

## CHAPTER 1: IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY

### 2. SUPPLY CHAIN MANAGEMENT POLICY

- 1) All officials and other role players in the Supply Chain Management system of the Cederberg Municipality must implement this Policy in a way that –
  - a) gives effect to –

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    - i) Section 217 of the Constitution; and
    - ii) Part 1 of Chapter 11 and other applicable provisions of the Act;
    - iii) Regulations pertaining to Supply Chain Management.
    - iv) Guidelines as issued by National Treasury, which affects this Policy.
  - b) gives effect to the principles contained in **Annexure A**.
  - c) complies with –
    - i) the Regulations; and
    - ii) any minimum norms and standards that may be prescribed in terms of section 168 of the Act;
  - d) is consistent with other applicable legislation;
  - e) does not undermine the objective for uniformity in Supply Chain Management Systems between organs of state in all spheres; and
  - f) is consistent with national economic policy concerning the promotion of investments and doing business with the public sector;
  - g) applies the highest ethical standards; and
  - h) promotes local economic development.
- 2) This Policy applies when the Municipality –
  - a) procures goods or services;
  - b) disposes of goods no longer needed;
  - c) selects contractors to provide assistance in the provision of municipal services including circumstances where Chapter 8 of the Municipal Systems Act applies.
- 3) This Policy, except where provided otherwise, does not apply in respect of:
  - a) the procurement of goods and services contemplated in section 110(2) of the Act, including –
    - i) water from the Department of Water Affairs or a public entity, another municipality or a municipal entity; and
    - ii) electricity from Eskom or another public entity, another municipality or a municipal entity.
  - b) the Projects that are ear-marked for Local Emerging Contractor Development.
  - c) the acquisition of services of attorneys and advocates subject that the acquisition of such services to be dealt with in terms of Delegations of the Municipality's Delegation of Powers and Duties, as amended from time to time and any Bargaining Council Agreements on Disciplinary Procedures.

- d) the payment of accommodation and air travel for official purposes subject that same be dealt with in terms of the Municipality's Travelling and Subsistence allowance/cost Policy, as amended from time to time, as well as Delegations of the Municipality's Delegation of Powers and Duties, as amended from time to time.
- e) any contract relating to the publication of notices and advertisements by the municipality

### **3. ADOPTION, AMENDMENT AND IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY**

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- 1) The accounting officer must –
  - a) at least annually review the implementation of this Policy; and
  - b) when the accounting officer considers it necessary, submit proposals for the amendment of this Policy to Council.
- 2) If the accounting officer submits proposed amendments to Council that differs from the model policy issued by the National Treasury, the accounting officer must –
  - a) ensure that such proposed amendments comply with the Regulations; and
  - b) report any deviation from the model policy to the National Treasury and the provincial treasury.
- 3) When amending this supply chain management policy the need for uniformity in supply chain practices, procedures and forms between organs of state in all spheres, particularly to promote accessibility of supply chain management systems for small businesses must be taken into account.
- 4) The accounting officer must in terms of section 62(1)(f)(iv) of the Act, take all reasonable steps to ensure that the municipality implements the supply chain management policy.

### **4. DELEGATIONS OF SUPPLY CHAIN MANAGEMENT POWERS AND DUTIES**

- 1) Council hereby delegates all powers and duties to the accounting officer which are necessary to enable the accounting officer –
  - a) to discharge the supply chain management responsibilities conferred on accounting officers in terms of –
    - i) Chapter 8 or 10 of the Act; and
    - ii) this Policy;
  - b) to maximize administrative and operational efficiency in the implementation of this Policy;
  - c) to enforce reasonable cost-effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation of this Policy; and
  - d) to comply with his or her responsibilities in terms of section 115 and other applicable provisions of the Act.
- 2) Section 79 of the Act applies to the sub delegation of powers and duties delegated to the accounting officer in terms of subparagraph (1).



- 3) The accounting officer may not sub-delegate any supply chain management powers or duties to a person who is not an official of the Municipality or to a committee which is not exclusively composed of officials of the Municipality;
- 4) This paragraph may not be read as permitting an official to whom the power to make final awards has been delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 26 of this Policy.

## **5. SUB- DELIGATIONS**

- 1) The accounting officer may in terms of section 79 of the Act sub-delegate any supply chain management powers and duties, including those delegated to the accounting officer in terms of this Policy, but any such sub-delegation must be consistent with subparagraph (2) of this paragraph and paragraph 4 of this Policy.
- 2) The power to make a final award –
  - a) above R10 million (VAT included) may not be sub-delegated by the accounting officer;
  - b) above R200 000 (VAT included), but not exceeding R10 million (VAT included), may be sub-delegated but only to a bid adjudication committee of which the chief financial officer or a senior manager is a member.
  - c) above R30 000 (VAT included) but not exceeding R200 000 may be sub-delegated to the official as per Council's delegation, attached as **Annexure E**, pertaining the purchase of goods and services.
- 3) An official or bid adjudication committee to which the power to make final awards has been sub-delegated in accordance with subparagraph (2) must within five (5) days of the end of each month submit to the official referred to in subparagraph (4) a written report containing particulars of each final award made by such official or committee during that month, including–
  - a) the amount of the award;
  - b) the name of the person to whom the award was made; and
  - c) the reason why the award was made to that person.
- 4) A written report referred to in subparagraph (3) must be submitted to the accounting officer, in the case of an award by a bid adjudication committee of which the chief financial officer or a senior manager is a member.
- 5) Subparagraphs (3) and (4) of this policy do not apply to procurement out of petty cash.
- 6) This paragraph may not be interpreted as permitting an official to whom the power to make final awards has been sub-delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 26 of this Policy. Also refer to paragraph 4(4) and 5(2)(a) of this Policy.
- 7) No supply chain management decision-making powers may be delegated to an advisor or consultant.

