

Systemic Challenges Facing the Procurement of Outsourced Basic Services for Informal Settlements in South Africa

Carlene van der Westhuizen, International Budget Partnership South Africa | December 2018

1. INTRODUCTION

It is no secret that the provision of basic services such as water, sanitation, and electricity to urban informal settlements continues to be a challenge, almost 25 years after democratisation. The availability of funding to provide services to the fast-growing urban informal settlements is, however, not the only reason for poor service delivery. Most councils also struggle to spend what money they do have for these services, efficiently and effectively.

While newspapers regularly report on corruption and poor service delivery, very little is known about what specifically goes wrong with the delivery of these services. After working with community organisations all over the country for a number of years, International Budget Partnership South Africa (IBPSA) and its partners started to see patterns in these service delivery challenges. This provided the basis for IBPSA to initiate a research project that would identify the systemic causes of the challenges experienced with the delivery of outsourced basic services to informal settlements.¹ For this project, we used the findings of social audits² conducted on these services, the information in the bid specifications or contracts for these services, and interviews with municipal officials.

While each of our sources of evidence identified site-specific issues, when considered together, they start pointing to systemic challenges that recur in multiple sites and could be addressed centrally by the relevant municipality. As

¹ These are services that the government procures from private sector services providers.

² A social audit is a community-led process of reviewing government budget and service delivery outcomes reported by the government really reflect the public money spent and the services received by the community. Since 2013, a number of social audits have been conducted by communities living in informal settlements in South Africa, with many of them focusing on the delivery of temporary basic services (such as water and sanitation) by outsourced service providers. For more information on social audits, please see <https://www.internationalbudget.org/wp-content/uploads/social-audits-in-south-africa-guide-2015.pdf>

we will discuss in more detail below, some of the systemic issues that could be addressed to improve service delivery at scale are:

- more precisely defined tender specifications and service delivery schedules, informed by sufficient needs assessments beforehand;
- regular monitoring of the delivery of the service by the relevant government officials;
- putting in place effective fault-reporting mechanisms;
- systematic engagement with the relevant communities in the design and delivery of contracts; and
- stricter requirements when contracts are extended, such as that the provisions of the initial contract remain in place.

In future social audits, IBPSA, the Social Audit Network, and its Civil Society Organisation (CSO) partners will continue to test our hypotheses of what the systemic problems are with the delivery of outsourced temporary services to informal settlements. If we can identify the correct systemic issues, municipalities themselves and other agencies such as the National Treasury (specifically the Office of the Chief Procurement Officer) could start addressing the reasons for the poor quality of services to informal settlements at source. This would facilitate improvement in the delivery of these services at scale.

Our research also revealed some good practices. As indicated below, one contract in the City of Cape Town included a requirement that the contractor establish and operate a complaint and public liaison office within its area of service. Contracts in the City of Cape Town also showed how precisely the scope of service to informal settlements can actually be defined. In our ongoing work we will also do what we can to disseminate these and other good practices in the procurement of temporary basic services for informal settlements.

2. DATA SOURCES AND METHODOLOGY

Social audit reports and bid specifications from the following municipalities were used: the City of Cape Town, City of Ekurhuleni, the City of Johannesburg, and the Emalahleni Local Municipality.

In an effort to test the validity of our findings in other metros, we conducted telephonic interviews with officials from the Nelson Mandela Bay Municipality, eThekweni Municipality, and the City of Ekurhuleni. We also received valuable comments on an earlier draft of this report from officials in the Gauteng Provincial Office of the Auditor-General of South Africa.

One of the social audits which provided evidence for a first draft of this report focused on the contract for “The hiring, delivery and maintenance of chemical toilets within the Ekurhuleni Metropolitan Municipality, on an “as

and when required” basis from the date of award until 30 June 2018”. This social audit only focused on three of the many informal settlements serviced by the contract and on two of the of the 16 contractors that the contract was awarded to. Between April and July 2018, a scaled-up social audit was conducted using the same contract but this time focusing on 10 informal settlements and eight of the contractors that participated in the contract. The design of the scaled-up social audit was partly informed by the findings of this initial research. In addition, one of the objectives of the scaled-up social audit was specifically to test the initial social audit of the contract, including the possible systemic causes of contract violations identified by the first social audit. Where relevant, findings from the scaled-up social audit were included in this report.

