of South Africa, 2021)

Municipalities of South Africa (2021) asserts that Dr Kenneth Kaunda District Municipality is a region with a rich and diverse natural and cultural heritage, with the potential for

sustained economic growth. Therefore, an analysis of Dr Kenneth Kaunda District Municipality as outlined in this study to maintain and improve compliance would be of vital importance. The region is home to some of the most prominent gold mines in the world and one of the oldest meteor impact sites in the world (Municipalities of South Africa, 2021).

1.2 Problem statement

In the year 2020, the Directorate for Priority Crime Investigation highlighted that there was widespread non-compliance regarding Municipal Supply Chain Management Regulations in the context of the tender procurement process. An example of non-compliance that was exposed by the Directorate for Priority Crime Investigation resulted in the arrest of the Deputy Director of Supply Chain Management at the eThekweni Metropolitan Municipality in KwaZulu-Natal. This arrest was as a result of an investigation by members of the Directorate for Priority Crime Investigation's National Clean Audit Task Team into fraud and corruption in the ongoing R430M Durban Solid Waste (DSW) tender saga (Singh, 2020).

On the 15th of March 2020, the Covid-19 pandemic was declared a national disaster (Reyburn, 2020) and National Treasury undertook procurement of service providers through transversal contracts and issued Circular 100 and 102 of the Local Government: Municipal Finance Management, 2003 (Act 56 of 2003). These Circulars (100 and 102) were to guide municipalities in the procurement process of basic preventative items to contain and manage the spread of the Covid-19 virus. Despite these interventions and guidelines, at least two senior officials in the JB Marks Local Municipality (which is a Local Municipality under the jurisdiction of Dr Kenneth Kaunda District Municipality), were allegedly involved in corrupt procurement of basic preventative items by not complying with the guidelines as set out in those Circulars (Circular 100 and 102).

According to Du Plessis (2021) the Municipal Manager and the Chief Financial Officer at the JB Marks Local Municipality were suspended after accusation that they had utilised tenders for personal protective equipment. Du Plessis (2021) further states that the two officials have been accused of fraudulently backdating procurement documents and of

failing to ensure that proper comprehensive records were kept of all financial transactions in the municipality. These patterns of malpractices in the procurement process elucidate the impression that compliance with Municipal Supply Chain Management Regulations in the tender procurement process remains a concern, and therefore, it is imperative to examine it from a research point of view. In view of the foregoing discourse regarding critical tender procurement challenges facing several municipalities, the purpose of this research is to analyse compliance with tender procurement processes as required by Municipal Supply Chain Management Regulations within Dr Kenneth Kaunda District Municipality. This analysis was undertaken with the aim of enabling the researcher to determine the necessary interventions required to improve compliance.

1.3 General research question

The general research question that this study sought to answer is: How is compliance with the tender procurement processes maintained within the Dr Kenneth Kaunda District Municipality, as required by the Municipal Supply Chain Management Regulations of 2005? The purpose of the aforementioned question is to enable the researcher to determine the necessary interventions required to improve compliance utilising the Resource Based View Theory. This approach is used as outlined in the problem statement of this study that the tender procurement processes are characterised by malpractices in Municipal Supply Chain Management Regulations of 2005 as premised by the Local Government: Municipal Finance Management, 2003 (Act 56 of 2003).

1.4 Specific research questions

The specific research questions of the study are:

- How applicable is the Resource Based View theory in analysing compliance of the tender procurement process?
- What are the official procedures involved in the tender procurement process?
- How does Dr Kenneth Kaunda District Municipality maintain compliance with the tender procurement processes as required by the Municipal Supply Chain Management Regulations of 2005?
- What are the findings of this study, and what are the required necessary intervention measures to improve compliance with the tender procurement

process as required by the Municipal Supply Chain Management Regulations of 2005?

1.5 Research objectives

The above research questions are derived from the following objectives:

- To examine the relevance of the applicability of the Resource Based View theory as the theoretical grounding of the study, principles, and approaches of procurement.
- To assess the official procedures involved in the tender procurement process.
- To review and reflect on the manner in which the Dr Kenneth Kaunda District Municipality maintains compliance of the tender procurement process as required by the Municipal Supply Chain Management Regulations of 2005.
- To present the findings of this study and to recommend the necessary intervention measures to improve compliance of the Municipal Supply Chain Management Regulations.

1.6 Central Theoretical statements

As research should be grounded by a theory, the researcher adopted the Resource Based View Theory [included in research question/objective one and to be addressed in Chapter 2] to assist in presenting a broader understanding for analysing compliance of the procurement process. According to Jurevicius (2021) Resource Based View Theory is an approach to achieving a competitive advantage that emerged in the 1980s and 1990s; it states that the possession of resources is valuable, rare, and cannot be imitated. According to Dejmal (2021) the Resource Based View Theory suggests that organisations should look inside the institution to find the sources of competitive advantage through the use of their resources.

According to Ettlie and Sethuraman (cited by Sape, 2019:10) the Resource Based View Theory has been used as the theoretical grounding across different disciplines, such as logistics and outsourcing. The same theory was employed by Sape (2019:9), when conducting a similar study regarding “The efficacy of the Emfuleni Local Municipality procurement system”, which sought to investigate the effectiveness of the procurement system at the Emfuleni Local Municipality.

In the context of this study, as mentioned in the general research question, the purpose of this study is to enable the researcher to determine the necessary interventions required to improve compliance of the tender procurement process. The researcher finds the Resource Based View Theory suitable for this study through focusing on the top management expertise and the Supply Chain Management officials’ skills. These expertise and skills aspects constitute resources and capabilities that when fully exploited can lead to compliance improvement of the tender procurement processes.

1.7 Research approach and design

This section outlines a brief research approach employed in this study. There are various research approaches used in Social Science research to find answers, namely qualitative, quantitative and mixed methods research. These research approaches are differentiated through the extent of flexibility and relevance permitted during a research process (Kumar, 2014:16). Kumar (2014:16) further contends that the quantitative approach is rooted in the philosophy of rationalism; whilst on the other hand, a qualitative approach is embedded in the philosophy of empiricism and follows an open, flexible and

unstructured approach to enquiry; the mixed methods approach uses the strength of both qualitative and quantitative. For this study, the researcher employed a qualitative research approach. This approach was employed by Maiketso (2015:6) when conducting a similar study on the level of compliance with Public Finance Management Act 1999, (1 of 1999), whilst focusing on the North West Parks and Tourism Board. The study sought to investigate the problems faced by the North-West Parks and Tourism Board in Procurement of services in compliance with the Public Financial Management Act 1999 (1 of 1999). In order to justify why qualitative methods are suitable for this study, these methods will be discussed below.

Qualitative research methods are suitable for this study as they attempt to collect rich descriptive data in respect of a phenomenon or context with the intention of developing an understanding of what is being observed or studied (Maree, 2020:50). Sarantakos (2013:475) refers to qualitative methods as methods of social research that are principally based on theoretical and methodological principles of interpretivism, focusing among other things on words, meanings, pictures and objects, and as expressed, in paradigms such as symbolic interactionism, hermeneutics and ethno-methodology. It is necessary to note that a detailed discussion of the research methodology and the motive behind the preference of the research method is provided in chapter four.

1.7.1 Literature study

A literature review refers to the search and evaluation of the available literature in the given subject or chosen topic area (RLF, 2021). Literature review involves a secondary analysis of available information already published in some form containing information related to the research problem (Sarantakos, 2013:150). Thus, literature review provides an overview of current knowledge, allowing the researcher to identify relevant theories, methods, and gaps in the existing research (McCombes, 2020). The term literature review is also used to describe the written component of a research plan or report that discusses the reviewed documents, which can include articles, abstracts, reviews, monographs, dissertations, other research reports, and electronic media (Shi, 2006:1).

The following databases have been consulted to ascertain the availability of material for the purpose of this research:

- a) Municipal IQ
- b) SA theses and dissertations
- c) Google scholar
- d) Journal of articles
- e) EBSCO host Online Research Database
- f) Ferdinand Postma library NWU
- g) Legislations and Regulations
- h) Other useful information related to the topic from the internet publications.

1.8 Significance of the study

As the discipline of Public Administration has to do with the implementation of government policy and prepares officials for working in the public service, this study contributes to the discipline of Public Administration through providing critical academic reflections. These academic reflections ensure that those entrusted with public resources are able to reflect on their processes using the findings of this study, thus ensuring that government policy is implemented.

Municipal Supply Chain Management is a tool of financial management, and well-developed financial management systems are the foundation of good governance. Good governance is the opposite of corruption and non-compliance (Mantzaris, 2014b:81), thus it is essential to analyse the level of compliance with regards to procurement regulations in order to enhance good governance.

1.9 Provisional Chapter Layout

The following is the provisional chapter layout for this study:

Chapter one: Introduction and Background

Chapter one is the introductory and background chapter. It contextualises what is meant by Municipal Supply Chain Management and introduces the Dr Kenneth Kaunda District Municipality as it is the subject of this study.

In this chapter, an introduction and orientation were given, and the problem statement was discussed. The research questions and research objectives are also identified. In addition, the chapter provides the explanation of the research methodology, which is utilised in the study. The significance of the study is discussed within this chapter. This chapter concluded by providing an outline of all six chapters.

Chapter two: Literature Review on Municipal Supply Chain Management and the Tender Procurement Process

Chapter two contains the review of literature for the existing knowledge on compliance for municipal supply chain management regulations in the tender procurement process. This chapter was motivated by the second objective of this study; thus the chapter assess the procedures involved in the tender procurement process.

Chapter three: Theoretical Exposition – The Resource Based View Theory

Chapter three provides the theoretical exposition of Supply Chain Management. This chapter is guided by the first objective of the study; to review and reflect on the Resource Based View theory as the theoretical grounding of the study, principles and approaches of procurement.

Chapter four: Research design and methodology

Chapter four contains the research methodology and design. A qualitative research method will be utilised and discussed as it is the research approach for this study.

Chapter five: Data Analysis and Interpretation

Chapter five focuses on analysing the findings from the empirical research. Through analysing the findings, the researcher is able to provide interpretations and the necessary interventions to ensure compliance of the tender procurement process as required by the Municipal Supply Chain Management Regulations.

This chapter was guided by the third and fourth objectives of the study.

Chapter six: Conclusion and Recommendations

Chapter six will contain the recommendations to address the identified gaps in the study and the conclusion. The study will be also summarized in this chapter.

1.10 Conclusion

This chapter has served as the introductory chapter for this study as it has laid out how the study will be conducted. The orientation and background of the study was discussed. The research questions and objectives of this study were discussed along with the methodology to answer these research questions and achieve the objectives of the study.

CHAPTER TWO: LITERATURE REVIEW ON MUNICIPAL SUPPLY CHAIN MANAGEMENT AND THE TENDER PROCUREMENT PROCESS

2.1 Introduction

The previous chapter provided an introduction and background of this study. This chapter aims to succinctly provide the literature review of compliance of the tender procurement process as required by the Municipal Supply Chain Management Regulations. An in-depth literature review guided by the research objectives of this study is provided in this chapter, utilising the existing body of knowledge in the chosen research area.

2.2 Municipal Supply Chain Management and Financial Management

According to Horn and Raga (2012:76), and Sharma *et al.* (2019:947) (cited by Sibanda *et al.*, 2020:4) “Supply Chain Management (SCM) is conceptualised as a systems approach to managing flow of information, materials, goods and services from suppliers, through to warehouses and citizens as end users, at an appropriate cost and optimum levels of quality”. This definition is, substantially, what the local municipalities need to provide to the citizens of the country efficiently through service delivery and appropriate management of resources.

It is of vital importance to discuss Supply Chain Management because Supply Chain Management Regulations set the standards that are necessary for the procurement of tenders, goods and services, and the management of information flow. They ensure consistency and it is prohibited that a municipal entity acts otherwise than in accordance with its supply management policy when it is carrying out its duties to the public (National Treasury, 2015:16).

The South African government is evidently under a lot of criticism from the public in that various if not most local entities do not provide the basic needs and basic services towards the regions in which they govern. According to the National Treasury (2015) the rules and policies that are set out by the supply chain management are often poorly enforced and oftentimes, officials seem to show non-compliance towards the implementation of proper adherence to the set standards.

Municipal Supply Chain Management is a tool of financial management. This is also implied by Western Cape Government (2014) Supply Chain Management, seeks to reform and regulate the manner in which public funds are utilised when procuring goods and services, whilst in pursuit of service delivery that is responsive to the needs of the society and to curtail any mal-administrative and fraudulent practices on the procurement front. Therefore, the Supply Chain Management forms a vital part of municipal financial management (Sibanada *et al.*, 2020).

Financial Management is a managerial process that is concerned with the planning and controlling of financial resources. According to Venkateswaren (2014:93) financial management is a vital element of municipal management as it enables the local government to plan, mobilise, and use financial resources in an efficient and effective manner, as well as fulfil its obligation to be accountable to citizens. The 2011 Local Government Budgets and Expenditure Review (2011:73) asserts that municipal financial management involves managing a range of interrelated components, such as planning and budgeting, revenue, cash and expenditure management, procurement, asset management, reporting and oversight. The 2011 Local Government Budgets and Expenditure Review (2011:73) further contends that each component contributes to ensuring that expenditure is developmental, effective and efficient, and that municipalities can and should be held accountable.

According to Sibanda *et al.* (2020) “accountability is a core principle of sound municipal management and performance”. The municipal supply chain management policies demand that public officials be able to account, report, explain, justify, and become responsible for the financial expenditure outcomes. South African municipalities seem to be failing when it comes to taking responsibility of expenditures, especially those that cannot be accounted for. Thus, Sibanda *et al.* (2020) addresses the fact that the government is constantly failing to develop, implement and monitor effective supply chain management systems, internal controls and the financial reporting process, which is a gap that has been identified throughout the whole country.

An overview of Supply Chain Management as it sets the minimum standard for procurement has been discussed; however, the study focuses on procurement, specifically in tendering, which is discussed in the next section.

2.3. Procurement through tenders

Moeti (2014:141) defines public procurement as the purchasing of goods and services by government from the public sector. According to Pauw *et al.* (2015:224) the overall goal of public procurement is to obtain the optimum supply of goods and services from the market in terms of quality, timeliness and cost. At the same time, managing risks, accomplishing socio-economic objectives – including promoting competition, and maintaining integrity would serve to augment these critical aspects outlined by Pauw *et al.* (2015). This once again reveals the significance of effectiveness and efficiency (also highlighted in the previous chapter).

According to Moeti (2014:142) a tender refers to a proposal to provide goods or services in competition with other potential suppliers. Tendering on the other hand simply refers to the process by which an organisation who is in need of goods and services invites other parties to submit a proposal or bid to provide these goods/services (Shields, 2020). The organisation then awards the contracts to the best bid (according to the criteria) without negotiation.

Pauw *et al.* (2015:230) provide the various characteristics of procurement through tendering; these include:

- All things being equal (taking quality into account);
- Bids are kept a secret up to the point that tender closes;
- Negotiating with the tenderers after the closing date and before the award of the contract is normally prohibited.

These characteristics of procurement through tendering clearly imply that the purpose of tendering is to acquire goods and services in the most efficient and effective manner, that is fair and transparent.

2.4 Procedures involved in the Tender Procurement Process

Mantzaris (2014a:70) asserts that a tender process is generally based on a number of interrelated steps. This author further elaborates that the process starts with planning and defining (which includes a needs assessment), planning and budgeting, the definition of requirements and specifications, and the choice of procedures. The tender process consists of three main stages, namely; calling for tenders, opening and assessing

received tenders; and awarding tenders (Moeti, 2017:141). These stages will be discussed in this section.

2.4.1 Calling for tenders

In this stage, the organ of the state establishes a future need for a high-value good or service (Pauw *et al.*, 2015:232). According to Moeti (2014:142) the manager must ensure that the funds needed to conclude a tender contract are available, therefore, the manager must methodically define the need, cost it and include it in the next budget (Pauw *et al.*, 2015:232).

According to Moeti (2014:142) once budget funding for a given capital project or capital asset has been confirmed, the actual tendering process begins by informing the public of the opportunity to tender.

The announcement of calling for tenders should be publicised in an inclusive manner. Moeti (2014:142) makes provision of further standard requirements regardless of where or how the invitation to tender is publicised:

- the nature and specifications of the desired good or service must be clearly communicated;
- information about the required attributes of potential suppliers must be communicated;
- the closing date and time must be made clear; and
- the fact that no late tenders will be accepted must be communicated.