## **6. OVERSIGHT ROLE OF COUNCIL**

- 1) Council must maintain oversight over the implementation of this Policy.
- 2) For the purposes of such oversight the Accounting Officer must –

- a) within 30 days of the end of each financial year, submit a report on the implementation of this Policy and the supply chain management policy of any municipal entity under the sole or shared control of the municipality, to the council of the municipality; and
  - b) Whenever there are serious and material problems in the implementation of this Policy, immediately submit a report to Council.
- 3) The accounting officer must, within ten (10) days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the Executive Mayor through the Finance Portfolio Committee.
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- 4) The availability of these reports must be made public in accordance with section 21A of the Local Government Municipal Systems Act 32, 2002

#### **7. SUPPLY CHAIN MANAGEMENT UNIT**

- 1) A supply chain management unit is hereby established to implement this Policy.
- 2) The supply chain management unit operates under the direct supervision of the chief financial officer or an official to whom this duty has been delegated in terms of section 82 of the Act.

#### **8. TRAINING OF SUPPLY CHAIN MANAGEMENT OFFICIALS**

The training of officials involved in implementing this Policy should be in accordance with relevant legislation, including Treasury guidelines on supply chain management.

## **CHAPTER 2: SUPPLY CHAIN MANAGEMENT SYSTEM**

### **9. FORMAT OF SUPPLY CHAIN MANAGEMENT SYSTEM**

- 1) This Policy provides systems for –
    - a) demand management;
    - b) acquisition management;
    - c) logistics management;
    - d) disposal management;
    - e) risk management; and
    - f) performance management.
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## **Part 1: DEMAND MANGEMENT**

### **10. SYSTEM OF DEMAND MANAGEMENT**

- 1) An effective system of demand management is established and must be implemented in order to ensure that—
  - (a) the resources required by the municipality to support its operational commitments and its strategic goals as outlined in the Integrated Development Plan (IDP) are achieved; and
  - (b) the Performance Management System (PMS) must give the necessary support to ensure that the resources required, to support the strategic and operational commitments of the municipality, are delivered at the correct time, at the right price and at the right location, and that the quality and quantity satisfy the needs of the municipality
- 2) This Policy provides for an effective demand management system to ensure that user-departments—
  - (a) include timely planning and management processes to ensure that all goods and services required by the municipality are quantified, budgeted for and timeously and effectively delivered at the right locations and at the critical delivery dates, and are of the appropriate quality and quantity at a fair cost;
  - (b) take into account any benefits of economies of scale that may be derived in the case of acquisitions of a repetitive nature;
  - (c) provide for the compilation of the required specifications to ensure that its needs are met;
  - (d) undertake appropriate industry analyses and research to ensure that innovations and technological benefits are maximized;
  - (e) as far as possible, accurately estimate the cost of the provision of services, works or goods for which an invitation for bids is to be made;



- (f) determine the deliverables or performance indicators in terms of which a person awarded a contract will be assessed; and
  - (g) determine the appropriate preference point system to be utilised in the bid documentation.
- 3) The accounting officer may in terms of section 79 of the Act sub-delegate any supply chain management powers and duties, including those delegated to the accounting officer in terms of this Policy, but any such sub-delegation must be consistent with this Policy.

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## **Part 2: ACQUISITION MANGEMENT**

### **11. SYSTEM OF ACQUISITION MANAGEMENT**

- 1) The accounting officer must implement the system of acquisition management set out in this Part in order to ensure –
  - a) that goods and services are procured by the Municipality in accordance with authorised processes only;
  - b) that expenditure on goods and services is incurred in terms of an approved budget in terms of section 15 of the Act;
  - c) that the threshold values for the different procurement processes are complied with;

- d) that bid documentation, evaluation and adjudication criteria, and general conditions of a contract, are in accordance with any applicable legislation; and
  - e) that any Treasury guidelines on acquisition management are properly taken into account.
- 2) All requests (requisitions) for the procurement of goods and services shall be directed and submitted to the offices of the supply chain management unit in time for the unit to follow the procurement processes diligently and must be—

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a) on the specific requisition form clearly specifying—

- i) the nature of the goods or the services required in terms of this policy;
- ii) the specifications and quantity of the goods or duration of the services;
- iii) the correct vote (line item) number with sufficient funding to conclude the process;
- iv) the realistic estimated cost of the goods or services required;
- v) any requirement in terms of the CIDBA;
- vi) any requirement in terms of the PPPFA; and
- vii) any other requirement (legislative, site meeting, contact details, etcetera).

b) signed by a duly authorised official of the user-department, as delegated.

- 3) When procuring goods and / or services of a capital nature section 19 of the Act regarding budgeting and costing of capital projects must be complied with.
- 4) When procuring goods and / or services which will have future budgetary implications section 33 and 116 of the Act regarding contracts must be complied with.
- 5) When procuring goods or services contemplated in section 110(2) of the Act, the accounting officer must make public the fact that such goods or services are procured otherwise than through the municipality's supply chain management system, including –
  - a) the kind of goods or services; and
  - b) the name of the supplier.