3. MAIN FINDINGS

Our research into social audit reports and bid specifications revealed the following reasons for poor delivery of outsourced basic services in informal settlements:

- contract violation by service providers;
- lack of monitoring by the responsible municipality, including inspection by officials;
- no community complaint/fault reporting mechanism;
- vague bid specifications;
- lack of community participation and communication; and
- inadequate needs assessment.

Interviews with municipal officials confirmed the validity of these findings and offered the following explanations for why these occur:

- Officials in both supply chain management and line departments do not have the necessary skills to compile detailed bid specifications and adequately monitor the delivery of services.
- Vacancies exist in supply chain management and line departments.
- Budget constraints as well as a lack of suitably qualified people contribute to the vacancies mentioned above.

In this paper we discuss each of these findings in greater detail by drawing on our three sources of evidence.

4. EVIDENCE FROM SEVEN SOCIAL AUDIT REPORTS³

Section 4 provides a summary of the information gathered from the social audit reports themselves. This summary reflects the main findings from the evidence collected by community members on how the service is delivered on the ground; specifically, what is going wrong with the actual delivery of the service as compared to the bid specifications in the contract for that service.

4.1 CONTRACT VIOLATION

Most of the social audits found that the contractors were to some extent not delivering the services as set out in the bid specifications. This was true even in cases where the specifications were not particularly detailed or onerous. Specific violations ranged from a service not being delivered as frequently as specified in the contract or specifications, to a contractor not providing the full service as described in the specifications.

For example, the Mshengu social audit in Cape Town found fewer chemical toilets in the areas inspected than the number of units specified in the bid specifications. The toilets were also not serviced or cleaned as frequently as required; nor were they secured to the ground as specified in the contract. It also did not appear as if any local labour had been used, again in violation of the contract. While the specifications required the contractor to repair damaged toilets, about two-thirds of the toilets inspected were damaged in some way. The recorded volumes of waste disposed at the waste disposal site were less than the estimates of the volumes that should be disposed, based on the total number toilets in the areas. This evidence of “unaccounted for” waste also suggested that toilets were not being serviced as regularly as specified.

The Green Point social audit in Cape Town assessed the delivery of the same service as the Mshengu social audit, but at a different site. Other kinds of contract violations were identified related to the health and safety of the cleaners, including that they were either only inoculated after commencing work or not inoculated at all, and were not given first aid kits or suitable protective clothing and other equipment. This audit also found that it took up to one week to repair broken toilets, instead of the 24 hours stipulated in the contract.

³ Six of the social audits focused on the delivery of outsourced sanitation services, producing the following reports: “Report of the Khayelitsha “Mshengu” Toilet Social Audit, 22-27 April 2013; Green Point Social Audit Findings (4-14 August 2015); Monwabisi Park (Endlovini) Social Audit 11 August 2016; Wattville Social Audit Report; Thembelihle Social Audit Report; Ekurhuleni Scaled Up Social Audit Report (unpublished). One social audit focused on the delivery of water in Spring Valley (Report on the Spring Valley Social Audit: Water Service Provision by Trucks). Some of these reports can be found on <http://socialaudits.org.za/reports/>

The Thembelihle social audit in Johannesburg found that the contractor's workers did not remove debris from the VIP toilets⁴ before desludging as required by the bid specifications. In addition, the desludging points were not disinfected after desludging, again as required by the specifications.

