

EMERGENCY AND DEVIATION PROCUREMENT

When 'Urgent' Becomes a Loophole

Mrs Khumbuzile Kunene | Director: Procurement | University of KwaZulu-Natal

Every genuine emergency is unavoidable. Every artificial emergency was once a missed planning opportunity.

The question we must ask

Are we managing emergencies — or managing governance failures?

Emergency procurement is sometimes necessary.

The risk begins when foreseeable problems repeatedly become ‘emergencies’.

The governance question shifts from: ‘Was there an emergency?’
to: ‘Why was the emergency allowed to happen?’

The concern is not that emergency procurement exists. The concern is preventable emergency becoming normal.

Genuine emergency vs. foreseeable disruption

GENUINE EMERGENCY

- Natural disaster
- Infrastructure collapse
- Civil unrest
- Major utility failure
- Cyber incident
- Public health emergency

FORESEEABLE DISRUPTION

- Expired security contract
- Expired cleaning contract
- ICT licence expiry
- Delayed infrastructure tender
- Delayed fleet replacement
- Expired maintenance agreement

The iceberg of emergency procurement

What is visible is often only the symptom

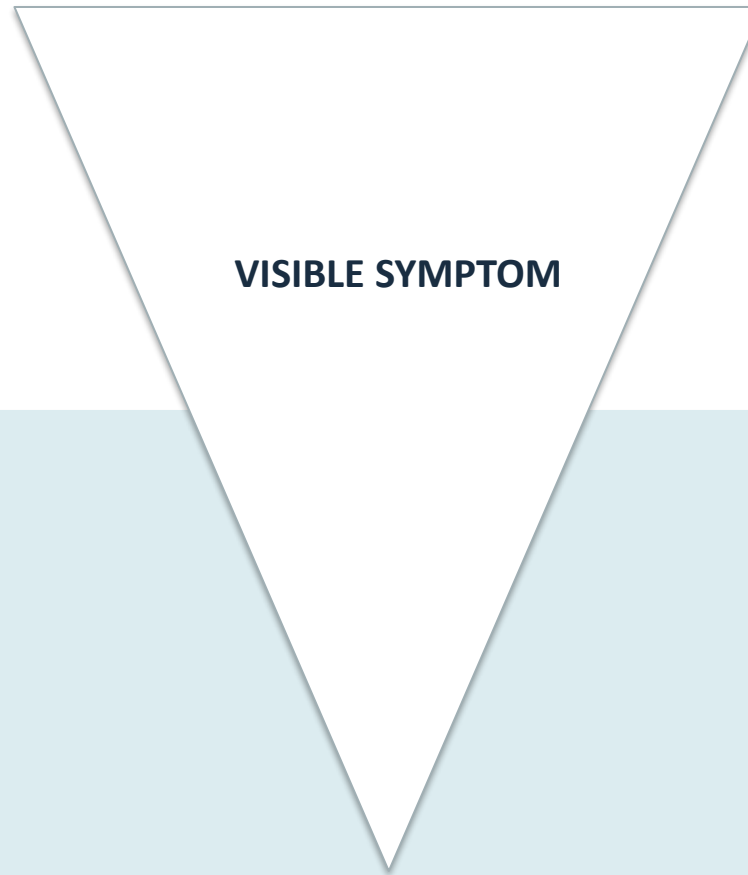
Emergency procurement

Deviation approval

Contract extension

Service interruption risk

Audit finding



VISIBLE SYMPTOM

UNDERLYING GOVERNANCE FAILURE

Poor procurement planning

Weak contract management

Delayed specifications

Capacity constraints

Governance inaction

Poor project oversight

Inadequate monitoring

Audit findings are often the visible symptom. Governance failures are the root cause.

Planned chaos and manufactured urgency

Contract expiry date is known.

Procurement plan exists.

Warnings and reminders are issued.

Action is delayed.

Time runs out.

Operational risk becomes immediate.

Emergency procurement is requested.

Deviation is approved.

Some emergencies are encountered. Others are manufactured through inaction.

Anatomy of an artificial emergency

Contract awarded

Expiry date known

Planning opportunity

No action / delay

Tender delayed

Operational risk emerges

Emergency declared

Deviation approved

Supplier retained

Emergency = symptom | Governance failure = root cause

The real cost of artificial emergencies

COMPETITION

- Reduced market participation
- Less competitive pressure
- Supplier diversity suffers

FINANCIAL

- Pricing risk
- Irregular expenditure exposure
- Resource diversion

GOVERNANCE

- Audit findings
- Reputational damage
- Weak accountability

STRATEGIC

- Supplier dependency
- Reduced market access
- Normalisation of exceptions

When emergency procurement becomes a culture

- ▶ Same supplier repeatedly benefits
- ▶ Frequent emergency approvals
- ▶ Continuous deviations
- ▶ Recurring contract extensions
- ▶ Repeat audit findings
- ▶ Procurement plans are not executed

The danger is not one deviation. The danger is institutional acceptance of recurring deviations.