## **12. RANGE OF PROCUREMENT PROCESSES**

- 1) Goods and services may only be procured by way of –
  - a) petty cash purchases, up to a transaction value of R200 (VAT included);
  - b) petty cash purchases exceeding the amount of R200 up to an amount of R 2 000 (VAT included) to be authorised by the Chief Financial Officer or his delegate;
  - c) one written quotation for procurement transactions with values from R0 to R2 000 (VAT included);

- d) three formal written price quotations for procurement transactions with values over R2000 up to R30 000 (VAT included);
  - e) formal written price quotations for procurement transactions valued over R30 000 (VAT included) up to R200 000 (VAT included), subject to paragraph 18(b); and
  - f) a competitive bidding process for—
    - i) procurement above a transaction value of R200 000 (VAT included); and
    - ii) the procurement of long term contracts, i.e. longer than one year.
- 2) The accounting officer may, in writing—
- a) lower, but not increase, the different threshold values specified in subparagraph (1); or
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- 3) Goods or services may not deliberately be split into parts or items of a lesser value merely to avoid complying with the requirements of the policy. When determining transaction values, a requirement for goods or services consisting of different parts or items must as far as possible be treated and dealt with as a single transaction.
- 4) For quotations (up to R 30 000.00) bidders are required to be registered on the Central Supplier Database prior to the acceptance of their quotation in respect of the goods or services required.
- 5) Formal (closed) written price quotations, from accredited suppliers, by means of advertisement on municipal website and notices on municipal notice boards for at least 7 days for procurements of a transaction value over R30 000.00 up to R200 000.00 (VAT included); and
- 6) A competitive bidding process for -
- (i) procurement above an estimated transaction value of R200 000.00 (VAT included); and
  - (ii) the procurement of long term contracts.
- 7) Formal distinct municipal bidding documents, complying with National Treasury prescripts, must be utilised at all times.
- 8) Obtaining a single written price quotation for the procurement of emergency repairs (strip and quote) with a transaction value up to R30 000.00 (VAT included) provided it is on a rotational basis and procured from accredited suppliers only;
- 9) The procurement of the following services are excluded from subparagraph above—
- (a) the serving of summonses on condition the service provider is listed on the database (must comply with all registration conditions) and is a registered messenger/sheriff of the court;
  - (b) any procurement in terms of a predetermined tariff/s by an organ of state, on condition the rotation system is applied where possible; and
  - (c) oil and fuel but only from authorised service stations.



### 13. GENERAL PRECONDITIONS FOR CONSIDERATION OF WRITTEN QUOTATIONS OR BIDS

A written quotation or bid that exceeds R30 000 may not be considered unless the provider who submitted the quotation or bid –

- a) has furnished that provider's –
  - i) full name;
  - ii) identification number or company or other registration number; and iii) tax reference number and VAT registration number, if any;
  - iii) registration number in terms of section 18(1) of the Construction Industry Development Board Act, 2000 (Act No. 38 of 2000), should the provider quote or bid to undertake, carry out or complete any construction works or portion thereof;
  - iv) registration number of the NHBRC, should the provider bid or quote to undertake any housing construction works or portion thereof;
  - v) certificate of good standing with the Department of Labour in terms of the Compensation for Occupational Injuries and Diseases Act, 1993 (Act 130 of 1993);
  - vi) physical and postal address;
  - vii) telephone (land line and cell numbers), e-mail addresses and fax numbers, where possible;
  - viii) core business (what is the principle business);
  - ix) names of all directors/members/owners of enterprise;
  - x) specific expertise vested in the company;
  - xi) Broad-Based Black Empowerment of entity;
  - xii) the inclusion of valid tax details and tax clearance certificate;
  - xiii) the inclusion of declaration in terms of required information;
  - xiv) permission that the financial position of the supplier and the ability to manufacture or to supply goods or to render a service may be examined before its offer is considered for acceptance;
  - xv) monetary value of contracts interested in;
  - xvi) maximum quantities that can be supplied; and/or
  - xvii) quantity and frequency of delivery.
- (b) has authorised the municipality to obtain a tax clearance from the South African Revenue Services that the provider's tax matters are in order;
- (c) has authorised the municipality to obtain a certificate clearance from the Construction Industry Development Board that the provider holds a valid registration certificate issued by the Board, if required;

- d) has indicated –
  - i) whether he or she is in the service of the state, or has been in the service of the state in the previous twelve months;
  - ii) if the provider is not a natural person, whether any of its directors, managers, principal shareholder or stakeholders are in the service of the state, or has been in the service of the state in the previous twelve months; or
  - iii) whether a close family member of the provider or of a director, manager, shareholder or stakeholder referred to in subparagraph (ii) is in the service of the state, or has been in the service of the state in the previous twelve months;
  - iv) that the tendering enterprise or any of its owners, directors, members or trustees, ~~in their personal capacity are not in arrears with any account(s) with a Municipality for longer than 90 days / three months; or~~
  - v) whether any Municipal staff member is a close family member of an owner, his/her partner serves on the board of directors, or are members or trustees, of the tendering enterprise.
- e) has authorised the municipality to obtain or has submitted a certificate clearance from the Health and Safety Board that the provider holds a valid registration certificate issued by the Board, if required;
- f) has authorised the municipality to inspect the premises from which the provider operates, if required; and

#### 14. LIST OF ACCREDITED PROSPECTIVE PROVIDERS

- 1) The accounting officer must –
  - a) keep a list of accredited prospective providers (Central Supplier Database) of goods and services that must be used for the procurement requirements of the Cederberg Municipality through written or verbal quotations and formal written price quotations; and
  - b) at least once a year through newspapers commonly circulating locally, the website and any other appropriate ways, invite prospective providers of goods or services to apply for evaluation and listing as accredited prospective providers;
  - b) specify the listing criteria for accredited prospective providers as per attached Annexure G ; and
  - d) disallow the listing of any prospective provider whose name appears on the National Treasury's database as a person prohibited from doing business with the public sector (check before listing if prospective provider is not registered on the List of Restricted Suppliers (forward e-mail to [restrictions@treasury.gov.za](mailto:restrictions@treasury.gov.za)) and the Register for Tender Defaulters – National Treasury website [www.treasury.gov.za](http://www.treasury.gov.za)).
- 2) The list must be updated at least quarterly to include any additional prospective providers and any new commodities or types of services. Prospective providers must be allowed to submit applications for listing at any time.
- 3) The list must be compiled per commodity and per type of service.