The Wattville social audit in Ekurhuleni also found that the portable toilets were not cleaned as frequently as specified in the bid specifications, and that the condition of the toilets were not in line with the specifications (for example, they were unstable and could not lock from the inside). The scaled-up social audit of the same contract found evidence of contract violation in all 10 informal settlements, by all contractors identified, which clearly suggests that the violation of the contract was not limited to specific areas or specific service providers.

While the social audits did not specifically investigate the causes of these contract violations, these violations might be linked to many of the other findings discussed below, such as poor performance monitoring by the relevant municipal department.

4.2 LACK OF MONITORING OF THE DELIVERY OF THE SERVICE BY THE RELEVANT MUNICIPALITY

In many cases the social audits found inadequate monitoring of the delivery of the service by the responsible municipal department. In the case of the scaled-up social audit, strong evidence of a lack of monitoring by the relevant department was found in all informal settlements included in the audit.

This shortcoming is related to a number of other issues that we discuss below. For example, while some bid specifications mentioned a schedule, service agreement or operational plan that should be used to monitor the delivery of the service, none of the communities received such a schedule, agreement or plan after the awarding of the contract. In some cases, members of the community or a councillor signed off on the delivery of a service, but municipal officials were generally not on-site to monitor the delivery of the service. In fact, in some cases, residents indicated that they had never seen an official from the municipality in their area to verify or monitor the delivery of the service.

This lack of monitoring not only resulted in inadequate delivery of the service, but it also meant that violations of the contract as mentioned above were not noticed or recorded by the municipality.

The lack of monitoring also contributed to the health hazards identified by some of the social audits. For example, the Spring Valley social audit in Emalahleni found that the potable water delivered by truck was dirty. Most of the

⁴ A VIP toilet is a Ventilated Improved Pit toilet, which is a pit toilet with an external ventilation pipe.

social audits on the delivery of sanitation services recorded dirty toilets, along with the associated health hazards, as one of the most common challenges experienced by residents.

4.3 NO COMPLAINT MECHANISM FOR COMMUNITIES

Closely related to the lack of municipal monitoring is the absence of complaint mechanisms for communities. A few of the social audits raised the issue of the lack of any formal complaint or fault-reporting mechanism for the communities to use. Not only were communities not informed of the process to follow to report problems after contracts were awarded, but generally no evidence was found that such a mechanism was in place at all.

Even in cases such as the Mshengu contract, where the bid specifications provided for the appointment of a Community Liaison Officer (CLO), residents stated that they did not know to whom to report when their toilets were full. In addition, residents were not aware of any CLOs employed for the service. The lack of CLOs also meant that there was no-one to coordinate the unlocking of toilets before cleaning.

In the case of “as and when required” contracts⁵ this becomes even more problematic. Such contracts often do not specify exact dates or frequencies for the delivery of the services, and residents have to contact the service provider when, for example, their toilets are dirty or full. Both reports for the Wattville and Thembelihle social audits stated that residents did not know whom to contact when their toilets needed servicing.

4.4 VAGUE OR INADEQUATE BID SPECIFICATIONS

When bid specifications do not sufficiently define the scope of a service, then monitoring becomes more difficult because an acceptable standard of service is not adequately defined. In some cases, the social audits highlighted that the bid specifications did not adequately describe the scope of the service to be delivered, making it difficult for communities to know what they should expect. In addition, the lack of service delivery schedules in the bid specifications meant that communities generally did not know when a service would be delivered.

For example, the residents of Spring Valley indicated that they did not have a schedule for the delivery of water and did not know when the next delivery was going to take place. In the case of the desludging of the VIP toilets in Thembelihle, there were huge discrepancies between how often toilets in different areas were serviced, and residents generally did not know when their toilets were going to be desludged.

⁵ See Section 5 of this paper for an explanation of what these are.

The evidence from the scaled-up social audit confirmed that vague bid specifications had contributed to inadequate service delivery in all 10 areas in Ekurhuleni that formed part of the audit.

Some bid specifications (for example, for the desludging of VIP toilets and for the delivery of water) mentioned that an additional service agreement or operational plan would be negotiated with the relevant municipal official once the contract has been awarded, but no evidence of the existence of such agreements was found.