2.4.2 Opening and assessing received tenders

This is the stage whereby the contracting authority identifies which one of the tenders meeting the set requirements is the best one on the basis of the pre-announced award criteria, either the lowest-priced or the most economically advantageous tender (SIGMA, 2011:2). According to Pauw *et al.*, (2015:232) tenders must be opened in public, and all those who submitted tenders should be invited to be present. This helps to avoid unfair selection of a tender. Moeti (2014:232) contends that a well-qualified internal tender selection committee (or tender board) should compare the tenders against one another as well as against a set of predetermined criteria.

According to SIGMA (2011:2) this stage is governed by the following principles:

- non-discrimination

- equal treatment
- transparency
- confidentiality

These principles are essential as they reduce the possibility of tenderers contesting the tender award (next stage).

2.4.3 Awarding Tenders

In this stage, managers should immediately make the winners of tenders public after they have been cleared (Pauw *et al.*, 2015:233). This author further elaborates that they (managers) then need to draw up a contract with the successful tenderer, indicating clear terms and conditions to be met, although this is not actually necessary. The contracts should have penalty clauses covering any possible failure on the part of the successful bidder to meet the terms of the tender (Pauw *et al.*, 2015:233).

2.5 Challenges of the tender procurement process

According to Ambe (cited by Maiketso, 2015:18) despite the employment of Supply Chain Management as a strategic tool, public procurement in South Africa still faces enormous predicaments. This section discusses the challenges of the tender procurement process:

2.5.1 Ethics and Professionalism

The Auditor General's reports give a clear indication of the lack of ethics and professionalism that have resulted in different approaches and a lack of standardisation. McCarthy (cited by Ambe, 2016:27) further asserts that the completeness of tender documents in many municipalities is difficult to verify. According to Pauw (cited by Ambe, 2016:27) among government entities probed for procurement irregularities was the City of Tshwane Metropolitan Municipality, where about 65 municipal officials were investigated for striking business deals worth about R185 million with their own Council. Municipalities are required by the government to ensure that their procurement processes are transparent in every possible way (Pooe *et al.*, 2015:73). However, literature demonstrates that the lack of transparency is a major hindrance to the procurement system within municipalities. Issues that arose include the lack of information accessibility as well as the lack of communication with regards to giving feedback to bidders after the tender application (Pooe *et al.*, 2015:73).

2.5.2 Unclear roles

According to Ambe (2016:27) the lack of clarity about the roles and responsibilities of technical staff and political office-bearers creates scope for interference; and this gives rise to allegations or instances of corruption.

Ambiguity regarding roles and responsibilities provides a leeway for poor performance as the officials do not understand how to fit into the team, resulting in the inability to find their individual strength, creating an ineffective working environment (Chui, 2020). This author further elaborates that conflicting role descriptions will end up wasting employees' energy in trying to understand their roles within their teams, rather than focusing on their productive tasks.

2.5.3 Lack of knowledge and capacity

National Treasury (2015:5) contends that while the system contains many excellent people, competency assessments show significant gaps in SCM skills and knowledge. Ambe (2016:26) further asserts that many municipal SCM actors have attended a number of training workshops on SCM, but they still lack the appropriate knowledge for proper implementation. The national and provincial treasuries embark on programmes that educate practitioners, but implementation of its programmes always falls short (Ambe, 2016:26).

According to Pooe (2015:72) the effect of the lack of capacity is that most municipalities are unable to spend their budgets on time, especially their capital infrastructure budgets, which effectively results in spillovers, a situation that has negative ramifications for service delivery.

2.5.4 Inadequate monitoring and evaluation

The monitoring and evaluating process is vital for management to ensure that the procurement process does not fall prey to corruption. Non-compliance with supply chain management legislation remains the biggest contributor to the irregular expenditure incurred (AGSA, 2021:45). Maiketso (2015:21) asserts that a vast review of literature across different sectors of the government, like the department of education task team report and finance sectors, revealed that the lack of proper monitoring is a major crisis affecting the growth of the sectors.

According to AGSA (2021:65) it has been highlighted that inadequate monitoring results in stagnant outcomes and increasing levels of unauthorised, irregular, and fruitless and wasteful expenditure. Effective monitoring of preventative controls is key for favourable audit outcomes (AGSA, 2021:65).

2.5.5 Lack of effective training

The Municipal Supply Chain Management Regulations, 2005, provides that the training of officials involved in implementing a supply chain management policy should be in accordance with any Treasury guidelines on supply chain management training. According to Pooe *et al.* (2015:72) the lack of training amongst municipal employees has led to serious challenges regarding the implementation of any new procurement regulations by municipalities. Pooe *et al.* (201:72) makes further mention of the preferential procurement framework continuing to change as it is modified regularly by the Department of Trade and Industry.

2.6 Recommendations for improving compliance of the tender procurement process

The above challenges prove that the tender procurement process needs adequate strategies to improve compliance and to ensure that there are well developed financial management systems. Procurement procedures need to include effective controls to achieve accountability and transparency (Mantzaris, 2014a:76). This section aims to recommend necessary intervention measures to improve compliance of the tender procurement process.

2.6.1 Promoting training and capacity building

Municipalities should invest in training and workshops on ethical conduct of tender procurement officials, this will help upgrade the skills and competency levels of the tender procurement officials. According to Ambe and Bardenhorst-Weiss (cited by Zitha *et al.*, 2018:685) government training programmes must include the legislative environment, sourcing strategies, integrated supply chain management and technological advancements.

2.6.2 Investing in monitoring and evaluation

Monitoring and evaluation play a vital role in promoting compliance with the statutory and legal frameworks, and thus municipalities should invest in promoting proper monitoring and evaluation. This assertion is supported by Mantzaris (2014a:76), as this author contends that management's continuous monitoring and evaluating of the procurement process establishes integrity and compliance with laws and ethical standards. Therefore, auditees need to implement sound internal controls and oversight structures need to hold municipal managers accountable for addressing the stagnant audit outcomes and for implementing consequences promptly (AGSA, 2021:65).

2.6.3 Scheduling regular internal audits

Ambe (2016:27) asserts that it is important that reasonable steps be taken to prevent irregular expenditure by developing and implementing internal control systems that ensure fair, equitable, transparent, competitive and cost-effective tender procurement processes that could prevent and detect fraud, non-performance by suppliers, and non-compliance with Supply Chain Management Regulations. These internal control systems are a great tool to uncover inadequate and ineffective procedures that lead to non-compliance. It is of importance that an internal auditor is independent when reviewing compliance, and implements generally accepted auditing standards (Be Informed, 2021).

2.6.4 Instituting consequences for non-compliance

Consequences are an effective method to ensure compliance and promote ethical conduct. Ambe (2016: 27) asserts that only when the leadership has set that tone of decisively dealing with such malpractices, the citizenry would have confidence in the Supply Chain Management systems.

2.7 The manner in which the Dr Kenneth Kaunda District Municipality maintains compliance of the tender procurement process as required by the Municipal Supply Chain Management regulations of 2005

According to Dr Kaunda District Municipality (2019:28) the Supply Chain Management System contained in the Dr Kaunda District Municipality's policy provides a mechanism to ensure fair, equitable, transparent, competitive and cost-effective procurement, and sustainable and accountable supply chain management within the Municipality, whilst promoting black economic empowerment. However, it is noted that Dr Kenneth Kaunda District Municipality encounters challenges in maintaining compliance. For instance, Maumela (2019) asserts that the district concluded a Master Rental Agreement with Toshiba; however, the tender process was unlawful because of non-compliance with mandatory public procurement laws. According to the North-West Provincial Legislature (2019) in September 2019, the North-West Provincial Legislature's Standing Committee on Provincial Public Accounts (SCOPA) criticised the Dr Kenneth Kaunda District Municipality for inadequate controls implemented for supply chain management compliance, and inadequate consequence management, resulting in supply chain management transgressions.

2.8. Conclusion

This chapter has discussed the literature view of compliance of the tender procurement. An insight into the tender procurement procedures was provided along with the challenges and recommended interventions for these challenges. It can be deduced from the above discussion that strong ethical leadership is required to ensure compliance with the tender procurement process. The next chapter will focus on the theoretical exposition of the study.

CHAPTER THREE: THEORETICAL EXPOSITION: THE RESOURCE BASED VIEW THEORY

3.1 Introduction

The previous chapter provided the literature review. An in-depth literature review guided by the research objectives was provided utilising the existing body of knowledge in the chosen research area. Therefore, this chapter deals with aspects of the theoretical exposition. The Resource Based View as the theoretical grounding of this study, the principles, and approaches of procurement are discussed in this chapter. Theories help us gain a broader understanding of the research problem in research.

3.2 Resource Based View (RBV) Theory

It is appropriate to start by providing clarification on a definition of a theory. According to Kerlinger (cited by Muronda, 2017:29) a theory refers to set of interrelated constructs, definitions, and propositions that present a systematic view of phenomena by specifying relations among variables with the purpose of explaining and predicting phenomena.

The Resource Based View Theory is a paradigm that is often used as a framework to analyse and interpret the external and internal resources of an institution. This is done to emphasise and accentuate those that can be used and exploited to formulate strategies that help in achieving sustainable competitive advantages (Madhani, 2014:4; Jurevicius, 2021). According to Madhani (2014:6) the Resource Based View Theory emerged in the 1980s and 1990s through the works of key theorists such as Wernerfelt Birger, Parahalad Coimbatore, Hamel Gary, and Berney Jay among others, that have developed the existing literature towards the study of this theory. While these theorists represent scholarship in disciplines such as Economics and Business Administration, the applicability of the Resource Based View Theory in Public Governance, and especially in local government, is pertinent. The relevance is premised on the notion of a procurement process that is primarily focused on obtaining economic, efficient and effective optimum of supply chain management.

Most scholars and theorists of the Resource Based View Theory regard resources as key towards an institutional performance (Jurevicius, 2021). According to Kraaijenbrink *et al.*

(2010:350), the central proposition of the Resource Based View Theory is that if an institution is to achieve a state of sustainable competitive advantage, it must acquire and control valuable, rare, inimitable, and non-substitutable resources and capabilities, plus have the institution in a place that can absorb and apply them (Figure 2.1). Barney (1991) identified these attributes as a framework that will be able to determine and measure how well an institution will perform with the internal resources and capabilities that are available to them at that time and use them in exploiting external opportunities (Ketchen, 2012: 127).

Ketchen (2012), Madhani (2014) and Lockett *et al.* (2009) outline the relevance of a valuable, rare, inimitable and non-substitutable/organisation (VRIN/VRIO) framework. These elements of a framework examine resources as relevant to an institution such as municipalities, in order to provide a sustainable competitive advantage as follows:

- A resource is identified as valuable when it is able to help an institution exploit external opportunities, by constructing well-structured strategies.
- A resource should be rare, meaning that it should be unique to an institution and should not be easy to access especially by the competition.
- A resource should also be difficult to imitate, this should be demonstrated when an organisation is able to evolve and enhance their resources making them unique so that the resource only fits in the way that they have structured their system.
- A resource should also be non-substitutable, meaning that it should not have any alternatives that the competition could use, thus giving an institution the advantage to become superior.

On the one hand, the VRIN/VRIO framework promotes the idea that resources should be valuable, which is an important focus for all public institutions. Public institutions must spend public money in such a way that the public receives and experiences value for money (Moeti; 2017:8). The human resource is also a valuable resource in local government, because when provided with good training, they are able to help the institution construct well-structured strategies.

On the other hand, the concept that resources need to be rare and inimitable is not necessarily a relevant characteristic in public institutions (Hansen and Ferlie; 2014:12). Hansen and Ferlie (2014:12) further elaborate that in the Resource Based View Theory,

it's crucial for an institution to have its own resources in order to stand out from rival institutions; however, controlling resources that others do not have or cannot obtain is not the ultimate purpose in public institutions. Instead, the objective is to carry out the mandate and mission of the institution, potentially through pooling resources and allowing other institutions to emulate them through cooperation. Finally, it is crucial for public institutions to be organised (in terms of structure, control, and compensation systems, etc.) in order to fully utilise resources.

An institution is in a stronger position to prosper when it has financial resources, such as internal finances, physical resources, such as distribution methods, and human resources, such as sufficient training. The ultimate and most crucial resource for an institution's ability to maintain its competitiveness is its capabilities. These refer to what an institution can do (Ketchen, 2012), the skills and abilities of those who are in managerial positions and those who are in charge of decision making, and the ability to exploit the resources of an institution in a way that will add value and produce results (Reed, 2020).

Rungtusanatham *et al.* (2003:1089) summarise the major tenets of Resource Based View Theory as follows:

- to compete, each institution seeks to acquire, control, and bundle resources with capabilities;
- resources are tangible or intangible assets that are key inputs into the production and delivery of goods and services;
- capabilities are institutional routines or mechanisms that enable an institution to acquire and deploy resources to facilitate the production and delivery of goods or services; and
- resources and capabilities that are valuable to the institution, rare to come by, imperfectly mobile, not imitable by competitors, and not substitutable, provide the firm with a sustainable competitive advantage.

In essence, Resource Based View Theory maintains sustainable competitive advantage originating from resources.

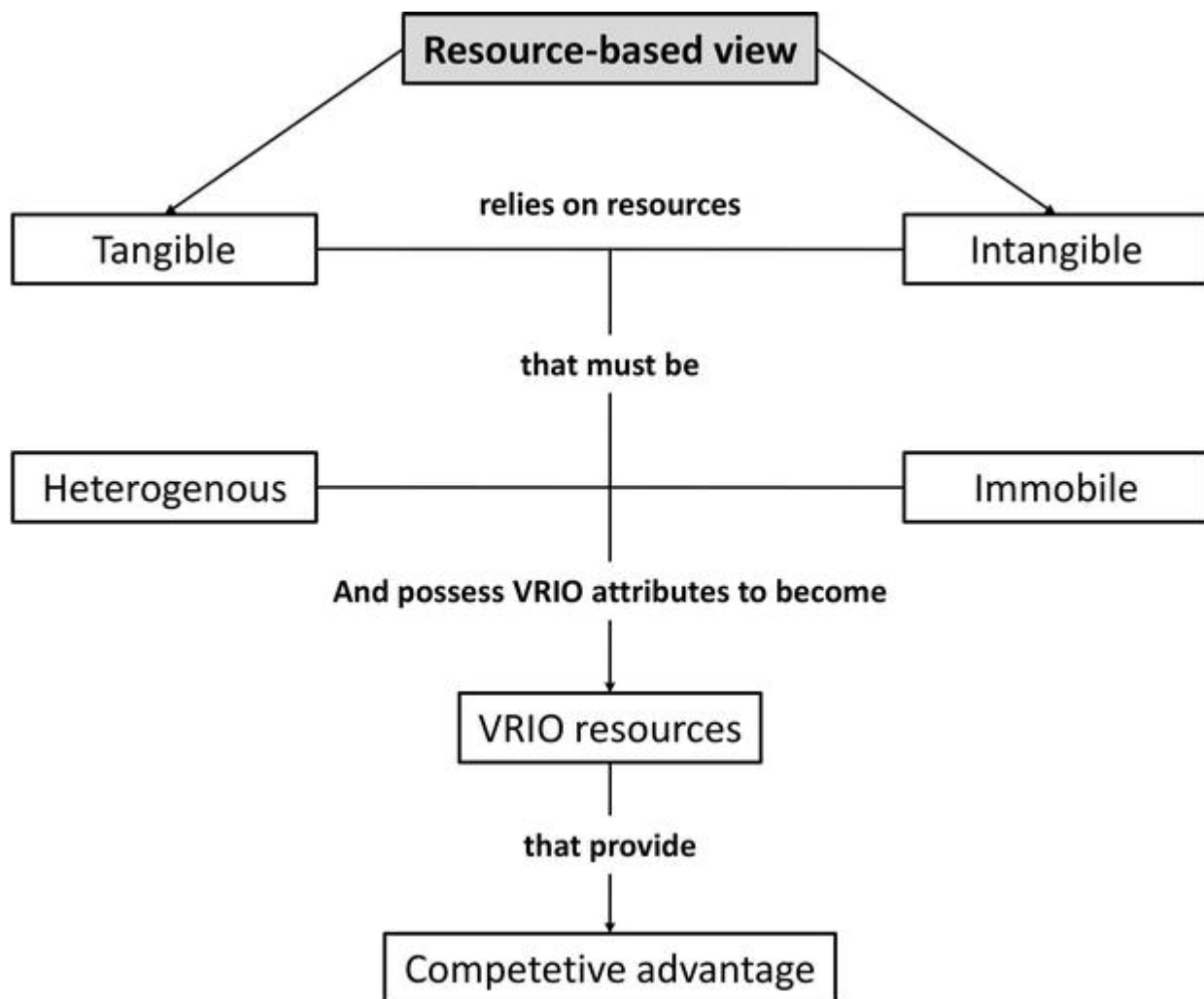
3.2.1 Applicability of the Resource Based View (RBV) Theory to the Study

The study has adopted the Resource Based View Theory to assist in presenting a broader understanding for analysing compliance of the tender procurement process. According to Ettlie and Sethuraman (cited by Sape; 2019:10) the Resource Based View Theory has been used as the theoretical grounding across different disciplines, such as Logistics and Outsourcing. The same theory was employed by Sape (2019:9) when conducting a similar study, “The efficacy of the Emfuleni Local Municipality procurement system”, which sought to investigate the effectiveness of the procurement system at the Emfuleni Local Municipality.