#### 15. PETTY CASH PURCHASES (Read together with the Petty Cash Policy)

- 1) The general guideline is that petty cash purchases referred to in paragraph 12(1)(a) &(b) of this Policy are for minor items that are purchased for up to R2 000 (VAT

- included) where it is impractical, impossible or not cost-effective to follow formal procurement process and is strictly of a reimbursive nature and not for advances.
- 2) The Chief Financial Officer must keep the petty cash and apply the conditions as set out in the petty cash policy for the procurement of goods by means of petty cash purchases.
  - 3) The Chief Financial Officer is authorised to increase the petty cash float as stipulated in the petty cash policy for a specific period and when justified.

## 16. WRITTEN PRICE QUOTATIONS

- 16.1) The conditions for the procurement of goods or services through written or verbal quotations are as follows –:
  - ~~a) quotations for transactions with values from R0 to R2 000 (VAT included); must be obtained from at least one provider preferably from, but not limited to, providers whose names appear on the list of accredited prospective providers (Centralised Supplier Database) of the Municipality provided that if quotations are obtained from providers who are not listed, such providers must meet the listing criteria set out in paragraph 14(1)(c) and 14(2) of this Policy~~
  - b) providers must be requested to submit such quotations in writing;
  - c) the accounting officer must record the names of the potential providers requested to provide such quotations with their quoted prices; and
  - d) if a quotation was submitted verbally, the order may be placed only against written confirmation by the selected provider.
  - e) any other conditions determined by the Accounting Officer.
- 16.2) No orders may be placed based on verbal price quotations.
- 16.3) No quotation, written or verbal, may be made available by an official to a prospective bidder.
- 16.4) The conditions for the procurement of goods or services through written quotations for amounts under the threshold for formal quotations as stated in paragraph 12(1)(d) are as follows:
  - a) quotations for transactions with values over R2000 up to R30 000 (VAT included); must be obtained from at least three providers preferably from, but not limited to, providers whose names appear on the list of accredited prospective providers (Centralised Supplier Database) of the Municipality provided that if quotations are obtained from providers who are not listed, such providers must meet the listing criteria set out in paragraph 14(1) (b), (c) and (d) of this Policy
  - b) providers must be requested to submit such quotations in writing;
  - c) if it is not possible to obtain at least three quotations, the reasons must be recorded and reported quarterly to the accounting officer or another official designated by the accounting officer;
  - d) the accounting officer must record the names of the potential providers requested to provide such quotations with their quoted prices; and
  - e) if a quotation was submitted verbally, the order may be placed only against written confirmation by the selected provider.
  - g) any other conditions determined by the Accounting Officer.
- 2) No orders may be placed based on verbal price quotations.



- 3) No quotation, written or verbal, may be made available by an official to a prospective bidder.

## **17. FORMAL WRITTEN PRICE QUOTATIONS**

- 1) The conditions for the procurement of goods or services through formal written price quotations are as follows:
  - a) quotations must be obtained in writing from at least three different providers whose names appear on the list of accredited prospective providers (Centralised Supplier Database) of the Municipality;
  - b) quotations may be obtained from providers who are not listed, provided that such ~~providers meet the listing criteria set out in paragraph 14(1) (b), (c) and (d) of this Policy;~~
  - c) if it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the chief financial officer or an official designated by the chief financial officer, and
  - d) the accounting officer must record the names of the potential providers and their written quotations.
  - e) any other conditions determined by the Accounting Officer.
- 2) A designated official referred to in subparagraph (1) (c) must within three (3) days of the end of each month report to the chief financial officer on any approvals given during that month by that official in terms of that sub-delegation.

## **18. PROCEDURES FOR PROCURING GOODS OR SERVICES THROUGH WRITTEN QUOTATIONS AND FORMAL WRITTEN PRICE QUOTATIONS**

- 1) The procedure for the procurement of goods or services through written quotations or formal written price quotations is as follows:
  - a) when using the list of accredited prospective providers (Centralised Supplier Database) the accounting officer must promote ongoing competition amongst providers by inviting providers to submit quotations on a rotation basis;
  - b) quotes, of which the estimated amount is less than R30 000 (inclusive of VAT), must be obtained from locally accredited prospective providers, where possible
  - c) all requirements in excess of R30 000 (VAT included) that are to be procured by means of formal written price quotations must, in addition to the requirements of paragraph 17, be advertised for at least seven days on the website and an official notice board of the Municipality;
  - c) quotes received must be evaluated on a comparative basis taking into account unconditional discounts;
  - d) the accounting officer and chief financial officer must on a monthly basis be notified in writing of all written or verbal quotations and formal written price quotations accepted by an official acting in terms of a sub-delegation;
  - e) quotes must be awarded based on compliance to specifications and conditions of contract, ability and capability to deliver the goods and services and lowest price;
  - f) responsive and acceptable offers, which are subject to the preference points system (PPPTA and associated regulations and policy), must be awarded to the bidder who scored the highest points; (The prescripts of the Preferential Procurement Policy Framework Act, Act No.5 of 2000 will be applied for

procurement requirements above R30 000 (and with a lesser value where appropriate).