4.5 LACK OF PARTICIPATION BY, AND COMMUNICATION WITH, COMMUNITIES

Most of the social audits highlighted the lack of community consultation and participation both before and after the award of the tender.

Before the award of the tender this includes lack of consultation/participation during the needs assessment and design of the bid specifications. The Mshengu and Green Point social audit reports specifically noted that user needs were not considered before the installation of the portable toilets.

After the award of the tender this includes lack of the provision of information to the relevant communities on what the actual delivery of the service entails (including a service delivery schedule). Many of the communities who participated in the social audits indicated that they did not receive a service delivery schedule and did not know when to expect the specific service to be delivered.

A few of the social audit reports also specifically mention the lack of provision of training to communities after the award of a contract to explain what is expected of residents to enable the efficient delivery of the service. For example, the Thembelihle audit report highlights that often the workers employed by the contractors refused to empty the VIP toilets before residents have removed debris from the toilets, even though the specifications require the contractor to remove such debris. The same report also notes confusion around a requirement that residents put water in the VIP toilets before the vacuum trucks arrive. This requirement was not communicated to the community.

4.6 INADEQUATE NEEDS ASSESSMENT

Closely related to the lack of community liaison is the lack of needs assessments. None of the social audits specifically assessed whether a needs assessment was done before the specifications or scope for the delivery of the services were finalised. But in most of the social audits of the delivery of sanitation services, respondents from the communities indicated that not enough toilets were provided in the first place. One report also notes that the

service did not consider that varying numbers of households or families use the toilets (which meant that some toilets needed to be serviced more often than others). The Spring Valley social audit found that the water trucks did not supply enough water for all residents in the area.

4.7 CONTRACT EXTENSIONS

In two cases that we considered, the contracts were either extended verbally on a month-to-month basis, or more formally through a deviation process. In the case of a verbal extension, there is no longer a written contract in place that can be used by community members to verify whether a service is being delivered according to the contract. In addition, any extensions mean that poor service delivery might continue without proper evaluation of the service or reconsideration of the initial bid specifications.

In the case of the Thembelihle social audit in Johannesburg, the contract for the “Hire of vacuum tankers for the desludging of pits and VIP toilets at various informal settlements within the City of Johannesburg” was first awarded in August 2013 to two service providers for the period 1 September 2013 to 31 August 2016. A new tender for the service was requested in August 2016, with the closing date 16 August 2016. To ensure that the delivery of the service continued in the meantime, the original contract was extended on a month-to-month basis for 6 months, ending on 28 February 2017. The contract was further extended through a deviation until 31 March 2017 to allow for the evaluation for the award of the new contract. By the end of March the award was still not finalised and a further deviation was requested on a month-to-month basis for 6 months until 30 September 2017. A Deviation Report dated 29 September 2017 indicated that a new contract was not awarded and that the process for a re-tender had started. To allow for the continuation of the service, the contractors were again appointed for another 6 months – from 1 October 2017 to 31 March 2018. The most recent information⁶ showed that the tender was finally awarded in August 2018.

In the case of the Spring Valley social audit, the contract for the “Transportation of potable water to various areas in Emalahleni” was initially awarded in January 2013. This contract was set to come to an end in March 2015. Early in 2015, a tender notice, inviting submission of tenders for the delivery of this service, was published, with a closing date of 17 June 2015. At the time of the social audit in February 2016, the tender had not been awarded and the original service provider continued to deliver the service on an ad hoc basis without a formal contract in place. It is unclear what happened subsequently, but recently it was found that the tender notice had been re-

⁶ <https://www.johannesburgwater.co.za/wp-content/uploads/2017/11/2018-19-Tender-Awards.pdf>

issued, with the closing date of 1 March 2017. No evidence of the award of the tender could be found on either the municipality's website or the National Treasury's eTender portal ⁷.