Resource Based View Theory stipulates that the designing of the supply management process should be based on the resources that are available to the institution (StudyCorgi, 2020). As mentioned in the general research question, this study sought to determine the necessary interventions required to improve compliance regarding the tender procurement process. The Resource Based View Theory is thus suitable for this study through focusing on the top management expertise and the Supply Chain Management officials’ skills, because according to Sape (2019:10), they constitute resources and capabilities that when fully exploited can lead to compliance improvement of the tender procurement processes.

Resources can be classified as tangible or intangible. While resources refer to what the institution owns, capabilities refer to what the institution can do (Reed, 2020). Reed (2020) further asserts that capabilities refer to the institution’s ability to manage or exploit resources in a manner that provides added value. Figure 2.1 below illustrates the Resource Based View logic regarding tangible and intangible resources.

Figure 3.1 Resource Based View Theory Model



Source: (Smętek *et al.*, 2021)

The figure above illustrates that the Resource Based View logic suggests that institutions rely on tangible and intangible resources that are assumed to be heterogeneous and immobile, these resources must also have VRIN/VRIO attributes (Valuable, Rare, imperfect to Imitate, and Non-Substitutable/Organisation) in order to achieve competitive advantage.

Tangible resources refer to resources that can be seen, touched, or quantified. Physical assets such as capital is an example of the tangible resources constituted by the Dr Kenneth Kaunda District Municipality.

Intangible resources refer to everything that has no physical presence but can still be owned by the institution (Jurevicius, 2021). The capabilities and skills of top management and Supply Chain Management Officials are an example of intangible resources.

The Resource Based View Theory assumes that resources must be heterogeneous and immobile. According to Smętek *et al.* (2021) resource heterogeneity implies that institutions have varying capabilities and possess unique resources allowing them to design different strategies to obtain competitive advantage. Thus, Resource Based View Theory assumes that institutions achieve competitive advantage by using their different bundles of resources (Jurevicius, 2021). Resource immobility on the other hand, according to Smętek *et al.*, (2021) may be understood as inability of competing organisations to obtain resources from other organisations.

In order for resources to provide sustainable and desirable performance, they must possess the VRIN/VRIO attributes. VRIN/VRIO examines if resources are Valuable, Rare, Imperfect to imitate, and Non substitutable/Organized.

It is necessary to adopt the Resource Based View Theory to analyse and ensure compliance with the tender procurement process. The adoption of this theory will ensure that the process is competitive.

3.3 Principles of Procurement

All state procurement is evaluated according to the five principles of fairness, equity, transparency, competitiveness, and cost-effectiveness, which serve as the standard for all state procurement. Section 217 of the Constitution of the Republic of South Africa (1996) provides that public procurement by any organ of the state must be in accordance with the principles of fairness, equitability, transparency, competitiveness, and cost-effectiveness (Tucker & Gilfillan; 2013:2). Penfold and Reyburn (2012:8) assert that this requirement is repeated in the Public Finance Management Act, and a similar requirement is included in various provincial tender board statutes 31 and in the Local Government Transition Act 32 in relation to municipalities.

3.3.1 Fairness and equitability

Fairness refers to impartial, just, and non-discriminatory behaviour or treatment. According to Pule Inc. (2014) public procurement is of an administrative law nature and “fair” referred to in section 217(1) can be said to refer to procedural fairness. Therefore, procedural fairness means at least the right to a fair hearing and the right to actions that are not tainted by bias (Pule Inc, 2014). Equity on the other hand is the quality of being fair and reasonable in a way that gives equal treatment to everyone (Collins Dictionary; 2022).

Fairness and Equitability are concerned with the procurement process being fair and the manner in which the process is conducted. According to Penfold and Reyburn (2012:10) interested parties (including all tenderers) should, at a minimum, be given a reasonable opportunity to make representations relating to the award of the relevant contract, and in addition, affected persons should be treated fairly and equally. Tucker and Gilfillan (2013:3) make use of the example that all participants should be given the same amount of information and opportunities.

3.3.2 Transparency

Transparency refers to being open and without dishonesty. This requires that the process be open to the public and not held in secret, that procurement information be widely accessible, and that information regarding government contracts and their award be readily available (Tucker, 2016:9). According to Pule Inc. (2014) the notion of transparency is of the utmost importance in South African Law as one of the objectives of the South African Constitution is to lay the foundations for a democratic and open society. This author further asserts that transparency is one of the core values of South Africa as a democratic state.

This crucial principle works to promote sound procurement decision-making and counteract the inescapable threat of corruption in the adjudication of tenders and the awarding of contracts (Penfold & Reyburn, 2012:11). In order to reduce the risk of fraud, corruption, and improper use of public funds, it is essential to maintain an adequate level of transparency throughout the whole public procurement process. OECD (2015) maintains that provisions for transparency make it possible to monitor and review

procedures and decisions, help ensure that decision-makers can be held responsible and help increase competition in public procurement. In essence, transparency instils public confidence in the procurement process.

3.3.3 Competitiveness and cost-effectiveness

The principle of competitiveness and cost-effectiveness is concerned with costs; Tucker and Gilfillan (2013:3) maintain that this principle suggests that an institution should attempt to obtain goods or services at the lowest cost possible, deriving value for money, while also taking into account the other principles.

In the context of the government, competitiveness means that a contract can only be awarded when several entities have been given the chance to compete for a specific contract (Pule Inc, 2014). This author further adds that this can be done, for example, by means of calling for tenders, quotations, and competitive negotiation.

3.3.4 The five Principles must be looked at as a whole rather than separately

According to Tucker and Gilfillan (2013:3) while not inherently contradictory, there is a tension among the five principles and there may be circumstances where the achievement of one principle is not possible unless another is sacrificed. This author further maintains therefore, that the five principles must be considered collectively rather than singly when determining whether section 217 of the Constitution has been complied with.

Given these principles there is thus a need for a discussion of the approaches to Supply Chain Management.

3.4 Approaches to Procurement

The approaches to Procurement are embedded in Supply Chain Management approaches as there is no existing literature on the approaches to procurement, which presents a knowledge gap in the study. Larson and Rogers (2015:3) provide for common approaches to SCM, which are organised into three categories:

- **Technological:** These are driven by the development of computer technology, for example, the internet. The advancement of technology is relevant in local government because the internet is easily accessible and provides information that is free and enables citizens to intervene in resolving supply chain management arguments. Municipalities also use the advancement of technology by publicising notices for tenders on their websites, to which citizens can easily have access. Technology has made it easier for citizens to participate in open municipal discussions.
- **Relational:** Relational programs start by altering the relationship that institutions have with one another and internally, for example, the culture and environment of the institution.
- **Analytical:** focus on programs that are driven by tools and procedures that are used to analyse and interpret the behaviours of citizens, competitors, suppliers, and the institution itself.

Understanding and strategically implementing these approaches to procurement can guide interventions aimed at improving compliance and efficiency within the procurement process. Furthermore, by strategically implementing technological, relational and analytical approaches, institutions can enhance transparency, engagement, and effectiveness in procurement process practices.

3.5 Conclusion

This chapter has provided the theoretical exposition of Supply Chain Management. Resource Based View Theory as the theoretical grounding of the study, principles and approaches on the importance of implementing effective Supply Chain Management have been discussed in this chapter. It can be deduced that the guiding principles and approaches necessary for procurement make it possible for institutions to effectively manage the procurement of the right product or service efficiently. The next chapter focuses on the research methodology of the study.

CHAPTER FOUR: RESEARCH DESIGN AND METHODOLOGY

4.1 Introduction

In the previous chapter, the theoretical exposition of the study is outlined. The Resource Based View Theory as theoretical grounding of the study, and the principles and approaches on the importance of implementing effective Supply Chain Management have also been discussed in the previous chapter.

An appropriate methodology is required for the researcher to analyse compliance with tender procurement processes. By nature, research methodology provides a much broader view and influence selection of the research methods that were employed in this study. The research questions that were also discussed in chapter one provided a much better outline and perspective regarding the choosing of appropriate research methods (Also see section 4.1 in chapter one of this study).

This chapter provides a detailed outline of the research methodology and design used in this study. The rationale behind the appropriate choice of research methods is further explained. Furthermore, the application of such research methods is undertaken and applied to analyse compliance with the tender processes.

4.2 Research Defined

According to Kumar (2014:380) research refers to one of the ways of finding answers to one's professional and practice questions. This author further elaborates that research is characterised by the use of tested procedures and methods, and an unbiased and objective attitude in the process of exploration. Hampshire College (2022) contends that research is conducted to:

- Assess the reliability of a theory or an interpretative framework.
- Assemble a body of significant knowledge and findings for sharing them within the appropriate channels.
- To help generate questions for further inquiries.

The above definition is ideal in this case as the study was undertaken with a purpose to analyse compliance with procurement processes within the local government sphere. It

is on this basis that interpreting procurement policies serves to entrench such definitions, including the description from scholars such as Kumar (2014).

4.3 Research Approach

According to Creswell (cited by Deka, 2016:42) research approach is regarded as a type of enquiry within any of the three approaches, namely: quantitative, qualitative, and mixed method approach in order to help provide direction for the study. Different social scientists have given the concept "research approach" a variety of definitions. In order to broaden knowledge of the concept, several definitions are taken into consideration. Kumar (2019:154) defines a research approach as "the road that you decide to follow during your research journey to find answers to your research questions as validly, objectively, accurately and economically as possible." This author further elaborates that a research approach is a procedural-cum-operational plan that details what and how different methods and procedures could be applied during the research process.

Akhtar (2016:68) maintains that the research approach can be considered the structure of research; it is the "glue" that holds all of the elements in a research project together. In short, it is a plan of the proposed research work.

Therefore, the research approach pertains to the roles of identifying and/or developing procedures and logistical arrangements necessary to carry out a study. This identification is undertaken with an emphasis on the significance of quality in these procedures to maintain validity, objectivity and accuracy (Kumar, 2019:155). A qualitative research design is the most suitable research approach for this study. This approach aligns clearly with the nature of the research problem that undertakes an analysis of tender procurement processes for the local government sphere.

4.3.1 Qualitative Research Approach

Qualitative research focuses on gathering non-standard data and evaluating texts and images rather than figures and statistics in order to understand the subjective meaning or social creation of topics, events, or practices (Flick, 2014:524). Qualitative research designs are used in this study because they effectively look for answers to problems by analysing various social settings and the people that inhabit them (Berg, cited by Maree,

2020:59). This choice of design is also informed by the same method being employed by Maiketso (2015:6), when conducting a similar study on the level of compliance with Public Finance Management Act 1 of 1999, whilst focusing on the North-West Parks and Tourism Board. The study sought to investigate the problems faced by the North-West Parks and Tourism Board in Procurement of services in compliance with the Public Finance Management Act 1 of 1999.

The motive behind the preference of this research method is that it can be used to gather in-depth insight into a problem or generate new ideas for research (Bhandari, 2020). According to Singleton and Straits (cited by Auriacombe & Mouton, 2007:443), qualitative research design allows the researcher to gain an understanding of substance, coherence and maintenance of views that may be implausible to outsiders, thus it gives great insight and understanding of the research problem. In this study, qualitative research methods are relevant as they provide answers to research questions in words rather than numbers, and as such, present a depth of understanding in terms of compliance, which in this study is the unit of analysis. Qualitative research has various designs; for the purpose of this study, a case study design was used. The case study research design and its application are discussed in the next sub-section.

4.3.2 Descriptive Case Study approach

According to Crowe, Cresswell, Roberston, Hub, Avery and Sheikh (2011:1) a case study is a research design that is used to generate an in-depth, multi-faceted understanding of a complex issue in its real-life context.

The researcher considered a case study approach to be relevant for this study because it is used to describe an entity that forms a single unit such as a person or an institution (Kumar 2014:122). The researcher undertook to employ a descriptive case study method in order to achieve a detailed description of the tender procurement process in the Dr Kenneth Kaunda District Municipality. A descriptive case study approach in this study provides for Dr Kenneth Kaunda District Municipality as an appropriate unit in which the unfolded tender procurement processes were analysed. Such a description would offer some level of clarity regarding compliance to legislative requirements as well as meaningful interventions to improve municipal service delivery. The value of a descriptive

case study approach is, therefore, offered for a specific contextual situation as undertaken in this regard.

4.3.3 Validity and reliability of the research approach and design

Research needs to be valid and reliable in order to maintain its credibility. According to Business Research Methodology (2011) validity of research can be explained as an extent to which the requirements of scientific research method have been followed during the process of generating research findings. Babbie (cited by Kumar, 2019:271) further maintains that validity refers to the extent to which an empirical measure adequately reflects the real meaning of the concept under consideration.

On the other hand, research is said to be reliable when it is consistent and stable, hence, predictable and accurate (Kumar, 2019:273). The researcher sought to maintain attainment of the four indicators of trustworthiness in qualitative study that are closely related to validity and reliability in order to assure the high level of validity and reliability of the study, which according to Kumar (2019:276) are credibility, transferability, dependability and confirmability.

According to Trochim and Donnelly (Cited by Kumar, 2019:277) credibility involves establishing that the results of qualitative research are credible or believable from the perspective of the participant in the research. Lincoln and Guba (cited by Nowell et al., 2017:3) maintain that credibility can also be operationalised through the process of member checking to test the findings and interpretations with the participants.

On the other hand, confirmability refers to the extent to which the findings could be confirmed or corroborated by others (Trochim and Donnelly, cited by Kumar, 2019:277). Tobin and Begley (cited by Nowell *et al.*, 2017:3) assert that confirmability is concerned with establishing that the researcher's interpretations and findings are clearly derived from the data, requiring the researcher to demonstrate how conclusions and interpretations have been reached.

According to Tobin and Begley (cited by Nowell *et al.*, 2017:3) to achieve dependability, researchers must ensure that the research process is logical, traceable and clearly documented.

4.4 Data Collection

According to Bhandari (2020) data collection refers to the systematic process of gathering observations or measurements. This author further asserts that one can obtain first-hand experience and unique insights into a research problem through data collection. In this study, data is primarily collected through interviews and document analysis as a secondary method, which will be discussed in detail below.

4.4.1 Interviews

An interview is a two-way conversation in which the interviewer asks the participant questions to collect data and to learn about the ideas, beliefs, views, opinions and behaviours of the participant (Maree, 2020:108). Burns (cited by Kumar, 2019:220) further adds that the verbal interchange often takes place face to face, though telephone may be used, in which an interviewer tries to elicit information. The aim of conducting interviews is always to gain rich descriptive data that will help you to understand the participant's construction of knowledge and social reality. As a qualitative research method of data collection, interviews enable the researcher to get a deeper understanding of social trends as compared to the data collected using quantitative methods such as questionnaires (Bhasin, 2019). Compliance and adherence to the Covid-19 regulations was maintained in the process of this method of data collection (interviews).

In qualitative research there are three different types of interviews, namely unstructured interviews, semi-structured and structured interviews. For the purpose of this study, semi-structured interviews were utilised.

4.4.1.1 Semi-Structured Interviews

Semi-structured interviews are interviews with a given structure but with relative freedom to formulate the questions and to determine their order and presentation (Sarantakos, 2013:476). According to Bernard and Ryan (2010:29) semi-structured interviews are based on an interview guide, which contains a list of questions and topics that have to be covered.

Semi-structured interviews occupy an interesting position along the structured-unstructured continuum (Bernard & Ryan, 2010:29). Bernard and Ryan (2010:29) further

elaborate that semi-structured interviews are flexible in that the interviewer can modify the order and details of how topics are covered, which cedes some control to the respondent over how the interview goes; but because respondents are asked more or less the same questions, it is possible to make comparisons across interviews.