- g) the Chief Financial Officer must set requirements for proper record keeping of all formal written price quotations accepted on behalf of the municipality.
- 2) Notwithstanding the above requirements for consideration, quotations not to specification may not be accepted.
- 3) An order may only be issued after the final award is made provided sufficient funding exist within the appropriate vote.
- 4) The accounting officer, chief financial officer, accountant supply chain management and supply chain management practitioners must take all reasonable steps to ensure that the procurement of goods and services through written price and formal written price quotations is not abused.
- 5) No official placing a procurement requisition for goods or services shall understate the requirements of the estimated value with the intention of avoiding a more stringent procurement process. This includes the deliberate splitting of requirements to reduce individual order values. The accounting officer shall promptly institute disciplinary action against any official in terms of paragraph 38 and the code of conduct and ethical standards as contemplated in this policy.
- 6) No official shall engage in contact with a prospective supplier in respect of a quotation which the supplier intends to submit except where clarification of specifications is required from either party, or where the accounting officer or his delegate may negotiate with identified preferred bidders. Any such communication must be recorded and appropriately filed with the bid documentation.
- 7) The supply chain management unit must comply with all requirements for proper record keeping.

## **19. COMPETITIVE BIDS**

- 1) Goods or services above a transaction value of R200 000 (VAT included) and long term contracts may only be procured through a competitive bidding process, subject to paragraphs 11(2) and 36 of this Policy.
- 2) No requirement for goods or services above an estimated transaction value of R200 000 (VAT included), may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process.
- 3) Goods of a repetitive nature and exceeds R200 000.00 (VAT included) per annum may only be procured through a competitive bidding process, subject to paragraph 11.2 of this Policy.
- 4) No official shall engage in contact with a prospective bidder in respect of a bid which the supplier intends to submit except where clarification of specifications is required from either party, or where the accounting officer may negotiate with identified preferred bidders. Any such communication must be recorded and appropriately filed with the bid documentation

## 20. PROCESS FOR COMPETITIVE BIDDING

The procedures for the following stages of a competitive bidding process are as follows:

- a) Compilation of bidding documentation as detailed in paragraph 21;
  - b) Public invitation of bids as detailed in paragraph 22;
  - c) Site meetings or briefing sessions as detailed in paragraph 22;
  - d) Handling of bids submitted in response to public invitation as detailed in paragraph 23;
  - e) Evaluation of bids as detailed in paragraph 28;
  - f) Award of contracts as detailed in paragraph 29;
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- g) Administration of contracts: After approval of a bid, the accounting officer and the bidder must enter into a written agreement unless the bidding documentation constitutes an acceptable contract.
  - h) Proper record keeping: Original and legal copies of written agreements should be kept in a secure place for reference purposes.

## 21. BID DOCUMENTATION FOR COMPETITIVE BIDS

- 1) The criteria to which bid documentation for a competitive bidding process must comply, must –
  - a) take into account –
    - i) the general conditions of contract and any special conditions of contract, if specified;
    - ii) any Treasury guidelines on bid documentation;
    - iii) the requirements of the National Building Regulations
    - iv) the requirements of the Construction Industry Development Board (CIDB), in the case of a bid relating to construction, upgrading, refurbishment of buildings or infrastructure; and
    - v) a statement indicating whether any portion of the goods or services are expected to be sourced from outside the Republic, and, if so, what portion whether any portion of payment from the municipality is expected to be transferred out of the Republic;
  - b) include the preference points system to be used as contemplated in the Preferential Procurement Regulations and evaluation and adjudication criteria, including any criteria required by other applicable legislation;
  - c) determine and include the evaluation points and criteria for functionality to be used as contemplated in the Preferential Procurement Regulations and clearly specify the following aspects;
    - i) Evaluation criteria for functionality;

The evaluation criteria may include criteria such as consultant's relevant experience for the assignment, the quality of the methodology; qualifications of key personnel assigned to the project; transfer of knowledge, etc.



ii) Weight of each criterion;

The weight that is allocated to each criterion should not be generic, but should be determined separately for each bid on a case to case basis.

iii) Applicable Value

iv) Minimum qualifying score for functionality

The minimum qualifying score that must be obtained for functionality in order for a bid to be considered further should not be generic. It should be determined separately for each bid on a case to case basis. The minimum qualifying score must not be prescribed so low that it may jeopardise the quality of the services nor so high that it may be restrictive to the extent that it jeopardizes the fairness of the SCM system.