The social audits of these contracts did not specifically investigate the reasons for these extensions or postponements of the award of the contracts. The limited information presented above, however, leaves us with a number of concerns.

A recent news article⁸ suggests that the two municipalities above are not the only ones experiencing challenges with the timely procurement of outsourced services. In this case it again seems that the original contract (for the provision of portable toilets to informal settlements) expired before the procurement process to put a new contract in place had been concluded.

In the case of the contract of the Thembelihle social audit we have evidence that the tenders submitted were evaluated, but that the contract was a "non-award". While we do not know the reason for this, the procurement regulations do allow for the rejection of all bids⁹. Acceptable reasons include that the bids were not priced correctly (they might be considerably higher than the department's own estimates), or that they did not fully match the scope of the work to be performed.

5. EVIDENCE FROM BID SPECIFICATIONS AND OTHER DOCUMENTS USED IN THE SOCIAL AUDITS

The following section provides a summary of evidence collected from the bid specifications (and any other official municipal documents) analysed in the social audits¹⁰. The information found in the bid specifications reinforces some of the findings from the social audits, particularly around the lack of community participation and the lack of complaint or fault-reporting mechanisms.

5.1 POORLY DEFINED SCOPE OF THE SERVICE

The level of specific information on the scope of the service, including what should be delivered, where it should be delivered and how often, varied widely across the sets of specifications.

⁷<http://www.etenders.gov.za/sites/default/files/tenders/BID%20No..%20ELM%2027%202015%20READVERT%20TRANSPORTATION%20OF%20POTABLE%20WATER%20TO%20VARIOUS%20AREAS%20TO%20EMALAHLENI.pdf>

⁸ <https://www.iol.co.za/dailynews/community-up-in-arms-over-ablution-facilities-13241752>

⁹ http://mfma.treasury.gov.za/MFMA/Guidelines/Guide%20for%20Municipal%20Accounting%20Officers_1.pdf

¹⁰ Six sets of bid specifications or contracts were reviewed. The same contract was used in the Green Point and Mshengu social audits, while two contracts were the subject of the Monwabisi social audit.

For three contracts (used in the Mshengu, Green Point, and Monwabisi Park social audits in Cape Town), the bid specifications provided a relatively detailed overview of how the sanitation service should be delivered. These specifications were comprehensive and included, for example, the exact number of toilets to be provided or cleaned, where the service will be provided, the frequency of the service, specifications of the chemicals and equipment to be used, and the protective clothing to be issued to cleaners. The Mshengu contract and one of the contracts used in the Monwabisi social audit made provision for training for communities (to be provided by and charged for by the contractor) on how to use the chemical and portable toilets in a sustainable manner.

While the specifications for the Wattville social audit in Ekurhuleni provided some information on the broad areas to be covered by the contract, no indication of the exact number of informal settlements, households, stands or units to be serviced, were provided. The specifications provided a fair amount of detail on the requirements for the portable toilets themselves, but less for the cleaning of the toilets. A minimum service rate of twice within seven days, or prior to overflowing, was required, but a more specific service delivery schedule was not included in the specifications.

The bid document for the Spring Valley social audit provided limited detail on the scope of the water delivery service, and no specific information about the areas to be serviced. Some requirements related to the vehicle to be used were provided. It was also stated that successful bidders would be provided with a monthly schedule. Additional documents obtained in preparation for the social audit showed the name of the councillor who should confirm delivery of the service, the frequency per week of the quantity of water to be delivered, as well as the days of delivery and the name of the contractor. It is unclear if this constitutes the monthly schedule referred to in the bid documentation.

The bid specifications used for the Thembelihle social audit provided very little information on how the toilets should be desludged as well as around issues such as protective clothing for the workers. No information was provided about the exact number of informal settlements or number of units to be serviced and the specifications stated that the service will be provided on an “as and when required” basis. The specifications mentioned a service agreement to be negotiated with the regional manager after the award of the contract, but only refers to agreement on specific hours of work per day and no other definition of the scope of the service.