Hidden irregular expenditure: look for patterns

A single transaction can appear compliant.

Approval may exist.

Documentation may be complete.

The motivation may appear reasonable.

But trend analysis can reveal repeated emergency awards, supplier concentration, extensions, fragmented procurement and avoidable urgency.

The most significant procurement risks often become visible only when transactions are viewed collectively.

Compliance assurance vs procurement assurance

COMPLIANCE ASSURANCE

- ✓ Was approval obtained?
- ✓ Was documentation signed?
- ✓ Were required steps followed?

PROCUREMENT ASSURANCE

- ✓ Was the situation foreseeable?
- ✓ Could the deviation have been avoided?
- ✓ Why did planning fail?
- ✓ Is this recurring?
- ✓ Who is accountable?
- ✓ What prevents recurrence?

Compliance explains what happened. Assurance explains why it happened.

The contract management connection

Contract management is where future emergencies are prevented — or created.

Track expiry dates and renewal lead times.

Monitor supplier performance throughout the contract.

Control amendments and extensions.

Link contract management to procurement planning.

A well-managed contract should never surprise an institution when it expires.

Contract expiry is one of the most predictable events in procurement.

Are Audit Committees receiving the right assurance?

Typical expertise includes finance, audit, accounting, risk, law and governance.

But procurement risk cuts across all these areas.

Who provides assurance on:

- supplier behaviour?
- procurement planning failures?
- repeat deviations and extensions?
- supplier concentration?
- contract management weaknesses?

Are committees receiving procurement assurance — or merely compliance reporting?

Case study 1 — Security contract

Expiry date known 12 months in advance.

Tender delayed repeatedly.

Risk of service interruption emerges.

Emergency procurement is requested.

Deviation is approved.

Was this a genuine emergency — or a governance failure?

Case study 2 — ICT licence renewal

Licence expiry is known years ahead.

Procurement is deferred.

System downtime risk becomes immediate.

Emergency procurement is approved.

The institution experiences ‘urgency’ — but the risk was predictable.

Predictable risks require proactive governance.

Case study 3 — The preferred supplier

Multiple deviations.

Same supplier repeatedly.

Different motivations each time.

Pattern continues over multiple periods.

Is this operational necessity — or supplier dependency?

From detective governance to preventative governance

DETECTIVE

- Audit findings
- Investigations
- Whistleblowers
- External reviews

PREVENTATIVE

- Contract expiry dashboards
- Procurement plan monitoring
- Supplier concentration reporting
- Deviation trend analysis
- Procurement risk heat maps

Prevent failure rather than explain it later.

Early warning indicators

⚠ Contracts expiring within 12 months

⚠ Procurement plans not progressing

⚠ Supplier concentration increasing

⚠ Repeat deviations

⚠ Emergency procurement spend rising

⚠ Contract extensions increasing

⚠ Repeated urgency requests

Most emergencies provide warning signs long before they occur.

A procurement risk dashboard

Number of deviations

**Emergency procurement
spend**

Contracts nearing expiry

Repeat suppliers

Contract extension values

Supplier dependency

Repeat audit findings

Visibility creates accountability. Accountability improves outcomes.

A better governance model

Instead of asking: 'Was the deviation approved?'

Ask:

Why was it necessary?

Could it have been avoided?

What controls failed?

Is this recurring?

When was the risk first identified?

Who is accountable for prevention?

What corrective action followed?

Strong governance investigates causes, not symptoms.

The shift we need to make

REACTIVE

Approve the exception

ANALYTICAL

Understand the pattern

PREVENTATIVE

Address the cause

STRATEGIC

Build resilience

Final reflection

The real crisis is not every deviation.

The real crisis is weak planning becoming normal.

Reactive governance should not become the operating model.

Repeated exceptions should trigger root-cause analysis.

Public resources deserve both compliance and foresight.

Emergency procurement should be the exception. It should never become the operating model.

Closing challenge

If tomorrow's emergency is already visible today — is it really an emergency?

**Every genuine emergency is unavoidable.
Every artificial emergency was once a missed planning opportunity.**

Thank you | Mrs Khumbuzile Kunene | Director: Procurement, UKZN

Q&A — 15 minutes

Let's move from the concept to your institutional experience.

What recurring 'emergencies' do you see in your institution?

Where does contract management break down?

What should Audit Committees be asking?

Which early-warning indicator would make the biggest difference?

How do we distinguish genuine urgency from avoidable urgency?