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- d) include any other criteria and or goals as contemplated in the Preferential Procurement Regulations;
- e) include the evaluation and adjudication criteria required by any other applicable legislation;
- f) compel bidders to declare any conflict of interest they may have in the transaction for which the bid is submitted;
- g) if the value of the transaction is expected to exceed R10 million (VAT included) –
  - i) the bidder is required by law to prepare annual financial statements for auditing, its audited annual financial statements –
    - (aa) for the past three years;  
or
    - (ba) since its establishment if established during the past three years;
  - ii) certificate signed by the bidder certifying that the bidder has no undisputed commitments for municipal services towards the Municipality or other service provider in respect of which payment is overdue for more than 30 calendar days;
  - iii) particulars of any contracts awarded to the bidder by the municipality during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract;
  - iv) a statement indicating whether any portion of the goods or services are expected to be sourced from outside the Republic, and, if so, what portion and whether any portion of payment from the municipality or municipal entity is expected to be transferred out of the Republic; and
- h) stipulate that disputes must be settled by means of mutual consultation, mediation (with or without legal representation), or, when unsuccessful, in a South African court of law.
- i) in the absence of formal construction or technical contracts, e.g. JBCC and General Conditions of Contract, in which guarantees / sureties are contained, the following shall apply:
  - i) where surety is required it shall be in the form of cash or a bank guarantee from a banking institution registered in terms of the Banks Act, 1990 (Act No. 94 of 1990) or from an insurer registered in terms of the Insurance Act, 2002 (Act No. 30 of 2002). Where bids in Category A cannot raise the

required surety of 2,5%, and it is feasible to deduct the amount from the Preliminary and General (P+G) payment certificate, such concessions may be granted;

Guarantees will be required as follows:

CATEGORY	PROJECT VALUE	GUARANTEE
A	≤ R500 000	2,5%
B	R500 001 – R1 000 000	5%
C	R1 000 001 – R2 000 000	7,5%
D	>R2 000 000	10%

- j) indicate the value or extent to which the execution of the contract should or should not be subcontracted;
  - k) submit a certificate from the Department of Labour indicating compliance with the Occupational Health & Safety Act, 1993 [Act No. 85 of 1993];
  - l) any other criteria determined by the Accounting Officer; and
  - m) the amount and period of retention.
- 2) A non-refundable charge shall be raised for bid forms, plans, specifications, samples and any other bid documentation, depending on the nature, magnitude and value of technical information or samples provided by the municipality for tenders in excess of R200 000.
  - 3) Bid documents may allow for bidders to bid for one or more items or for a part of one or more items but the Municipality reserves the right to accept part of a bid or a complete bid or quotation even if it is not the lowest, provided the interests of the Municipality are best served thereby. Bid documents must be specific as certain contracts, e.g. the construction of a bridge, may require that the whole contract is to be completed by the same contractor.
  - 4) Where bidders insert prices on price lists supplied by the Municipality they shall delete items for which they do not bid or if the price has been included elsewhere in the price list. After bid/quotations have been opened bidders may not supplement their original offer if the original offer was incomplete.

## 22. PUBLIC INVITATION FOR COMPETITIVE BIDS

- 1) The procedure for the invitation of competitive bids is as follows:
  - a) An invitation to prospective providers to submit bids must be by means of National Treasury's eTender Portal, a public advertisement in newspapers commonly circulating locally, the notice boards at selected offices of the Municipality, the website of the Municipality, or any other appropriate ways (which may include an advertisement in the Government Tender Bulletin); and
  - b) the information contained in a public advertisement, must include –
    - i) the closure date for the submission of bids, which may not be less than one calendar month in the case of transactions over R10 million (VAT included), or which are of a long term nature, or 14 days in any other case, from the date on which the advertisement is placed in a newspaper, subject to



subparagraph (2) of this policy;

- ii) a statement that bids may only be submitted on the bid documentation provided by the Municipality; **and**
- iii) date, time and venue of any proposed site meetings or briefing sessions.
- iv) the contact details of the official should enquiries be made with regard to technical detail of the bid

c) All bids advertised on the eTender Publication Administrator must at least contain the following information:

- Bid description
- Bid Number
- Name of Municipality
- The physical location where the goods, services or works specified in the bid are required;
- The closing date and time of the bid;
- Municipality contact details (postal and physical address, telephone number, email address, etc.);
- The physical location where hard copies of bids can be collected
- The physical location where bids should be delivered; and
- The bid documents (MBDs, Terms of Reference, GCC and any other relevant documents)

2) The accounting officer may determine a closure date for the submission of bids which is less than one calendar month requirement, or 14 days, but only if such shorter period can be justified on the grounds of urgency or emergency or any exceptional case where it is impractical or impossible to follow the official procurement process.

3) Bids submitted must be sealed and marked as indicated in the bid advertisement and the bid document.

4) Where bids are requested in electronic format, such bids must be supplemented by sealed hard copies.

5) Site meetings and bid clarification meetings.

1) Site meetings/ bid clarification meetings will, in general, not be compulsory. In exceptional circumstances however, a site meeting/ bid clarification meeting may be made compulsory with the approval of the relevant director.

2) If site meetings/ bid clarification meeting are to be held, full details must be included in the bid notice and the bid document, including whether or not the site meeting/ bid clarification meeting is compulsory.

3) Where site meetings/bid clarification meetings are made compulsory, the date for the site meetings/ bid clarification meeting shall be not less than 7 (seven) days after the bid has been advertised.

4) Site meetings/ bid clarification meeting will be chaired by a duly authorised representative from the Supply Chain Management Unit. The relevant line manager responsible for a specific bid or the duly appointed consulting engineering firm employee must be present at the site meetings/ bid clarification meeting in order to provide technical information and to answer technical related questions that might arise from the prospective bidders.



