

New rules redefine travel procurement for SA government

Draft public procurement regulations published by the Minister of Finance propose significant changes to how South African government institutions will procure travel and accommodation services, introducing new pricing rules, procurement structures and supplier requirements.



Image source: [Gallo/Getty](#)

The draft forms part of the Public Procurement Act signed into law by President Cyril Ramaphosa in July 2024 and is expected to have a direct impact on travel management companies, accommodation providers and public sector travel booking systems once implemented.

Government travel procurement moves toward standardised models

The draft regulations require government institutions to procure travel and accommodation through either a Request for Proposal (RFP) process for a single supplier or a framework agreement for multiple suppliers unless a transversal contract is already in place.

The aim is to standardise procurement approaches across public sector entities and formalise how travel services are sourced and managed.

Net pricing requirement to reshape travel supplier models

A key provision in the draft requires all travel and accommodation contracts to be based on actual cost structures.

Rates must be net and non-commissionable, excluding third-party commissions and including all transactional or management fees.

This would significantly alter how travel management companies structure pricing and revenue models with

the public sector.

Stronger alignment with travel policies and service delivery rules

Institutions will be required to align procurement with internal travel policies, including booking procedures, approval processes and loyalty programme considerations.

Service level agreements must also explicitly cover refunds, unused services, insurance and emergency support.

The regulations place greater emphasis on accountability and service delivery standards within government travel procurement.

According to Gerrit Davids, lead advisor at TaranisCo Advisory, the proposed framework signals a structural shift in public sector travel procurement.

“What we are seeing is a deliberate shift away from opaque pricing structures toward a fully transparent, cost-based model. The requirement for net, non-commissionable pricing fundamentally changes how travel management companies structure their offerings to the public sector,” says Davids.

He adds that procurement standardisation will change supplier dynamics.

“By prescribing the use of RFPs and framework agreements, the regulations are not only improving governance but also creating a more competitive and fair environment for service providers. However, suppliers will need to rethink their commercial models to remain compliant and competitive.”

Higher compliance expectations across travel services

Davids says the regulations extend beyond pricing into operational accountability for travel suppliers.

“Beyond pricing, the emphasis on service level agreements, covering refunds, unused services, and emergency support, raises the bar for accountability and service delivery. This is where experienced advisory and compliance support will become critical,” he says.

Supplier eligibility rules introduce procurement conditions

The draft regulations also include provisions governing which suppliers may participate in RFP processes

These include requirements related to Black ownership and preferential procurement criteria under the framework, which will influence supplier participation in government travel contracts.

The Draft General Public Procurement Regulations are open for public comment and are expected to come into effect in 2026 following cabinet approval.

Travel industry stakeholders, including travel management companies and accommodation providers, are encouraged to review the proposals, which are set to reshape government travel procurement structures and supplier relationships.

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