4.4.2 Document Analysis

According to Bruce (2018) document analysis is a form of qualitative research that uses a systematic procedure to analyse documentary evidence and answer research questions. Document analysis can be conducted as a stand-alone study or as a component of a larger qualitative or mixed method, where it is often used to triangulate findings gathered from another source (Bruce, 2018), for example, semi-structured interviews for this study. In this study, official reports such as the Auditor General Report and annual reports were utilised. These documents were selected by means of purposive sampling.

When document analysis is used in triangulation, documents can corroborate or refute, elucidate or expand on findings across other data sources, which helps to guard against bias (Bruce, 2018).

4.5 Data Analysis

Data was analysed through the thematic analysis method, which according to Caulfield (2020) is usually applied to a set of texts, such as interview transcripts. The researcher closely examines the data to identify common themes – topics, ideas, and patterns of meaning that come up repeatedly (Caulfield, 2020). According to Bhatia (2018) thematic analysis is one of the most common methods to analyse qualitative data. Thematic analysis was used to analyse documented information in the form of texts, media or even physical items. Bhatia (2018) further asserts that thematic analysis is usually used to analyse responses from interviewees. This implies that thematic analysis is useful for summarising key features of a large data set, as it forces the researcher to take a well-structured approach to handling data, helping to produce a clear and organised final report (King, cited by Nowell *et al.*, 2017:2). Thematic analysis is most suitable for this study as it is a useful method for analysing the perspectives of different research

participants, highlighting similarities and differences, and generating unanticipated insights (Brain & Clark, cited by Nowell *et al.*, 2017:2).

Braun & Clarke, 2006; and King, 2004 (cited by Nowell *et al.* 2017:2) argue that through its theoretical freedom, thematic analysis provides a highly flexible approach that can be modified for the needs of many studies, providing a rich and detailed, yet complex account of data. Nowell *et al.* (2017:2) further contend that Braun and Clarke (2006), and King (2004) argued that thematic analysis is a useful method for examining the perspectives of different research participants, highlighting similarities and differences, and generating unanticipated insights. Thematic analysis is also useful for summarising key features of a large data set, as it forces the researcher to take a well-structured approach to handling data, helping to produce a clear and organised final report (King, cited by Moules *et al.*, 2017:2).

4.6 Population and Sampling

According to Salkind (2010) with respect to research design and statistical analysis, a population is the entire collection of entities one seeks to understand, or more formally, about which one seeks to draw an inference.

According to Kumar (2019:486) sampling refers to the process of selecting a few respondents (a sample) from a bigger group (the sampling population) to become the basis for estimating the prevalence of information of interest. The focus of this study, to achieve valid findings, included officials working directly and indirectly with the procurement processes at the Dr Kenneth Kaunda District Municipality. These officials are the Municipal Council (which approves the Supply Chain Management structure of the municipality), Municipal Manager, Chief Financial Officer, the supply chain management unit officials, the Internal Audit unit, and other officials working directly or indirectly with the supply the procurement process. The desired target of ten (10) were selected through purposive sampling. According to Sarantakos (2013:177) purposive sampling is employed when the researcher purposely chooses subjects who are, in their opinion, relevant to the project. The main objective of purposive sampling is to produce a sample that can be logically assumed to be representative of the population (Lavrakas, 2008).

The table below illustrates the total population of the officials of procurement processes at the Dr Kenneth Kaunda District Municipality, from which a target of ten (10) was sampled. The main objective of a purposive sample is to produce a sample that can be logically assumed to be representative of the population (Lavrakas, 2008).

Table 4.6.1 Population and sampling of the study.

Division/Unit:	Total Number:
Municipal Manager	1
Chief financial Officer	1
Supply Chain Management Unit Manager and Supply Chain Management Officials	6
Internal Audit Unit	5
Municipal Council	40
	53

Source: (Langa; 2021:164 and Dr Kenneth Kaunda District Municipality; 2022:1)

Purposeful sampling is suitable for this study as it is a technique widely used in qualitative research for the identification and selection of information-rich cases for the most effective use of limited resources (Patton *et al.* cited by Palinkas *et al.*, 2015). Creswell & Plano (cited by Palinkas *et al.*, 2016) further elaborates that this involves identifying and selecting individuals or groups of individuals that are especially knowledgeable about or experienced with a phenomenon of interest.

4.7 Ethical Considerations

Ethics is an integral aspect of research and following ethical guidelines needs to remain at the forefront of research. According to Kumar (2019:356) ethical means being in accordance with the principles of conduct that are considered correct, especially those of a given profession or group. Sarantakos (2013:476) asserts that research ethics is a set

of standards and principles displaying what is acceptable and right, and what is wrong and unacceptable when conducting social research.

This study is guided by the principles of ethics at the North-West University (see Annexure C) which according to NWU (2018) are; beneficence and non-maleficence; distributive justice (equality) and; Respect (dignity and autonomy).

There are other various relevant ethical issues important to this study to ensure that research is not affected by self-interest of any party and is not carried out in a way that harms any party (Kumar, 2019:358). These ethical considerations include the following.

4.7.1 Seeking informed consent

According to De Grijs and Theissen (2019) informed consent states that an individual must give their explicit consent to participate in the study. This implies that subjects are made adequately aware of the type of information you want from them and for which reasons (Kumar, 2019:358). De Grijs and Theissen (2019) further contend that you can think of consent as an agreement of trust between the researcher and the participants. Therefore, in this study, the researcher provided the respondents with clear and adequate information regarding the nature of research.

4.7.2 Maintaining confidentiality

In order to maintain confidentiality of respondents, the information gathered from respondents will only be for the purposes of this research study. According to Sarantakos (2013:20) when confidentiality is ensured, the researcher may keep names linked to data, but information used will neither include the name of the respondent, nor make it possible for the information to be linked with a particular respondent.

4.7.3 Avoiding harm to respondents

According to Bailey (cited by Kumar, 2019:359) social research may involve such things as discomfort, anxiety, harassment, invasion of privacy or demeaning procedures. In this study, the researcher intended to end research that proves to be harmful to the respondents or their assistants.

The researcher's intention was in accordance with the Protection of Personal Information Act, 2013, which was put in place to promote the protection of personal information processed by the public and private bodies, to introduce certain conditions so as to establish minimum requirements for the processing of personal information; to provide for the establishment of an information regulator to exercise certain powers and to perform certain duties and functions in terms of the Act.

4.8 Limitations and Delimitations

Research limitations denote the practical or theoretical shortcomings inherent in a study, often beyond the researcher's control (Viera, 2023). These limitations can arise from various factors such as constraints in data collection. The Research delimitations on the other hand, reflects the choices made by the researcher in terms of the focus and scope of the research aims and research questions (Jansen, 2022).

The limitations of this research study were the possible lack of availability of the identified officials handling procurement for Dr Kenneth Kaunda District Municipality. This has affected both the time of completing the study and/or affected the quality of data collected. However, the delimitations of the chances of obtaining limited data, was employing a document analysis as a method of data collection.

The second limitation of this study is that it only focused on one municipality (Dr Kenneth Kaunda District Municipality), thus creating the inability to generalise for the other 256 municipalities that are active in the Republic of South Africa. This study focuses on Dr Kenneth Kaunda District Municipality, based on qualitative methods, which can be challenging to replicate results.

4.9 Conclusion

Conclusively, a concise discussion of the research methods and study design was provided. Qualitative research methods are discussed as they constitute the important part of this study, furthermore the reliability and validity of the study are discussed. Interviews as a form of data collection also form part of this chapter. Lastly, looking at ethical considerations concluded this chapter. The next chapter provides detailed analysis and interpretation of data.

CHAPTER FIVE: DATA ANALYSES AND INTERPRETATION

5.1 Introduction

The previous chapter presented the aims of research and how the researcher intends to achieve these objectives (through design, methodology and data analysis). In this chapter, the researcher discusses the findings premised on data collection and analysed data. Semi-structured interviews and document analysis were used to collect primary data for the study and thematic interpretation was adopted to present the findings.

This chapter consists of the following sections:

- Section A: Biographical data and profile of the interviewees
- Section B: Interview questions
- Section C: Document analysis
- Section D: Key Findings

5.2 Section A: Biographical Data and Profile of participants

Division/Unit:	Number of respondents:
Municipal Manager/Accounting Officer	
Chief Financial Officer	1
Supply Chain Management Unit	4
Internal Audit Unit	3
Municipal Council	1
Municipal Public Accounts Committee (MPAC)	1
Total:	10

Gender:

Female:	Male:
5	5

Age Range:

Ages:	
20-25	
26-49	9
50-65	1
Over 65 years	

Qualifications:

Higher Certificate	1
Diploma	2
Bachelor degree	5
Honours degree	2
Master's degree	0
Doctoral degree	0

Experience

None:	
Less than a year	
1-2 years	
3-5 years	3
6-10 years	3
More than 10 years	4

The biographical data indicates that ten respondents were interviewed, five (50%) of which were female and 5 (50%) were males, this implies that the study's participant pool was fairly balanced in terms of gender. The data shows that 40% of the participants had more than ten years' experience, while 30% have 3-5 years' experience and 30% have 6-5 years' experience. All respondents had adequate experience and knowledge in the environment thus indicating that their feedback is satisfactory.

5.3 Section B: Semi-structured Interview Questions

The semi-structured interview questions were generated primarily on the basis of research objectives outlined and literature review undertaken by the study. In administering these semi-structured interview questions effectively, the data collection instrument was distributed to the respondents at the Dr Kenneth Kaunda District Municipality to familiarise themselves with the questions and for constructive feedback. The following interview questions were asked:

Theme 1

This theme emerged from the first objective of this study. The purpose of this theme is to examine the relevance of the applicability of the Resource Based View Theory as the theoretical grounding of the study, as well as principles and approaches of procurement.

1 The Supply Chain Management Unit capacity

Of the interviewed responses, 60% of the respondents contend that the critical structure is well resourced and adequate. As indicated in chapter one, the researcher has utilised purposive sampling to purposely choose officials working directly and indirectly with the procurement process. The Municipal Council plays an oversight role over the Accounting Officer responsible for the establishment of the SCM policies, which is under the supervision of the CFO. Respondent five elaborated that:

'It is adequate but even though how things work, we have the municipality right. In the municipality we have the council, the council is like a board of directors and that oversees everything, then from council we have the municipal manager that reports to council. So, from the Municipal Manager we have the senior managers, these senior managers one of them is the Chief Financial Officer. The Chief Financial Officer reports to the Accounting Officer. Then under the Chief Financial Officer, we the have finance department. So, under the Finance Department, in the municipality we call it budget and treasury so we have units under this departments. Units which is your budget, which is payroll, which is your expenditure, which is supply chain management unit under finance. So, under the CFO, deputy CFOs, two of them and the deputy CFOs, we have the one that oversees the supply chain management unit and the budget, the other one that oversees payroll and expenditure, so that is the unit of supply chain, that is the structure. It does not necessarily mean that the unit itself comprises of council, we need to have those who oversee something. Yes obviously, under the deputy CFO you have a manager that reports to the deputy CFO then you have others, your accountants and everything. So internal audit is a unit on its own, away from supply chain because it has to be independent, so internal audit unit comes to supply chain to audit the supply chain, to review the supply chain. So internal audit we can say is one of those structures that are charged with governance, so it does not form part and parcel of the supply chain but they are there to do some sort of oversight because they audit and they give assurance, they give assurance to the CFO, they give assurance to the MM, they give assurance to council, to say "yes we have audited, we have reviewed the controls, yes the controls are working as they were planned, or they are not working". So, if we were to become part and parcel of the Supply Chain Management Unit, our independence was going to be impaired.'

The above response demonstrates that the structure in place that deals with procurement issues within the Municipality is considered adequate. However, 40% of the respondents argued this position and highlight that the Supply Chain Management Unit is not well resourced because of the high vacancy rates in the unit. Furthermore, Respondent three argued the following:

'Not necessarily, the municipal supply chain management as a unit is not resourced in terms of both of the experience and the people involved. But more than anything let me put a few things into perspective, the municipal council does not participate in the supply chain management process as it unfolds. The participation of the council is mainly reserved to oversight, and oversight only right at the end of the process. Now, the people that are much more involved in the process itself are the individuals in the unit, not even the CFO because then the CFO would be concerned with the appointment or the recommendations for appointments at the last portion of the supply chain process which is then the adjudication. Now the people who are heavily involved from the point of advertising for a tender, evaluating a tender, and then recommending it finally for adjudication are your key people in the supply chain management unit and that is the part that needs to be resourced more than others.'

2 Enhancing skills and training

Although the SCM unit has a high vacancy rate, all the respondents assert that it can still be capacitated through ensuring that they attend relevant and accredited training. Respondent three argues that the issues of skills and training can be enhanced by:

'Starting first with qualifications and experience but, at the same time there is a number of intervention methods that are being applied. There are upskilling interventions whether it is through workshops or whether it is through in-service training but, you know from a Council's point of view what we actually note is that some of these upskilling programmes are not credited in terms of the right level of accreditation. Sometimes it is just forums or talk shops that seeks to develop skills or draw best practices from other municipalities such as your benchmarking exercises but, what would be more important moving forward would be to ensure that you have upskilling programmes that you can measure, that you can ensure that you generate proper impact. The reason that you measure is to ensure

that you have got impact and identify that this is a particular area that is lacking within the unit.'

In the same vein as respondent three, Respondent five also contended that:

'Unfortunately, at the interview people can sell themselves the best way they can. People can talk, and when we employ people, we look at how best they sell themselves, so now a person can tell you that they can transfer skills and can do "this and that", that is one issue that is a challenge to us. So, someone can be able to do work but that person as a supervisor or as a manager is not able to transfer the skill, is not able to part the skill to the other person, so that is a bit of a challenge because for somebody else needs that person to be able to transfer the skill. The other thing we can look at, the service providers, especially the consultants, because normally in finance there are people with consultants most of the time, if we can in their contracts have a clause that says "you are going to transfer the skill" and we manage that contract. The unfortunate part is that we can still have the clause in the contract for skills transfer but the fact that we are not managing, you'd find that the officials did not get the skill, the skill was not transferred. That is one element we can look at. I think with the training, the municipality is trying to be honest to balance. People do go to trainings but, the question is "are they going to the right trainings?" and the question is that the people who are providing trainings "are they really qualified to provide those training? do they really have the experience for the subject they are talking about?", because I have attended supply chain trainings before, and you'd get there, let us say maybe the training is organised by the provincial treasury for example, then you go there and someone is there to give training and you start asking questions based on the experience that you have that "this is our challenge at the municipality" for example, the issue of doing business with the people who working for the state, that are in employment within government, so you ask a question that "because always the AG is raising this question, so how do we ensure that we get away with this, how do we tackle this issue?", you are expecting that this person giving training is an expert but, the person is not able to give you solutions. The person is not able to respond to that. So, it is one issue, people can go to training, but the question is that, the people that are providing trainings, "are they really experienced in that?", that is another question but, the municipality is trying by all means. I know that people are registered with universities and

colleges, that I know for sure, and there are other trainings that are provided by other people that they attend.'

Respondent four contends that the legislations and regulations guiding Supply Chain Management are adequate and officials need to be capacitated with the legislations and regulations:

'Supply Chain is regulated right, when you look at most of it from start to finish, it is just regulations on how to do things by treasury. So, I think every time whenever there are changes to the regulations there should be a training specifically on that. Regulations shouldn't just be given without being explained properly on how they should be applied into the system.'

Respondent ten also asserts that:

'SCM Unit staff members to be capacitated with all applicable legislations/Regulations and, the SCM unit and all Bid Committee members to be made aware of case studies irregularities identified on the SCM processes including the audit findings raised by the Auditor-General of South Africa.'

Respondent six suggests that qualifications are the critical foundation of enhancing skills and that officials are also affected by other factors, which then translate into competency issues:

'I think, first of all employees who are tasked with responsibilities, the foundation should be that they are qualified before you can even talk about trainings because once you have a qualification, you come with background knowledge for the process. Supply chain is very much regulated, there are things that you need to do guided by circulars and policies but over and above that, within the supply chain management unit, I think like for example, what is currently happening now, there's a training committee within the municipality. Each and every department has a rep there, whereby the head of the department will need to know the strength and weaknesses of their employees so that they can be able to take them to the trainings that will be beneficial to them for them to execute their responsibilities much better. So, for training you need to know what is wrong, what will need to be fixed, because you cannot fix something that you do not know, because you

need to deal with the root cause. Sometimes people don't do their jobs how they should and you think it is competency only to find out that there are other factors that are affecting the person. So, you need to have a strong relationship between supervisors and subordinates.'