- 5) The chairperson of the site meeting/clarification meeting must explain the way how the site meetings/bid clarification will be conducted and must exclude prospective bidders that arrive after the meeting has been opened.
- 6) Prospective bidders present at the site meetings/bid clarification meeting, will be required to confirm their attendance by signing the attendance register as provided by the Supply Chain Management Unit.
- 7) In instances where bid documentation provides for an attendance certificate, such a certificate must be signed by the representative of the Supply Chain Management Unit who was present at the site meetings/ bid clarification meeting and submitted with the bid document.
- ~~8) If at a site meetings/ bid clarification meeting, any additional information is provided or clarification of vague points is given, such additional information or clarification must be conveyed to all bidders in writing within a time frame as determined by the municipality, but not later than 7 (seven) days before the bid closing date.~~
- 9) Drawings and other supplements to bid documents may be provided to prospective bidders at the site meetings/bid clarification meetings.
- 10) A bidder who failed to attend a compulsory site meeting/ bid clarification meeting will be disqualified from the bidding process.

#### 6) Validity periods

- 1) The period for which bids are to remain valid and binding must be indicated in the bid documents.
- 2) The validity period is calculated from the bid closure date and bids shall remain in force and binding until the end of the final day of that period.
- 3) This period of validity may be extended by the Supply Chain Management Unit, provided that the original validity period has not expired, and that all bidders are given an opportunity to extend such period. Any such extension shall be agreed to by a bidder in writing.
- 4) Bidders who fail to respond to such a request before the validity of their bid expires, or who decline such a request shall not be considered further in the bid evaluation process.
- 5) In the event that an appeal is received, the validity period is deemed to be extended until finalisation of the appeal.

#### 7) Samples

- 1) Bid documents may require samples that must be submitted.
- 2) Where samples are called for in the bid documents, samples (marked with the bid and item number as well as the bidder's name and address) shall be delivered separately (to the bid) to the Supply Chain Management representative mentioned in the bid document before the bid closing date.

- 3) A register will be kept by the Supply Chain Management representative of samples received from prospective bidders. An acknowledgement of receipt shall be issued to the prospective bidder as proof of delivery.
- 4) Bids may not be included in parcels containing samples.
- 5) If samples are not submitted as required in the bid documents then the bid concerned must be declared non-responsive.
- 6) Samples shall be supplied by a bidder at his/her own expense and risk. The municipality shall not be obliged to pay for such samples or compensate for the loss thereof, unless otherwise specified in the bid documents.
- ~~7) If a bid is accepted for the supply of goods according to a sample submitted by the bidder, that sample will become the contract sample. All goods/materials supplied shall comply in all respects to that contract sample. If not, it might be deemed as a breach in contract.~~
- 8) The municipality reserves the right not to return the contract sample and may dispose of it at its own discretion.

## **23. PROCEDURE FOR HANDLING, OPENING AND RECORDING OF BIDS**

- 1) The procedures for the handling, opening and recording of bids, are as follows:
  - a) Bids—
    - i) must be opened only in public;
    - ii) must be opened on the same date and as soon as possible after the period for the submission of bids has expired;
    - iii) received after the closing time should not be considered and must be returned unopened immediately;
    - iv) An independent observer from another internal department can be requested to attend the opening of bid documents at the request of the supply chain management representative.
  - b) Any bidder or member of the public has the right to request that the names of the bidders who submitted bids in time must be read out and, if practical, also each bidder's total bidding price;
  - c) No information, except the provisions in subparagraph (b), relating to the bid should be disclosed to bidders or other persons until the successful bidder is notified of the award; and
  - d) The accounting officer must
    - i) record in a register all bids received in time;
    - ii) make the register available for public inspection; and
    - iii) publish the entries in the register and the bid results on the website.
    - iv) notify the successful and unsuccessful bidders in writing.

3) Stamping of bids and reading out of names

- a) As each bid is opened the name of the bidder and the amount shall be read out.

An employee shall date-stamp the bid or quotation and all enclosures related to prices, delivery periods and special conditions. Bids and quotations shall be numbered in the sequence in which they have been opened and the words "and last" shall be endorsed on the last bid or quotation. In instances where only one bid has been received the words "and only" shall be endorsed on such bid.

- b) Where prices have not been inserted in all relevant spaces on the form and such items have not been deleted by bidders, such spaces shall be stamped "no price" by the employee who opens the bids or quotations.

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**Note:** *It is the policy of the Municipality to disclose bid prices. With regard to quotations of a value below R200 000 (VAT included), names of bidders and prices will also be read out, will be registered in a register and will be available for inspection at the Supply Chain Management Unit.*

- c) Details on how bidders responded to the relevant evaluation criteria e.g. SMME contribution, community benefits, job creation, environmental impact, etc. should not be disclosed.

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4) Late Bids

- a) Bids or quotations arriving after the specified closing time shall not be considered and where practicable and cost effective shall be returned to the bidder unopened with a letter explaining the circumstances.

- b) Bid documents must clearly state the venue where the bidding box is situated for each bid. Any bid delivered to the wrong bid box will not be considered, even if it was delivered on time.

- c) Where it's necessary to open a late bid or quotation to obtain the name and address of the sender, each page of the document shall be stamped "late bid" before the bid is returned to the bidder. The envelope must be stamped and initialled in like manner and must be retained for record purposes.

5) Amendments before the closing date.

The Municipality is entitled to amend any bid condition, validity period, specification or plan, or extend the closing date of such a bid or quotation before the closing date, provided that such amendments or extensions are advertised and/or that all bidders to whom bid documents have been issued, are advised in writing per registered post or by fax of such amendments or of the extension clearly reflecting the new closing date and time. For this reason, employees and authorised service providers issuing bids shall keep a record of the names, addresses and contact numbers of the persons or enterprises to whom bid documents have been issued.

6) Dealing with bids and quotations if the closing date thereof has been extended.