5.2 INADEQUATE MONITORING OF THE DELIVERY OF THE SERVICE

Again, the bid specifications with regard to monitoring of the service varied quite significantly in prescribing the monitoring of the delivery of the service and the requirements for payment of the service provider.

The three contracts used in the Mshengu, Green Point and Monwabisi Park social audits required the monthly invoices to include a breakdown of the sanitation service delivery by informal settlement. Depending on the type of service, the invoices should generally include the number of units delivered, collected, serviced or cleaned, and waste extraction by informal settlement. The invoices were to be accompanied by access control sheets signed at waste disposal sites and vehicle tracking reports with dates, times, and geographical locations.

All three contracts stated that the contractor would be required to attend monthly meetings with a municipal official. The Mshengu contract also provided for the municipality to “regularly inspect service quality on all sites”, but with no detail of what such inspection entails. The other two contracts did not make any mention of inspection by the municipality.

The sanitation contract for Wattville stated that invoices would only be processed for payment after the responsible official had inspected the work and was satisfied with its execution. Complete and authorised job cards would have to accompany the invoices. However, it should be noted that community leaders interviewed during the social audit stated that they had never seen any municipal official inspecting the delivery of the service.

The specifications used in the Thembelihle sanitation contract in Johannesburg required daily time sheets to be completed, with information on the driver, contractor, vehicle, and times worked. These were to be signed by the regional manager within five working days of completion of the work. Again, no mention was made of on-site inspection by the relevant line department. During this social audit, copies of these sheets were obtained and Johannesburg Water indicated that communities nominated some of their own members to sign these sheets to confirm that toilets have been cleaned.

The Spring Valley specifications did not include any specific requirements regarding the monitoring of the water delivery service. Additional documents obtained showed the name of the councillor who was supposed to sign off on the delivery of the service. Copies of invoices from the contractor and the contractor payment cover sheets were also obtained. The contractor payment sheet cover was signed off by two or more officials from the municipality. But it was unclear which document should be signed by the councillor. It was also unclear if the officials visited the settlement before signing the cover sheet.

5.3 NO COMPLAINT OR FAULT-REPORTING MECHANISM

One of the major omissions in these bid specifications was the lack of a complaint or fault-reporting mechanism that the community could use to report problems with the service. In addition, it was not specified who in the municipality community members should engage with when there is a problem. Two contracts made provision for the appointment of a CLO, but leave the actual decision to do that up to the contractor.

One of the contracts used in the Monwabisi Park social audit included a requirement that the contractor establish and operate a complaint and public liaison office within its area of service. This should include a telephone line with a full-time answering service or machine for receipt of complaints and public comments. The contractor should also keep a log of complaints and responses.

None of the other sets of specifications included any such requirement, despite the fact that some of the services should be provided on an “as and when required” basis and in cases of emergency - suggesting that communities should be informed of how and whom to contact when they need the service.

5.4 INADEQUATE COMMUNITY CONSULTATION AND PARTICIPATION

None of the specifications included any reference or requirements related to community consultation or participation.

Two contracts provided for the contractor to employ a CLO, to assist with “project initiation, allocation and hand-over of toilets to beneficiaries and general communication regarding project with beneficiary communities” [sic]. The social audits themselves did not find any evidence of such community engagement. Another contract required residents of the informal settlements to be notified before the contractor was going to service the toilets, so that they can facilitate access to the toilets. The contract required the contractor to inform the “Council’s representative” when the service was going to be delivered.

5.5 INADEQUATE NEEDS ASSESSMENT

Bid specifications generally do not explicitly refer to whether a needs assessment has been done, but the lack of information in some of the bid specifications suggests the possible absence of sufficient prior needs assessment.

The specifications used in Thembelihle and Wattville required the delivery of the service on an “as and when required basis”, with no indication of the number of units to be delivered or serviced, or how often servicing should take place. In the case of Thembelihle the contract applied to “various informal settlements” in Johannesburg, while in the case of Wattville the specifications listed the general areas they applied to, but gave no indication of the actual number of informal settlements to be serviced.