3 Approaches to Supply Chain Management and tender procurement processes

Of the overall interviews conducted, 30% of the respondents assert that the approaches are applied successfully. Respondent seven further elaborated:

'Yes, because we do advertise as per regulation, we advertise for 14 days for tenders, we advertise on our website, we advertise on e-Tender and newspapers, so we give everyone equal chance because of our adverts, now with the new PPPFA and new regulations, there is some changes but we comply to it.'

Respondent eight also supported the assertion:

'They are applied successfully because, we do give our people an opportunity like for example when it comes to tenders, we advertise on newspapers, e-Tender and everything so we basically give everyone a chance to see what is out there and, they can come for briefings where we give them a chance to ask questions where we can answer them so they would know what they getting themselves into.'

However, Respondent three argues that the correct people are required at the level of municipalities to successfully apply the approaches to Supply Chain Management and tender procurement processes:

'In as far as the constitution is concerned with competitive bidding system the idea is good, the only flaws are in the implementation. Get the right people, get them to commit to the correct processes. I do not think we need to change anything in as far as the law is concerned, the law is correct in as far as the constitution is concerned and the supply chain management policies of the various municipalities because those speak to what the constitution prescribes and those are correct and the only flaws there is that you need to get the correct people at the level of municipalities themselves.'

In the same vein as above, Respondent 10 asserts that:

The approaches can be successful if all role players become aware of their responsibilities and are fully capacitated it is possible to avoid non-compliance and irregularities.'

However, 50% of the respondents argue that the approaches are not successfully applied. Respondent two asserted that "things are not done according to the book". Furthermore, Respondent five adds:

'So, the approach everywhere is the same, I know you want specifically for this municipality but the fact that we are using same prescripts, all of us. You will see we have the Preferential Procurement Policy Framework Act, all the municipalities we have local government systems act, we have municipal structures act, all of us we need to comply to that and inside that document there is a process that is followed, because why I am saying all the municipality is because as the internal audit here at Dr Kenneth Kaunda, we are a shared service, a shared service meaning that we are not only auditing here. We also audit Maquassi Hills Local Municipality, Ventersdorp and other municipalities, the process is the same, wherever you go, you will find the same process because the law says this is what you need to do. You follow the law; you do not go outside it. So, this is why you'd find that when you look at the auditor general's report irregular expenditures and what not. They audit different municipalities and come with the same results or almost the same results, because they are using the same criteria which is the municipal regulations, the MFMA, the circulars and whatever. So, they are the same, this is what you need to do. So, the approaches can be applied successfully but I do not think they are applied successfully because, you will always find that most of the time, you will find that there is a bidder who is complaining, a bidder who is taking the municipality to court, a bidder saying the municipality did something because remember, the municipality will advertise the tender right, for thirty days, if it is a tender that is above two hundred thousand, then people will bid, there is a specific date. The tender document will specify a date, to say 'this is the date, the tender will close at 12" on this day. 12 o'clock on the date, the bidders come, actually before 12 o'clock, they come and put their tender documents in there, by 12 o'clock, it is the closing time. So, it means after 12 o'clock no one can submit, so they close. So, what they do, they will have a tender register where they will open this tender in front of everyone and in front of all the bidders and register the tender and the amount. Then in other circumstances you would find that things like

infrastructure, things that are too technical, you would find that they have what we call a “briefing session” before the closing date, there will be a briefing session, and for briefing session they will brief that “this is what we expect” before they go and price their tender documents. So, they will know what actually is needed because that is too technical, so they need to have that briefing session but, for other things, they don’t necessarily need to have that briefing session. So, they will register all the tenders, the name of the companies and their amounts and after that, they will have the evaluation committee. The committees that we were talking about earlier, they will have the evaluation committee where the end user, let us say maybe the end user is internal audit, someone representative for the internal audit will be there and then we will have those other people that most of the time are there that are appointed by the municipal manager to serve on those committees. You find that the chairperson is someone from SCM but at director level and others. Then, they will evaluate tenders based on the functionality and other merits that they put there, locality and whatever they put there for us to evaluate tenders...obviously they mention also on the adverts or on the tender document that “these are the evaluation criteria, for locality you get this much, for this much and all those” so they will evaluate tenders based on that, then after that they will recommend to the other committee which is called bid Adjudication Committee but, before this process that I have mentioned, we have the one that is called a bid Specification Committee where the end user after writing the proposal or the accounting officer has approved it, then it goes to the bid Specification Committee. The bid specification Committee will look at the specification of what you are looking for, what you want to procure and so forth and after that they will satisfy themselves on whether “is this specification sufficient, is it okay”, and after that they will take specification to the Accounting Officer to approve if they all agree to the specification. If there are shortfalls, obviously the end user will go back and correct whatever needs to be corrected. This is before it even goes to the newspaper, before it is advertised, it starts there. So, after that, the end user will go back and correct if the correction needs to be done then take it back to the specification, before the specification is approved. Then the other process, like your adverts, now they start, so once the Accounting Officer has approved the specification, then we have your adverts, those registers and then the evaluation and bid Adjudication. The bid Adjudications the last committee, then the bid Adjudication will look at what the evaluation has done, then if they agree with the evaluation on its recommendations, if the adjudication has satisfied

themselves with the work of the evaluation, then they can recommend to the Accounting Officer to appoint. However, we cannot say this process is applied successfully because, along the way you find that there has been rumors of the municipality being taken to court, or there is bidder that is complaining about how another individual get the tender because they were the lowest than the person who got the tender and, sometimes you may find that there are three others who are the lowest but, the other one who is way above was the one who was taken. So, what really happened there? I cannot say it is successful because the qualifying criteria most of the times, for me they are unreasonable. Let us say I am not working, and I am applying for a tender and they say they will qualify me because I am owing the municipality. I am not working, my company is not doing well, so I am not able to meet other obligations and because I am owing the municipality more than three months then I am disqualified. So now I am starting to give you why I am saying that, remember I am surviving through tenders and quotations, I do not have a steady income, I do not have a steady business so then I am disqualified because I owe the municipality for more than three months. You may find that I am also disqualified because I forgot to include my address, normally in the tender document they will say they need the address and, let's say maybe I forgot to include my address then I am disqualified. There are a lot of things that disqualify people that I really feel like for me as auditor are unreasonable because, I am an auditor fine and I am looking at the controls but at the same time I am also looking at our economic status, unemployment rate and everything, certain things are unreasonable. That is why I am saying the process, in terms of the approach, I feel that it is fine but, certain things make it not to be successful because if it was, we would not have issues such as creating tar roads today and tomorrow there are potholes, because it goes back to the specification. The fact that you will have somebody who is the lowest lowest bidder appointed, but it is because of low quality.'

In chapter three of this research, it is outlined that the approaches of procurement can be organised into the technological category, referring to being driven by technological advancements. It can be deduced that the respondents support this assertion as it is outlined that one of the manners in which citizens are informed about the advertisement of tenders is through the e-tender website and the municipality's website.

The approaches of procurement can also be organised into relational and analytical categories. It is outlined in chapter three that relational programs start by altering the

relationship that institutions have with one another; also internally, for example, the culture and environment of the institution. Respondent five contends that the procurement process is the same in all municipalities as they are guided by the same prescripts. It can also be argued that the procurement process is well structured and the relational approach is applied successfully as the municipality has committees (bid Specification Committee, which ensures quality assurance of the required product, the bid evaluation Committee, which evaluates all received tender applications and make a recommendation regarding the tender award to the bid Adjudication Committee, which then recommends the award to the Accounting Officer) in place to ensure a successful procurement process.

4 The standard principles of procurement

Of the interviewed responses, 20% of the respondents argue that the municipality is making adequate effort to successfully apply the standard principles of procurement as the municipality publicly advertises the call for tenders. Respondent one explained that:

'The municipality advertises bid to the public; the bidders are invited to the opening of tenders and the evaluation process also unfold as there is a preferential procurement framework that is used to determine the responsive bidders or rather successful bidders.'

Furthermore, Respondent seven elaborated:

'Like I was saying you know the constitution, so obviously we need to comply with these things but, section 217 of the constitution yes it indicates that, so we need to comply with all these things and therefore from treasury its best they advise us, like the new regulation now that's changed, the 2022 one. We do apply our specific goals when appointing to be fair and transparent. Our advertisement of the tender is open to the public, so we read out our tender document, the price, the name of the companies and all those SARS issues municipal accounts and everything. So, I feel like that's open and transparent enough, so we follow all these procedures.'

In the same vein as Respondent seven, Respondent eight asserts that:

'On issue of fairness like I said, we advertise to everyone. For BIDs above, I think ten million we advertise nationally but for those that are less than ten million we advertise

locally on our local newspapers, on e-Tender and all sort of things. So, by doing that we are fair, transparent and we are encourage competitiveness. The issue of cost effectiveness, I think because after you have evaluated the tender and everything you have to go in accordance with the price once you've done with your BEE's and AT20 and all those then we get to the pricing that's where the issue of cost effectiveness comes in.'

Respondent five on the other hand, argues that although there are attempts to apply most of the principles adequately, there are some grey areas:

'So, for competitiveness it is the thing of obtaining three quotations, by advertising the tender, we give everyone the opportunity to compete. So, with the quotations, the quotations are not as open as tenders, the one that is open is the one that is between thirty thousand rands and two hundred thousand where they advertise for seven days. So, the seven days one there is a high possibility that not everyone will see it, then there are those quotations between two thousand rands and thirty thousand rands whereby a person can just take a phone and call their own people to submit. So somewhere, somehow it is successful but there are parts whereby it is no successful.

When it comes to fairness, let us go to the three quotations part of it, that one for two thousand rands and thirty thousand rands. Are we fair in that? I do not think so because, there is no rotation. We are supposed to have a rotational system in place, whereby if three people this month submitted a quotation, I must make sure that next month, the one that I have appointed is not the same person that was appointed in the previous month. I must give others a chance. So, you may find that one person got something this month, next month the same person gets something, so is it fair? And I do not think there is enough transparency, yes in terms of whatever we are supposed to be transparent but there are certain things that you still ask yourself like, if a public document is taken as confidential information, then there is a problem with our transparency. Like for example, the three quotations issue, you can ask the person on how did they source the quotations, do they have proof of how they sourced quotations and no one will give you proof on how they sourced quotations because, you really do not know whether the person really called their own people to bring quotation and we do not know if these companies really do not belong to them, maybe they have registered businesses with their own people. So certain things you cannot really put a finger on them, so the transparency when it comes to

quotations is a bit blur. Even the tenders, you do not know whether the people that are sitting there, what are they really discussing? Because they are not really recording so you cannot tell whether they were really transparent or not.'

Respondent three argues that the principles are not adequately applied because the people responsible for ensuring that the tender procurement processes are fair, are not active participants of the process:

'It still goes down to the correct people within the units themselves but, at the same times you need to play critical oversight and I think you must have heard when the former chairperson of the MPAC was giving his view on the same thing, that your internal audit, your other components of oversight must find a way to be active participants in the process itself, so that by the time it gets to the CFO or the Accounting Officer, there is at least some degree of quality assurance that has been committed to the process. Now the unfortunate part is that council and all its other functionaries only get to do oversight at the end of the process when the companies have been appointed, when the goods and services have been long procured and that usually happens after a financial year. When you do an audit for that particular financial year so ensuring that the principles of fairness are done, I would say it is not done adequately because the people who should do that, can only do that at a particular period of the process.'

On the other hand, 20% of the respondents contend that the municipality follows the guiding prescripts to ensure the successful application of the principles of procurement. Respondent nine explained that the Municipality ensures the successful application of the procurement process:

'By applying the policies involved and procedures that must be taken in terms of state of procurement.'

Respondent six further added:

'Honestly speaking, once you have a policy, whether it is policy, a regulation, or it's a law, you need to align yourself with that. Once you do not do that, then there should be repercussions. We are supposed to request three quotations, the reason for you to request three quotations is because you need to see that when you spend the

municipality's funds, you are spending them knowing at the back of your mind that for example, you are not buying a book that costs ten rands with fifty rands. There must be three quotations, you should also check functionality but in most cases, we check it in the tender. As much as you are the cheapest, can you do the job, have you done that job before? Do you have the experience and the personnel? So, in summary, you need to apply what is there to be applied, once you do not do that, there should be consequence management for the culprits.'

On the other hand, 20% of the respondents suggest that although there are guiding prescripts, which ensure that the principles of procurement are successfully applied, these prescripts are not always followed. Respondent two contended that:

'I think they need to procure according to the supply chain policies which I have already indicated that some of the dealings are not fair enough.'

In the same vein as Respondent two, respondent five added that:

'You are supposed to comply with the law, it is as simple as that. You are supposed to comply with the law because the law at least tells you what you need to do. So unfortunately, people are the one who are succumbing of controls but, it is as simple as that. The law makes it easy because if it we were to do it ourselves, I am telling you, we would have a problem but, the fortunate part is that we have the Municipal Systems Act that promotes that. We have the Municipal Supply Chain Management Regulations, they go hand in hand with the MFMA and, you have your BEEs, Preferential Procurement, there is a lot. I am sure you've heard that we are overregulated, there is a lot that we need to comply with.'

Respondent ten stated that:

'It is recommended to ensure that the keys to the tender document box stays with the Senior Manager/Manager who does not participate in the Bid Committee Systems; to ensure that the specifications are not biased and ensure full compliance with SCM Regulation 23; to Ensure full compliance with SCM Regulation 43, 44 & 45; to ensure that all role players are made aware of SCM Regulation 46, which stipulate norms and standards for ethical behaviour; and to ensure that any objections regarding the tender

processes is dealt with in line with SCM regulation 49 &50 and the culprits are dealt with accordingly.'

Theme 2

This theme emerged from the second objective of this study. The purpose of this theme is to assess the official procedures involved in the tender procurement process.

1 The municipal tender procurement process

Of the total interviews conducted, 80% of the respondents assert that there are attempts in Dr Kenneth Kaunda District Municipality to comply with the stages of the tender procurement as the municipality ensures that the calling of tenders is done publicly:

'Well, there are attempts to do well in those, I mean the calling for tenders would refer to your publishing widely, your newspapers, your tender bulletins and so on and I think gaging from the responses that are coming through, you would say there is some measure of success there. The opening of tenders is done as publicly as possible, so there is some satisfaction of transparency, it is done in the full glare of the public. Any other interested person or affected individual may attend the opening and it is done so, and even at the end everybody who is there is made to sign and to agree that the process was fair and transparent enough. Moving on to the other processes, the evaluation and so on that is done within the committees of the council themselves and that's your bid evaluation committee, but your bid evaluation committee would strongly concern itself with all the tenders that have been recommended forward from the opening, if they did qualify or meet the criteria of calling for the bids from the opening then they would move on to the evaluation process and that is a closed process, that one is not open to the public but I believe because at the beginning you have satisfied the process, the opening process, somewhat it becomes fair.'

To corroborate the above, Respondent eight also contended that:

'In the case of Dr Kenneth Kaunda District Municipality, we do comply with the stages, as I said when we open the tenders people are welcome to come, they can get a copy of the register, they can take pictures so we are open with our people.'

Respondent seven further outlined that the municipality advertises differently for the different tenders depending on the amount of the tender:

'We do comply. We advertise like I said 14 days it depends now, there's also certain ranges within tendering because, if its exceeding 10million then there is another process that we have to advertise for 30 days, we do that because according to your IDP and SDBIPs, you can see where the budgets, you can see according to the budgets and according to that we do advertise, we advertise for fourteen days, we open tenders in public like I said. We call out names of service providers for tenderers, the amounts, all these things in open so when it comes to evaluation its according to criteria that was identified in our adverts or identify it within the specifications wherever the tender is starting in the specification, the end user departments, with specification committee will then identify certain goals or certain criteria maybe for functionality and they evaluate according to that.'

On the other hand, 20% of the respondents argue that although the municipality is making attempts to comply to the stages of procurement, there are still flaws:

'Yes, because tenders are advertised publicly, and the requirements are clearly communicated in the calling of tenders. I've spoken about the process of the tender, we also have committees in place which also ensures the successful procedure, so the municipality is trying. Although there are still flaws.'

To corroborate the above, Respondent two further elaborated that:

'Yes, they do comply but as the MPAC, we are not seating on those stages, we are not interfering with the processes of tenders but when we investigate after all the processes somewhere, somehow, we pick up irregular expenditures, wasteful expenditures, and unauthorised expenditures. So, we only pick it up after investigations.'

2 Tender procurement process challenges

Whilst 30% of the respondents indicated that there are no tender procurement process challenges, 70% of the respondents had different views regarding the challenges. Below are the different responses to the challenges of the tender procurement process:

Respondent one indicated that the bidders often threaten the officials in the procurement unit:

'When advertising tenders the municipality often calls for compulsory site meeting where bidders are invited to full reading of the specification required and what compliance returnables are required but there will be bidders who arrive late and threaten us. As well as when opening of tenders there will be those who arrive late to submit their bids and often threaten us also.'

Respondent two indicated that they experience challenges of fairness:

'It is what I've already mentioned, fairness and wasteful expenditures'

To corroborate the above, Respondent three further elaborated that:

'Inducements and those are many. You know the tender evaluation committee does not always evaluate in accordance to prescripts and, I'll tell you one example. One example is that there is a requirement in the tender bid process called the MBD-9 which usually refers to making declarations if you have a spouse, or a friend or an offspring who works for the state. It does not refer to that municipality that you are tendering at, it refers to the state in its broadness. If you do have somebody like that, you need to make that declaration. Now we found as members of the Municipal Public Accounts Committee, that when it refers to that, most service providers do not comply and, they do have people working or spouses, offspring, relatives working for the state but, they do not usually comply and the evaluation committee usually overlooks this and at the end it becomes an issue that the auditors pick up and therefore it invalidates the tender to a certain extent and, everything else, every expenditure that relates to the tender then becomes irregular which then speaks to the raising of irregular expenditure within the municipality and that on its own is an issue.'

Respondent four further added that the issue of fear is also a challenge:

'I think the issue of fear is also a challenge because you may find that certain things, there is some level of oppression. So, people end up doing things even if they are wrong, they are given an instruction to do something that is wrong and you are pressed to do it no matter what. So that is an issue that is a challenge because they have instilled fear in them.'

Respondent five on the other hand, argued that the issue of skills is a critical challenge:

'Firstly, I think the skill is the problem because obviously some of the things we do not understand. Like, let us say the tender is for something such as roads and electricity, do you think those people from supply chain can they have a skill for that? They really can't draft a tender for electricity and you find that there is a lot of clashes with the end user department. The end user department will say "this", and supply chain says "that". I also know before the other challenge was identifying people working for government but, now that thing was addressed by national treasury because now there is what you call CSD (Centralised Supplier Database) where everyone registers and we are able to see whether a person works for the state or not but, they still give people that work for the state, I do not know how, because I can still say I do not work for the state while I am working for the state, I do not know how they do that, because in terms of the CSD, you are supposed to see whether if a person is working for the state or not. So, I do not know how they do it, maybe it is still a challenge. The other challenge is rotation, but this one can be addressed even manually, it does not need a system, I think sometimes we are lazy. The other challenge is the spirit of laziness to be honest.'

Respondent ten also identified the issue of skills and other challenges:

'Lack of knowledge of the relevant and applicable legislation/SCM Regulation, Lack of skills required especially for complex tenders; deliberate ignorance by role players (demonstrating a particular interest); lack of adequate resources; and political interference in the procurement processes.'

Respondent six outlined the challenge of ambiguity of roles:

'I think another challenge, even though they are trying to manage it currently now, is the segregation of duties. You'd find that there are people who are supposed to be doing things from "here" to "there" but you find, that everyone is doing the same thing even though in terms of the advert or the job description they are not supposed to do that but they do, so obviously there will be problems. There is also this mentality that only senior people in the department can advise other departments. An issue of fear can also be a challenge.'

3 Measures to ensure fairness

Of the interviewed responses, 40% of the respondents contend that tenders are opened in public in order to ensure fairness:

'When opening the bidders are invited; evaluation guidelines are also applied (testing for responsiveness; testing for functionality; and price evaluation).'

Respondent eight also added that:

'Tenders are open in public. Like the closing time and date that's very important, if we say its closing on the 10th of March 2023 at 12 o'clock it must be there at 12 o'clock, so you cannot accept tenders outside the normal process. When its late we don't accept tenders we normally return to tenderers, if its late then we indicate on that and if maybe we go and open the tenders box for another tender that arrive late so then we just record it and send it back, but I think our fairness is if the closing time is 12 o'clock its 12 o'clock and we don't accept any other tender outside the process.'

Whilst 40% of the respondents contended that the public opening of tenders ensures fairness, 50% of the respondents further asserted that the committees working with Supply Chain Management ensure that the opening and assessing of tenders is fair through their different roles:

'Remember I have already spoken on the process. The bid Committee, the evaluation committee, the adjudication committee. Remember that I have already mentioned that it starts at the bid, the end user drafts the specifications because the end user is an expert. Then the specifications go to the specification committee and the end user seats at the

specification so that he/she can explain the requirements. Then it goes to the accounting officer for the final approval when the specifications are approved. So, it is the process I have outlined earlier.'

Furthermore, Respondent six added:

'So, amongst the bid Committee, the evaluation committee and the adjudication committee, the law allows where there is a challenge in terms of specialised skill, like maybe we are dealing with electrical things or something that needs a special skill, the law allows the municipality to source an expert to be amongst the people who are sitting in that committee for advice.'

Respondent ten asserted that fairness in the opening of tenders is ensured through compliance of the Supply Chain Management Regulations:

'By ensuring full compliance with SCM Regulation 23.'

Theme 3

This theme emerged from the third objective. The purpose of this theme is to review and reflect on the manner in which the Dr Kenneth Kaunda District Municipality maintains compliance of the tender procurement process as required by the Municipal Supply Chain Management Regulations of 2005.

1 Treasury regulations accessibility

All the respondents agreed that the treasury regulations are always accessible on time in making the procurement unit officials aware of the Municipal Supply Chain Management Regulations. Respondent one elaborated that the provincial treasury also provides training:

'Yes, the provincial treasury will send all regulations and give us training if necessary.'

To corroborate on the above, respondent ten also asserted that:

'SCM regulations are available on the website of National treasury and Provincial treasuries do conduct training for capacity building.'

Respondent seven added:

'Yes, because whenever there's a new regulation coming out or any changes within supply chain normally Treasury will inform us, normally they will give us training on that and then we need to come and implement but, I think its compliance is really a critical issue because remember if you are not complying your things will be irregular, it will be reported and it has impact on supply chain of the municipality, even on the whole of the municipality as such.'

Although all the respondents' arguments agree that the treasury regulations are always accessible on time, some respondents argued that some officials are not always aware of treasury regulations. Respondent six argued:

'Yes, it is maybe an issue of whether does the supply chain also take it upon themselves to check the treasury's website because I have had an encounter with a certain individual whilst I was busy auditing supply chain and when I asked that individual something in terms of regulation, they were not aware of that regulation because things change so change management is a tough process.'

Respondent three further added that Municipal Managers should ensure that the officials are aware of treasury regulations, which is not always the case:

'I think so. I think treasury is doing its utmost best. I mean treasury from every single financial year issues the necessary practice notes, the circulars which are in line with Municipal Financial Management and the Constitution. I think treasury is doing well in that regard; however, it is encumbered on the municipal managers themselves to ensure that these information trickles down to the people who are at the core phase of it and, that is usually not the case.'

2 Non-compliance

Non-compliance has always been an issue in municipalities, it has been in existence for more than two decades. Respondent six asserted that:

'I can assure you if you check the audit report on the municipality's website, I can assure you even if you check 2003 you will find non-compliance.'

Respondent two also added that:

'It's been years, because as we speak now, we are dealing with investigations of non-compliance of 2011-2015. We are still doing also the ones from 2015 till to date.'

Respondent three further asserted that:

'From time in memorial, your best indicator would be the irregular expenditure within municipalities. If a municipality has irregular expenditure of about a billion Rands then that tells you the extent of non-compliance because, the irregular expenditure speaks directly to non-compliance with laws and policies and if a municipality incurs for instance the City of Matlosana is standing at five billion rands and this tells you that you've had irregular expenditure from as far back as 2010 or 2009, so it goes quite extensively.'

Although the respondents indicated that non-compliance has been an issue in municipalities, 40% of the respondents argued that Dr Kenneth Kaunda District Municipality is improving in terms of compliance, from receiving qualified audit opinions and disclaimers, to receiving unqualified audit opinions. Respondent four asserts that:

'Non-compliance has been an issue from long ago however, the municipality is attempting to improve now.'

Respondent five further elaborated that:

'I've found them here and by the way I have fifteen years working here at the municipality, so you can imagine, and I've found non-compliance here even though the current management they are trying but the other ones who are coming, we do not know what they are coming with, so there is always a problem. I've found non-compliance, it has always been there but, we've improved, I think that is why we are getting unqualified audit opinions because we have improved when it comes to non-compliance but there is always that element of non-compliance because, remember in the previous years we had disclaimers and qualified opinions, now we are on unqualified opinions. So, we have improved.'

Respondent seven added that the municipality has also appointed a compliance officer in order to ensure compliance of the guiding prescripts:

'For now, there is no really a lot of issues of non-compliance. It is just that I can't remember of anything that's really non-compliance except for what reflects on our UIF register but I'm not sure whether I can discuss these issues with you but, we are trying our level best now that the municipality has appointed a compliance officers so each and every tender when we draft it's going to compliance section, it's going to my manager in the supply chain then it will go further to CFO for his comments and to check and all those things then it will go to the MM For final approval but, we are trying our level best to comply.'

3 Measures to ensure compliance with the Municipal Supply Chain Management Regulations of 2005

The respondents indicated a myriad of measures constituted to ensure that the tender procurement process is in compliance with the Municipal Supply Chain Regulations of 2008. Respondent one contended that the municipality's Supply Chain Management policy aligns with the Supply Chain Management regulations:

'The Dr Kenneth Kaunda District Municipality SCM Policy speaks to the Constitution of South Africa, section 217, SCM Regulations with the MFMA.'

Respondent five and seven argued that the existence of committees and a compliance officer is suggested to be a measure of ensuring the successful application of the tender procurement process:

'We go back to the committees, in terms of the regulations we have committees, and these committees remember I've said they comprise of different departments. The challenge is that the internal audit cannot be part of the committees because we are supposed to be independent from the process itself. We are not supposed to get our hands dirty, so that is a challenge, we come after fact. However, even though we come after fact, we do continuous audit where we audit the supply chain on a quarterly basis to see if they are complying and we issue findings then they address findings. We are even getting to a point where we no longer find a lot findings because every quarter, we issue the report. Then after that, we take it to the audit committee, the audit committee will also take their quarterly SCM report to the audit committee where the audit committee will also play oversight and ask questions, then it goes to counsel for oversight again, then counsel

has to hold management accountable for not complying. Remember the audit committee cannot hold management accountable, but the audit committee can assure counsel whether the municipality is complying or not because remember they indulge more on our reports and remember the audit committees understand processes, the internal controls and all these things whereas, counsel, remember most people in counsel are not educated, most of them are old and have not worked before. So, you cannot expect that person to come and articulate themselves to that level and understand technical things. So that is why we have committees to come in, the audit committee to come in and say and say “we have looked at this and yes they have complied or no they have not complied or this is what you need to do” they make recommendations to counsel but, we do have another committee in counsel that you call municipal public accounts, the MPAC. What does the MPAC does, The MPAC investigates the issues of UIF (Unauthorised, Irregular and Fruitless expenditure), that is where non-compliance is. So then, that committee is like an oversight but they look too much into the auditor general. They play the oversight on the annual report, so obviously the audit report it consists of financial statements. Normally the findings in the Auditor General they touch on the non-compliance for supply chain on the UIFW, that’s where the MPAC comes in to check what caused “this” can we recover this money? So, in a way, it is a way of ensuring that there is compliance. So, you see the structure is adequate to ensure that we have compliance? But you know us...’

Respondent eight indicated that the checking of the central supplier database is also a measure of ensuring compliance:

‘I think measures such as the checking of your CSDs before you can appoint that’s to ensure that people are complaint at the time that they are awarded tenders and the transparency of issues such as opening and registering.’

On the other hand, other respondents suggested ways to ensure that the tender procurement process is in compliance with the Municipal Supply Chain Regulations of 2008:

‘I think consequence management should apply because we cannot always deal with non-compliance whilst there are regulations from the National Treasury that guides how they must comply.’

Respondent ten added that:

'To overcome non-compliance all role players must adhere to SCM Regulations. The internal audit to audit the competitive bidding processes before the appointment is made by the Municipal Manager to ensure that SCM processes followed were fair, equitable, transparent, competitive and cost-effective and comply with a prescribed regulatory framework for municipal supply chain management.'

Respondent three on the other hand suggested that:

'I think there is two ways that you can do that. You can ensure that first and foremost to minimise the instances of inducements, you can go the e-tender route, it is perfectly legal, you can ensure that municipalities are e-tender compliant but, at the same time you can benchmark with other municipalities especially the ones in the Western Cape where the tender processes themselves are open and transparent from bid opening all the way to bid adjudication, you don't have closed sessions such as the BECs and the BACs when they have to make decisions and who to recommend and who not to recommend but, the processes are open, the minutes are accessible, they go on to the websites and can be accessible to the public at any point in time, so I think those are the measures, but, also to capacitate internal audit. To ensure that internal audit can audit the process from the beginning to the end and internal audit can issue their own independent reports that would go to the audit committee which the reports to council. To ensure that at least from their point of view. What they have noted, was fair, was workable and was transparent.'

Theme 4

This theme emerged from the general question of this study. The purpose of this theme is to recommend the necessary intervention measures to improve compliance of the Municipal Supply Chain Management Regulations

1 Recommendations to improve compliance

The respondents provided a variety of recommendations to improve compliance of the tender procurement process. Some of these recommendations are consistent with the recommendations provided in the literature of this study.

Below are the responses of the different recommendations suggested by the respondents. Respondent one recommended that:

'Municipalities must be strict on time of closure of bids and compliance issues.'

Respondent two suggested that:

'The issue of consequence management should apply.'

In the same vein, Respondent eight suggested:

'Personally, I would like to think that because the regulations are there it's our people who are not following them, I think maybe there should be charges to officials who are not following these procedures because National Treasury is really trying its best to ensure that there are measures in place to stop this issue of non-compliance.'

Respondent five recommended that the Internal Audit unit should be empowered to report on non-compliance and law enforcement should be imposed:

'Give the internal audit the teeth to bite. I think the law is there but the enforcement is a problem, I don't know whether if these people don't know about this law, maybe that is why people end up being victimised. So, officials need to be encouraged, the MFMA is clear, you can open a case because once you start doing that, people will be scared, but because they know they can get away with murder, that is why the non-compliance continues. There is nothing much we can do, we have done enough and the fact that the Auditor General is given power to issue the certificate of debt, do this do that, it is better but now the people who are not complying are becoming smart, they know what they can do to manipulate the system.'

In the same vein as Respondent five, Respondent six added that:

'You know you might have a Pitbull but once it gets in someone's yard and just barking people just pass, so it cannot act but just makes noise. So, audit is like that, we are not like the Auditor General, the Auditor General has been given in terms of regulation or is it an Act, that once they have found something not according to the way it is supposed to be, they are authorised to go to the police station. They are also authorised to issue a certificate, debt certificate to the Municipal Manager however, after we have issued a

report it goes to all that process, your committees, Municipal Manager, Counsel but we do not have the power to engage anyone from outside that unit, even other employees from other departments, we cannot talk about that report even if I saw that someone has stolen the municipality's money and there is proof, you know that if I go to the police station I will be charged for not being authorised to go talk about the municipal business at the police station. So, I will be in suspension for doing the right.'

Respondent ten recommended that:

'SCM Unit staff members and all three bid Committee Systems to be capacitated with all applicable legislations/Regulations and, The SCM unit and all bid Committee members to be made aware of case studies irregularities identified on the SCM processes including the audit findings raised by the Auditor-General of South Africa.'

5.4 Section C: Document Analysis

Official documents were analysed in relation to the nature of the research problem for the study as outlined in chapter four (see section 4.4.2). This was undertaken to enhance constructive feedback from the respondents and reduce the impact of potential biasness that can exist from interviews as a primary method of data collection. The critical analysis was undertaken on the compliance of the tender procurement process. These documents include The Dr Kenneth Kaunda District Municipality Economic Agency Oversight Report 2020/21; Dr Kenneth Kaunda District Municipality 2020/21 Annual Report; and The Auditor General's Report 2021/22. The following discussion provides a detailed analysis of these official documents accordingly.