The other bid specifications did provide a list of informal settlements, estimated the number of units to be serviced in each settlement, as well as the “current service rate” or “ratio”. The current service rate indicated how often the units in a specific settlement were serviced each month. However, no indication was given of when this rate was

first calculated, and it is unclear if this “current service rate” would be sufficient to continue the effective delivery of the service going forward.

In the case of the contract for the servicing and maintenance of portable flush toilets used in the Monwabisi Park audit, the contractor was required to conduct a survey of the area and compile a beneficiary list before the allocation of the toilet units. This means that it was up to the contractor to conduct some sort of needs assessment.

6. INTERVIEWS WITH MUNICIPAL AND OTHER STAKEHOLDERS

In an effort to test the significance and validity of our findings, we conducted interviews with municipal officials (mostly working in supply chain management), some of whom were from metros not covered by our research into social audit reports or bid specifications. In general, they confirmed that they experience or observe similar challenges with the delivery of temporary services as those identified by our research.

There was general agreement that the lack of capacity in both the supply chain management units¹¹ and in the service delivery departments is a key contributing factor to many of the challenges discussed above. More specifically, this lack of capacity contributes to the following:

- Bid specifications are vague or inadequate because project managers in the line departments do not have the necessary skills to compile detailed specifications; or these positions are vacant.
- In many cases consultants are appointed to write bid specifications and as a result the specifications are not detailed enough. Some officials who are most closely involved with the delivery of the service have indicated that they are generally not consulted when consultants are appointed to write the specifications. As a result these specifications are often not detailed enough or do not cover all the aspects of the service.
- As a result of both points described above, the bid specifications also do not make explicit provision for the adequate monitoring of the delivery of the service.
- Officials in line departments are not familiar with the unique attributes and challenges of each informal settlement, and this means that the specifications do not address the needs of different settlements adequately.

¹¹ Every municipality has a supply chain management department or unit, which is responsible for making sure that the municipality’s procurement and other supply chain management processes are implemented according to the law.

- The lack of capacity results in bad planning for the procurement of a service, which often means that a contract comes to an end before a new contract has been awarded, which leads to extensions to and deviations from the existing contract in several ways.
- Project managers also do not have the relevant skills to present and explain decisions at the Bid Specification, Evaluation and Adjudication committees, which means that it can take long time for the procurement of a service to be concluded.
- Often the budget needed for the delivery of the service is not properly estimated upfront, with negative implications for the actual delivery of the service.
- The lack of capacity also leads to inadequate monitoring of service delivery by project managers. More specifically, project managers are often not skilled in contract management and how to use the contract as an instrument to manage the relationship between the contractor and the municipality.
- It was also suggested that senior management does not have the capacity to supervise the monitoring of these services by the project managers.

The interviewees also proposed some explanations for both the lack of skills of the employed officials (both in line departments and supply chain management units), as well as the relatively high number of vacancies:

- As a result of budget constraints, only critical positions are advertised, and many vacant positions cannot be filled.
- Regulations (released in terms of the Municipal Finance Management Act) regarding minimum qualifications for senior supply chain management officials have resulted in municipalities struggling to find suitably qualified people.

One person also mentioned that they do not have enough contractors with the requisite skills and experience in their metro, which means that the same contract is repeatedly awarded to the same contractors, even when their performance is inadequate.

One interviewee also mentioned the lack of funding as a constraint to improving the services through expansion of the contracts. This means that there is not enough funding available to, for example, increase the number of days a service is delivered to a specific community.

Finally, it was also pointed out that the lack of adequate planning at the start of the tender process can have a ripple effect on all aspects of a project. For example, if the planning process did not include a needs assessment, the bid specifications might not clearly define the scope of the service. In addition, the budget for the project might not be adequate and not enough contractors appointed to deliver the service.