5.4.1 Dr Kenneth Kaunda District Municipality Economic Agency Oversight Report 2020/21

The Economic Agency oversight report includes the report of MPAC. According to the Dr Kenneth Kaunda District Municipality (2022a:7) this report provides an analysis of the accuracy of the Annual Report as compiled by administration and reviews the past recommendations and the extent to which progress has been made.

The MPAC report outlines that the Dr Kenneth Kaunda District Municipality received an unqualified audit opinion with matters of emphasis in 2019/20 and again in 2020/21;

furthermore, there were areas that needed improvement so that the municipality can receive an unqualified audit opinion without any matters of emphasis. According to Dr Kenneth Kaunda District Municipality (2022a:7) these areas are leadership, compliance monitoring, IT systems, governance and Supply Chain Management. The MPAC makes further recommendations that the risk of possible manipulation of the process in Supply Chain Management should be identified and controls be put in place to ensure that further Unauthorised, Irregular, Fruitless and Wasteful Expenditure is avoided; and that the Supply Chain Management Policy be amended so that the bid committees have rotational observers that are approved by the counsel to promote transparency (Dr Kenneth Kaunda District Municipality, 2022a:8).

5.4.1.1 Deduction and Interpretation

There has been consistency in Dr Kenneth Kaunda District Municipality's audit reports. This is consistent with the responses that the municipality is making substantial attempts to comply with the tender procurement process, as these audit reports elucidate that the municipality has been receiving unqualified audit opinions with material findings. However, as stated, there are areas for improvement. It can be deduced that Dr Kenneth Kaunda District Municipality faces challenges with leadership, compliance monitoring, IT systems and governance in order to receive clean audit opinions with no material findings.

5.4.2 Dr Kenneth Kaunda District Municipality 2021/2022 Annual Report

Dr Kenneth Kaunda District Municipality (2022b:54) argues that the Supply Chain Management Policy of the municipality is deemed to be fair, transparent, and competitive as required, and that it complies with Section 112 of the MFMA as well as the Supply Chain Management Regulation. Furthermore, Dr Kenneth Kaunda District Municipality (2022b:54) contends that it has a fully functional Supply Chain Management Unit in view of the fact that the Bid committees were appointed, and efforts were made to capacitate the Bid Committee and the personnel in the Supply Chain Management Unit. Capacity building was funded and coordinated by the Provincial Treasury (Dr Kenneth Kaunda District Municipality; 2022b:54).

5.4.2.1 Deductions and Interpretations

It can be argued that the critical structure of Supply Chain Management in Dr Kenneth Kaunda is adequate as they are capacitated through capacity building trainings. The capacity building is funded by the Provincial Treasury, this is consistent with the responses that Treasury regulations are always accessible on time in making the procurement unit officials aware of the Municipal Supply Chain Management Regulations.

5.4.3 Auditor General's Report 2021/2022

The Auditor General's 2021/2022 report (in economic agency oversight report) outlined the following findings with regards to Procurement:

- Some of the goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by the Supply Chain Management regulation.
- Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM regulation.
- The reference point system was not applied to some of the procurement of goods and services above R30 000 as required by Preferential Procurement Policy Framework Act.

5.4.3.1 Deductions and Interpretation

Although it has been argued that the Dr Kenneth Kaunda District Municipality's Supply Chain Management Policy is aligned with the Supply Chain Management Regulations of 2005, the audit outcomes elucidate that there are areas of non-compliance with the regulations in the municipality. It can be deduced that the principles of fairness, equity, transparency, competitiveness, and cost-effectiveness, are not entirely applied successfully.

5.5 Section D: Key Findings

Although the literature of this study outlines instances of malpractice in Dr Kenneth Kaunda District Municipality with regards to maintaining compliance of the Supply Chain Management Regulations, conducting empirical research has shown that in the recent

years Dr Kenneth Kaunda District Municipality does make adequate attempts to ensure that there is compliance with the Municipal Supply Chain Management Regulations. This assertion is supported by the Dr Kenneth Kaunda District Municipality not receiving abnormal audit outcomes. There has been consistency in receiving unqualified audit opinions (with material findings), and the Supply Chain Management Policy of Dr Kenneth Kaunda District Municipality aligns with the Municipal Supply Chain Management Regulations. This conveys the impression that the municipality does make adequate attempts to comply with the guiding prescripts and legislations as indicated by the respondents; however, the municipality encounters challenges that need to be addressed in order to receive unqualified audit opinions with no material findings. Some of the challenges picked up from the interviews and document analysis are consistent with the challenges discussed in the literature of the study. These challenges are ambiguity of roles, lack of skills and knowledge, professionalism and ethics, inducements, high vacancy rate, oppression, IT systems, compliance monitoring, wasteful expenditure, and political interference. These challenges can be addressed through ensuring that there are sufficient measures put in place for non-compliance.

The literature review of this study (see section 2.4) provides that the procedures involved in the tender procurement process are: calling for tenders; opening and assessing tenders; and awarding tenders; however, after doing empirical research, it can be deduced that the process of the tender procurement process starts before the calling or advertisement of the tender. Thus, after careful observation, the researcher introduces the figure below (see figure 5.1) to demonstrate the detailed process of the procedures involved in the tender procurement process.

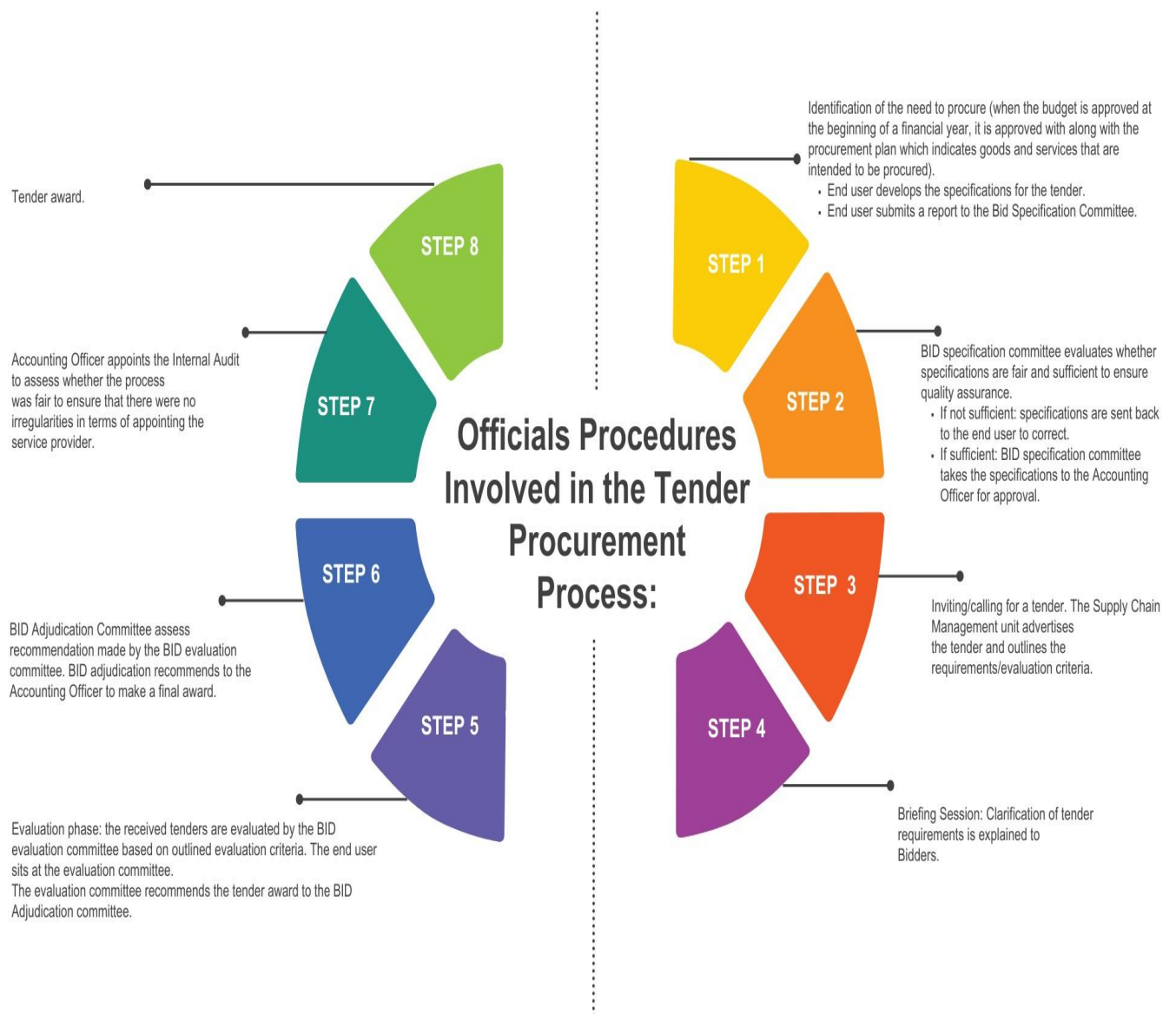


Figure 5.1 Official procedures involved in the tender procurement process.

Source: Researcher's own observation

5.6 Conclusion

This chapter was the data collection, analyses, and interpretation of the study. Data was collected by means of semi-structured interviews. Official documents were analysed as well to assay the level of compliance of the tender procurement process in Dr Kenneth Kaunda District Municipality. The purpose was to answer the research questions of this study; against the parameters offered by both the literature study (Chapter 2) and documented explanations of Resource Based View Theory (Chapter 3); hence, the theme of the interview questions emerged from the research objectives of this study.

Conclusively, from the data that was collected and analysed, it can be deduced that Dr Kenneth Kaunda District Municipality does maintain compliance of the tender procurement process; however, there are areas for improvement.

In the following chapter, the researcher summarises the study, and provides the conclusion and recommendations.

CHAPTER SIX: CONCLUSION AND RECOMMENDATIONS

6.1 Introduction

The previous chapter presented the findings of data collection and analysis of data. The study employed qualitative methods to collect data, which included semi-structured interviews and document analysis. Data was analysed and presented in themes to ensure that discussions are coherent and presented properly.

This chapter provides an overview of the chapter layout. A summary of findings based on the themes of the study will be discussed and recommendations will be provided in this chapter.

6.2 Chapter Outline

Chapter one of this study served as the introductory chapter, and included the background and problem statement, the research objectives and methodology to achieve these objectives. The significance of the research study was also discussed. The purpose of this study was to analyse compliance with tender procurement processes as required by Municipal Supply Chain Management Regulations within Dr Kenneth Kaunda District Municipality with the aim of enabling the researcher to determine the necessary interventions required to improve compliance.

Chapter two of this research study was the literature review that provided an insight into the tender procurement process. The chapter discussed the procedures involved in the tender procurement process, challenges of the tender procurement process, and recommendations for improving compliance of the tender procurement process. The chapter further notes that strong ethical leadership is required to ensure compliance with the tender procurement process. The information gathered in chapter two formed the foundation for chapter four (Research Methodology and Design) and chapter five (Data Collection).

Chapter three of this research study was the theoretical exposition. The chapter explored the Resource Based View as the theoretical grounding of the chapter. The chapter further discussed the principles of procurement and approaches to procurement. The information gathered in chapter three also informed data collection to further examine the relevance

of the applicability of the Resource Based View theory as the theoretical grounding of the study, principles and approaches of procurement.

Chapter four dealt with the research methodology and design. A qualitative research design was discussed as it is utilised in this study. This choice of methodology was guided by the research questions of this study and was also informed by the same method being employed by Maiketso (2015) when conducting a similar study to this research study. The reliability and validity of the study were also discussed in this study, along with the ethical considerations that guided the conducting of data collection for the study.

Chapter five was the data collection. The researcher conducted interviews at the Dr Kenneth Kaunda District Municipality. Ten participants were interviewed in relation to the objectives of the study. The chapter further conducts a document analysis and provides an analysis of data.

6.3 Summary of findings based on research questions/objectives

This study intended to analyse compliance of the tender procurement process through the guidance of the research questions of this study, which also formed the themes of the interview questions in chapter five; these were:

- How applicable is the Resource Based View theory in analysing compliance of the tender procurement process?
- What are the official procedures involved in the tender procurement process?
- How does the Dr Kenneth Kaunda District Municipality maintain compliance with the tender procurement processes as required by the Municipal Supply Chain Management Regulations of 2005?
- What are the required necessary intervention measures to improve compliance with the tender procurement process as required by the Municipal Supply Chain Management Regulations of 2005?

These research questions that emerged from the objectives of the study were answered through conducting a literature review in chapter two, which was mainly based on scholarly books, journal articles, dissertations, government publications and conducting an empirical study in chapter five.

The first research question was addressed, thus implying that the first objective was attained. The Resource Based View Theory enabled the researcher to focus on the top management expertise and the Supply Chain Management officials' skills, as they constitute skills and capabilities that when fully exploited, can lead to compliance improvement of the tender procurement process. It is deduced that the Resource Based View is applicable in analysing compliance of the tender procurement process.

The second research question was addressed, also implying that the second objective was attained. The literature of the study outlined three procedures involved in the tender procurement process, however, after conducting empirical research, the researcher observed that there are eight (8) steps in the tender procurement process (outlined in figure 5.1).

The third research question was also addressed, implying that the third objective was attained. The literature of the study outlines occurrences of non-compliance in the Dr Kenneth Kaunda District Municipality; however, after conducting empirical research, the researcher observed that the municipality makes satisfactory effort to comply with the guiding prescripts to maintain compliance, as the municipality has been consistently receiving unqualified audit opinions (with material findings). The municipality encounters challenges such as lack of skills, transferring of skills, lack of ethics and professionalism, unclear roles, inadequate monitoring and evaluation, and political interference, which need to be addressed in order to improve compliance.

The last objective was addressed, which implies that the last objective was attained. The identified necessary intervention measures to improve compliance with the tender procurement process are to encourage whistleblowing, ensuring that officials attend accredited trainings, normalising employee wellness programs and instituting consequence management measures for non-compliance.

6.4 Recommendations

One of the objectives of the study was to recommend the necessary intervention and measures to improve compliance of the Municipal Supply Chain Management Regulations. Therefore, based on the findings and discussions, the recommendations regarding the study are outlined below:

- The Local Government: Municipal Financial Management Act 56 of 2003, makes a requirement for municipalities to have whistle blowers. So, for compliance whistle blowing should be encouraged, but it should also be ensured that people are protected because in terms of protected disclosure act, Whistle-blowers should be protected. The whistle blowers can report to SAPS, The Directorate for Priority Crime Investigation, and Members of Parliament.
- The Accounting Officer and responsible managers should encourage officials to attend capacity building training, and it should be ensured that these training sessions are accredited.
- It is also recommended that employee wellness programmes should be normalised to help officials sustain emotional, physical and mental wellness as this influences how officials perform their work.
- As a municipality has policies, the Supply Chain Management unit needs to make sure that those policies are always in line with the regulations because the regulation surpasses the policy. All municipalities can have different municipal policies but all of them must be in line with the regulation. The policy does not supersede the regulation because the regulation is the law.
- Transparency can be enhanced through ensuring that the committees or structures responsible for oversight and auditing are active participants of the procurement process; this will also help decrease non-compliance.
- The Municipality should also ensure that there are effective disciplinary measures put in place for non-compliance.
- Investing in Monitoring and evaluation.

6.5 Areas for future research

In chapter two of this research study, the researcher notes the gap in the approaches to procurement. It is hereby suggested that future research be conducted with the aim of establishing approaches to procurement.

6.6 Conclusion

The above recommendations were based on the information gathered through literature review and the empirical study; thus, they are advisable for review as they provide solutions to the problem statement of this study.

This chapter has provided the overview of all the chapters of this study. This chapter also indicated that the objectives of this study were obtained, and the recommendations for the necessary interventions for improving compliance of the tender procurement processes.

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Annexure A: Questionnaire and Interview Questions

Biographical Data and Profile of participants

Division/Unit:	Number of respondents:
Municipal Manager/Accounting Officer	
Chief Financial Officer	
Supply Chain Management Unit Manager	
Internal Audit Unit	
Municipal Council	
Municipal Public Accounts Committee (MPAC)	
Total:	

Gender:

Female:	Male:

Age Range:

Ages:	
20-25	
26-49	

50-65	
Over 65 years	

Qualifications:

Higher Certificate	
Diploma	
Bachelor degree	
Honours degree	
Master's degree	
Doctoral degree	

Experience

None:	
Less than a year	
1-2 years	
3-5 years	
6-10 years	
More than 10 years	

Theme 1

This theme emerged from the first objective of this study. The purpose of this theme is to examine the relevance of the applicability of the Resource Based View theory as the theoretical grounding of the study, as well as principles and approaches of procurement.

1 The Supply Chain Management Unit is comprised of the Municipal Council, Municipal Manager; Chief Financial Officer, the supply chain management unit manager, the Internal Audit unit. Do you think that the critical structure of Municipal Supply Chain Management Unit is well resourced?

2 How do you think the issues of skills and training can be enhanced to support the capacity of human resource?

3 Common approaches to Supply Chain Management can be organized into technological, relational and analytical. How do you go about the tender procurement process? Do you think the approaches are applied successfully?

4 The principles of fairness, equity, transparency, competitiveness, and cost-effectiveness, serve as the standard for all state procurement. How do you ensure that these principles are applied successfully?

Theme 2

This theme emerged from the second objective of this study. The purpose of this theme is to assess the official procedures involved in the tender procurement process.

1 The tender process consists of three main stages namely; calling for tenders, opening and assessing received tenders; and awarding tenders. Do you think the municipality complies to these stages?

2 What challenges are encountered by the procurement unit in the tender procurement process?

3 What measures are taken by the internal tender selection committee to ensure that the opening and assessing of tenders is fair?

Theme 3

This theme emerged from the third objective. The purpose of this theme is to review and reflect on the manner in which the Dr Kenneth Kaunda District Municipality maintains compliance of the tender procurement process as required by the Municipal Supply Chain Management Regulations of 2005

1 Do you think the Treasury regulations are always accessible on time in making the procurement unit officials aware of the Municipal Supply Chain Management Regulations?

2 How long has the issue of non-compliance been in existence?

3 What measures are constituted to ensure that the tender procurement process is in compliance with the Municipal Supply Chain Management Regulations of 2005?

Theme 4

This theme emerged from the general question of this study. The purpose of this theme is to recommend the necessary intervention measures to improve compliance of the Municipal Supply Chain Management Regulations

1 What do you think would be possible recommendations to improve compliance of the tender procurement process?

Annexure B: Informed Consent Form



Basic Social Sciences Research Ethics Committee (BaSSREC)

DATE:

BaSSREC Authorisation
 • 2022/10/19

PARTICIPANT INFORMATION LEAFLET AND CONSENT FORM

Title of the research project	Municipal Compliance with the Tender Procurement Process: A Case of Dr Kenneth Kaunda District Municipality.
Ethics number	NWU-01005-22-A7
Principal investigator	Palesa Tikoe
Student number	27803929
Address	67 Cnr Nhabe & Mbande Street Vosloorus Ext 28

	1475
Email address	palesatikoe@gmail.com
Contact number	0761614227

You are being invited to take part in a research project that forms part of my Master's dissertation. Please take some time to read the information presented here, which will explain the details of this project. Please ask the researcher any questions about any part of this project that you do not fully understand. It is very important that you are fully satisfied that you clearly understand what this research is about and how you could be involved. Also, your participation is **entirely voluntary** and you are free to decline to participate. If you say no, this will not affect you negatively in any way whatsoever. You are also free to withdraw from the study at any point, even if you do agree to take part. Prior to publication of the study's results (or the point that publication is in process), you may also withdraw the data you generate.

This study has been approved by the **Basic and Social Sciences Research Ethics Committee (BaSSREC) of the Faculty of Humanities of the North-West University (NWU.....)** and will be conducted according to the ethical guidelines and principles of the international Singapore Statement on Research Integrity (2010) and the ethical guidelines of the National Health Research Ethics Council. It might be necessary for the research ethics committee members or relevant authorities to inspect the research records to make sure that we (the researchers) are conducting research in an ethical manner.

What is this research study all about?

- This study is an investigation of compliance of the tender procurement process and will involve the use of qualitative research methods.
- The researcher has been trained to use the methods mentioned in the previous sentence.
- Approximately 10 participants will be included in this study.

- The objectives of this research are:
- To review and reflect on the theories, principles and approaches of supply chain management.
- To assess the official procedures involved in the tender procurement process.
- To review and reflect on the manner in which the Dr Kenneth Kaunda District Municipality maintains compliance of the tender procurement process as required by the Municipal Supply Chain Management Regulations of 2005.
- To recommend the necessary intervention measures to improve compliance of the Municipal Supply Chain Management Regulations.

Why have you been invited to participate?

- You have been invited to participate because you are an official in the procurement process at the Dr Kenneth Kaunda District Municipality.
- You have also complied with the following inclusion criteria: You are an official in the procurement process at Dr Kenneth Kaunda District Municipality.
 - You will be excluded if you are not an official in the procurement process at Dr Kenneth Kaunda District Municipality.

What will your responsibilities be?

- You will be invited to participate in the noted study by interviews.
- You will have 30 days to indicate whether you would be willing to participate.
- You will be requested to sign this Informed Consent Statement before the commencement of the study.

Will you benefit from taking part in this research?

- The direct benefits for you as a participant will probably be gaining knowledge of the issues pertaining to the procurement process by engaging with the researcher.
- The indirect benefit will probably be contributing to knowledge generation as the final dissertation will be published and school's respiratory.

Are there risks involved in your taking part in this research and how will these be managed?

The possible risks in this study, and how these will be managed, are summarised in the table below:

Possible risk	Mitigation strategy
COVID 19 risk during face-to-face interviews.	Due to the potential of Covid-19 infection, the researcher will observe the following rules during in-person/face-to-face data collection: • If the current Covid-19 restriction levels do not allow for such in-person meetings, the interviews will not take place. • That all persons wear a three-ply mask throughout the interview. • That the researcher takes the temperature of the participants before the start of the interview and FGD. If this is too high, then you will not be allowed to participate. • That hand-sanitizer (with 70% alcohol-content) be used <i>before, during</i> and <i>after</i> the interview. • That social-distancing of 1.5-2 meters be observed between all persons <i>before, during</i> and <i>after</i> the interview. • If the participants do not have a three-ply mask or hand-sanitizer, this will be provided cost-free by the researcher.
Tiredness and discomfort.	Comfort breaks of 10 minutes will be provided when necessary.

Lack of privacy and comfort during interviews due to uncertainty of confidentiality.	This will be addressed by ensuring the participants before commencing with the interviews that their confidentiality and anonymity will be maintained.
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- *However, we do believe that the benefits to you and to science (as noted in the previous section) outweigh the risks we have listed. If you disagree, then please feel free not to participate in this study. We will respect your decision.*
- *Should we learn, in the course of the research, that someone is harming you, or that you are intending to harm someone, then we must tell someone who can help you/warn the person you are intending to harm.*

Who will have access to the data?

The following procedures will be observed in line with the Protection of Personal Information Act (POPIA):

Principle	How will this be done?	When will this be done?
Anonymity	I Palesa Tikoe, will assign a fictitious name/code to you before the interview starts. Only this name will be used in the research process.	Before the interview commence and after the interview has been conducted.
Confidentiality	Confidentiality will include the use of codes for participants, organisations and locations. It involves not disclosing any information gained from an interviewee deliberately or accidentally in ways that might	During the recruitment process. Before the fieldwork commences. During the fieldwork.

	identify an individual, organisation and location.	After the fieldwork has been completed During analysis and the write-up of findings. During the reporting of findings. During the publication of findings in the form of articles, books, conference proceedings, etc.
De-identification of data	All identifiable personal information will be de-identified to ensure that no information identifies any participants, organisations and locations.	After the fieldwork has been completed. After you, as participant, has signed-off on the interview transcripts/responses/any other relevant information sent to you to check. Before data analysis and the write-up of findings start.
Data storage	All data collected for the purpose of the research will be stored safely in electronic format/hardcopy format for a period of five years after which it will be destroyed.	During the recruitment process. Before the fieldwork commences. During the fieldwork.

	The primary investigator will ensure data that both hard- (printed) and soft copy (electronic) are safely locked away and password-protected, respectively. Only approved people in my research team will/may have access to my raw data where the need arises. At the analysis stage, as will be the case throughout, the use of coding will reinforce participants' non-identification, hence upholding the assurance of confidentiality and anonymity.	After the fieldwork has been completed During analysis and the write-up of findings. During the reporting of findings. During the publication of findings in the form of articles, books, conference proceedings, etc.
Privacy	<i>Privacy</i> will be ensured by not probing unnecessarily if you do not wish to discuss particular matters.	During the fieldwork.
Transcription/coding of data	I will not use a <i>transcriber</i> for the purpose of the transcripts after the interview. I will not use a <i>statistician/coder</i> for the purpose of the transcripts after the interview.	The primary investigator will be responsible for transcribing the data. Therefore, no other person will have access to the data. The primary investigator will be required to sign a NWU Confidentiality Agreement before the study commences.

Translation/interpreter services	I will not use a <i>translator/interpreter</i> for the purpose of the interviews/explaining the informed consent, etc.	

Collection of only relevant personal information:

Collection of only relevant personal information	I, the principal investigator and members of the research team, will only collect personal biographical and opinion-related data about the topic I/we are studying.	The biographical information that will be collected will be based on the units under which participants work under; gender; age range; qualifications and experience. The main themes of this study are derived from the objectives of the study.
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What will happen to the data?

The data from this study will be reported in my dissertation. In this reporting, you will not be personally identified. This means that the reporting will not include your name or details that will help others to know that you participated.

This is a once-off study, so the data will not be re-used.

Will you be paid/compensated to take part in this study and are there any costs involved?

No, you will not be paid/compensated to take part in the study. If participating in the research means that you have to travel especially for the purpose of participating, then your travel costs will be paid. There will thus be no costs involved.

How will you know about the findings?

- The general findings of the research will be shared with you by sharing the finalized dissertation with the municipality.
- If you would like feedback on your personal results, then you can contact my study leader ((Prof Kedibone Phago) on:

Tel: 018 299 1627

Email: kedibone.phago@nwu.ac.za

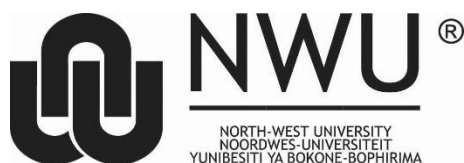
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Is there anything else that you should know or do?

- You can contact Palesa Tikoe (researcher) at 0761614227 or palesatikoe@gmail.com if you have any further queries or encounter any problems.
- You can contact the chair of the Human Social Sciences Research Ethics Committee (Prof Erharbor Idemudia) at 018 389 2899 or Erharbor.Idemudia@nwu.ac.za if you have any concerns or complaints that have not been adequately addressed by the researcher.

You will receive a copy of this information and consent form for your own records

Annexure C: Ethics Approval Letter



for Research Ethics

Private Bag X1290, Potchefstroom
South Africa 2520

Tel: 018 299-1111/2222 Fax:
018 299-4910

Web: <http://www.nwu.ac.za>

Senate Committee

Tel: 016 103 4446

Email:
nkosinathi.machine@nwu.ac.za

20 July 2022

ETHICS APPROVAL LETTER OF STUDY

Based on approval by the **Basic and Social Sciences Research Ethics Committee (BaSSREC)** on **06/10/2022**, the Basic and Social Sciences Research Ethics Committee hereby **approves** your study as indicated below. This implies that the North-West University Senate Committee for Research Ethics (NWUSERC) grants its permission that, provided the special conditions specified below are met and pending any other authorisation that may be necessary, the study may be initiated, using the ethics number below.

Study title: Municipal Compliance with Tender Procurement Processes: A Case of Dr Kenneth Kaunda District Municipality

Study Leader/Supervisor (Principal Investigator)/Researcher: Prof Kedibone Phago

Student/Research Team: P Tikoe

Ethics number:

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Institution

Study Number

Year

Status

Status: S = Submission; R = Re-Submission; P = Provisional Authorisation; A = Authorisation

Application Type: Single Study

Commencement date: 25/07/2022

Risk:

Minimal risk

Expiry date: 25/07/2023

Approval of the study is initially provided for a year, after which continuation of the study is dependent on receipt and review of the annual (or as otherwise stipulated) monitoring report and the concomitant issuing of a letter of continuation.

Special in process conditions of the research for approval (if applicable):

General conditions:

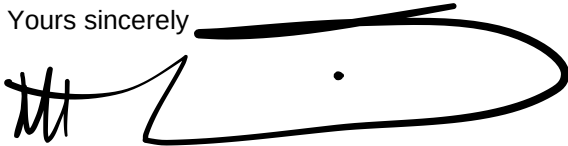
While this ethics approval is subject to all declarations, undertakings and agreements incorporated and signed in the application form, the following general terms and conditions will apply:

- *The study leader/supervisor (principal investigator)/researcher must report in the prescribed format to the BaSSREC:*
 - *annually (or as otherwise requested) on the monitoring of the study, whereby a letter of continuation will be provided, and upon completion of the study; and*
 - *without any delay in case of any adverse event or incident (or any matter that interrupts sound ethical principles) during the course of the study.*
- *The approval applies strictly to the proposal as stipulated in the application form. Should any amendments to the proposal be deemed necessary during the course of the study, the study leader/researcher must apply for approval of these amendments at the BaSSREC, prior to implementation. Should there be any deviations from the study proposal without the necessary approval of such amendments, the ethics approval is immediately and automatically forfeited.*
- *Annually a number of studies may be randomly selected for an external audit.*
- *The date of approval indicates the first date that the study may be started.*

- *In the interest of ethical responsibility, the NWU-SCRE and BaSSREC reserves the right to:*
 - *request access to any information or data at any time during the course or after completion of the study;*
 - *to ask further questions, seek additional information, require further modification or monitor the conduct of your research or the informed consent process; – withdraw or postpone approval if:*
 - *any unethical principles or practices of the study are revealed or suspected;*
 - *it becomes apparent that any relevant information was withheld from the BaSSREC or that information has been false or misrepresented;*
 - *submission of the annual (or otherwise stipulated) monitoring report, the required amendments, or reporting of adverse events or incidents was not done in a timely manner and accurately; and / or*
 - *new institutional rules, national legislation or international conventions deem it necessary.*
- *BaSSREC can be contacted for further information or any report templates via*
BaSSRECAdmin@nwu.ac.za.

The BaSSREC would like to remain at your service as scientist and researcher, and wishes you well with your study. Please do not hesitate to contact the BaSSREC or the NWU-SCRE for any further enquiries or requests for assistance.

Yours sincerely



Prof E. Idemudia

Chairperson NWU Basic and Social Sciences Research Ethics Committee

Original details: (22351930) C:\Users\22351930\Desktop\ETHICS APPROVAL LETTER OF STUDY.docm 8 November 2018

File reference: 9.1.5.4.2

Annexure D: Gate Keeper Approval Letter

Private Bag X 5017
Klerksdorp
2570
Tel: (018) 473 8000
Website: www.kaundadistrict.gov.za

DR. KENNETH
KAUNDA
DISTRICT MUNICIPALITY



Civic Centre
Patmore Road
Orkney
2620
Fax: (018) 473 2523
Email: admin@kaundadistrict.gov.za

Our Ref:

Enquiries:

Your Reference:

LETTER OF CONSENT TO UNDERTAKE RESEARCH FOR MISS PALESA TIKOE

TO WHOM IT MAY CONCERN

I, Mokgatlhe J. Ratlhogo (Municipal Manager), the undersigned, hereby give permission for **Palesa Tikoe** to conduct research at the Dr Kenneth Kaunda District Municipality towards her dissertation entitled, **Municipal Compliance with the Tender Procurement Process: A case of Dr Kenneth Kaunda District Municipality.**

She may collect data from the officials, provided that they agree to supply it and that it does not interfere with the normal operations of the municipal operations.

I am aware that dissertations and subsequent academic papers based on this data will be available in the public domain and that the work may be published in the public domain provided that the identities of municipal personnel contributing data are regarded as protected and strictly confidential.

MOKGATLHE J. RATLHOGO
MUNICIPAL MANAGER
DR KENNETH KAUNDA MUNICIPALITY

 EXPLORING PROSPERITY

Annexure E: Language Editing Certificate



084 365 4320 
editingexcellencepotch@gmail.com 

This is to certify that the Masters dissertation titled,

***Municipal Compliance with the Tender Procurement Processes: A
Case of Dr Kenneth Kaunda District Municipality***

of

P Tikoe

has been edited by

***Valerie Viljoen,
Editing Excellence***

The entire Masters was edited, excluding reference checking.

Date: 13 April 2024



SATI INDIVIDUAL MEMBER
MEMBER NO. 1003396