Where the closing date of a bid or quotation is extended, the notice which makes known such extensions shall also mention the bids or quotations already received, will be retained unopened in the bidding box and be duly considered after the expiry of the extended period, unless the bidder requests that such bid or quotation to be returned to the bidder or unless the bidder cancels it by submitting a later dated bid or quotation



- before the extended closing date.
- 7) No amendments after the closing date allowed
- a) The municipality is not entitled to amend any bid condition, specification or plan, after the closing date of the bid and before the acceptance of a bid or quotation has been notified.
  - b) No person may amend or tamper with any tenders, quotations, contracts or bids after their submission.

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#### **24. NEGOTIATIONS WITH PREFERRED BIDDERS AND COMMUNICATION WITH PROSPECTIVE PROVIDERS AND BIDDERS**

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- 1) The accounting officer may negotiate the final terms of a contract with bidders identified through a competitive bidding process as preferred bidders, provided that such negotiation –
  - a) does not allow any preferred bidder a second or unfair opportunity;
  - b) is not to the detriment of any other bidder; and
  - c) does not lead to a higher price than the bid as submitted.
  - d) does not lead to a lower price in respect of sale of land / goods.
- 2) Minutes of such negotiations must be kept for record purposes and as far as practical be made part of the final contract.
- 3) No unauthorised communication with bidders and prospective providers
  - a) Where bids and quotations have been submitted to the municipality, a bidder may not communicate with any councillor, official, or authorised service provider on any matter regarding his bid, quotation or offer other than a notice of withdrawal.
  - b) No municipal personnel may communicate with a bidder or any other party who has an interest in a bid, during the period between the closing date for the receipt of the bid or quotation (or date of receipt of an offer), and the date of notification of the successful bidder of acceptance of his bid, quotation or offer, except as provided for in paragraph (c) below. Every such case of unauthorised communication shall forthwith be reported to the Supply Chain Management Unit as well as the relevant chairperson of the Bid Adjudication Committee. A bid or quotation in respect of which unauthorised communication has occurred may be disqualified.
  - c) The chairperson of the Bid Adjudication Committee, as determined in paragraph 29(2), may authorise an employee or authorised service provider, in writing, to communicate with a bidder during the period mentioned in subsection (b) above for the purpose of:-
    - i) explaining and verification of declarations made in the bid response;
    - ii) confirming technical particulars and the compliance thereof with specifications;
    - iii) clarifying delivery times/quantities;
    - iv) extending the validity period of a bid;
    - v) clarifying any other commercial aspect.

- d) In all cases where authority has been granted to communicate with bidders in terms of paragraph (c) above, it should be clearly stated in the submission to the Bid Adjudication Committee the nature of the communication as well as by whom such authority to communicate has been granted.
- e) All changes and/or clarification of specifications shall be conveyed to all bidders by means or methods as specified in paragraph 23.

## **25. TWO- STAGE BIDDING PROCESS**

- 1) A two-stage bidding process is allowed for –
  - a) large complex projects, or
  - b) projects where it may be undesirable to prepare complete detailed technical specifications; or
  - c) long term projects with a duration period exceeding three years.
- 2) In the first stage technical proposals on conceptual design or performance specifications should be invited, subject to technical as well as commercial clarifications and adjustments.
- 3) In the second stage final technical proposals and priced bids should be invited.
- 4) A two envelope system differs from a two-stage (prequalification) bidding process in that a technical proposal and the financial offer are submitted in separate envelopes at the same place and time. The financial offers will only be opened once the technical proposals have been evaluated.

## **26. COMMITTEE SYSTEM FOR COMPETITIVE BIDS**

- 1) A committee system for competitive bids is hereby established, consisting of the following committees for each transaction or cluster of transactions as the accounting officer may determine:
  - a) a bid specification committee;
  - b) a bid evaluation committee; and
  - c) a bid adjudication committee;
- 2) The accounting officer appoints the members of each committee, taking into account section 117 of the Act; and
- 3) A neutral or independent observer, appointed by the accounting officer, must attend or oversee a committee when this is appropriate for ensuring fairness and promoting transparency.
- 4) The committee system must be consistent with –
  - a) paragraph 27, 28 and 29 of this Policy; and
  - b) any other applicable legislation.
- 5) The accounting officer may apply the committee system to formal written price



## 27. BID SPECIFICATION COMMITTEES

- 1) The appropriate bid specification committee must compile the specifications for each procurement transaction for goods or services by the Municipality, depending on the department involved.
- 2) Specifications –
  - a) must be drafted in an unbiased manner to allow all potential suppliers to offer their goods or services;
  - b) must take account of any accepted standards such as those issued by Standards South Africa, the International Standards Organization, or an authority accredited or recognised by the South African National Accreditation System with which the equipment or material or workmanship should comply;
  - c) must, where possible, be described in terms of performance required and / or in terms of descriptive characteristics for design;
  - d) may not create trade barriers in contract requirements in the forms of specifications, plans, drawings, designs, testing and test methods, packaging, marking or labelling of conformity certification;
  - e) may not make reference to any particular trade mark, name, patent, design, type, specific origin or producer unless there is no other sufficiently precise or intelligible way of describing the characteristics of the work, in which case such reference must be accompanied by the word "equivalent";
  - f) must indicate each specific goal or functionality for which points may be awarded in terms of the points system set out in the Preferential Procurement Policy Framework Act, 2000, read with the Preferential Procurement Regulations 2017 as amended; and
  - g) must be approved by either the chief financial officer or relevant senior manager prior to publication of the invitation for bids in terms of paragraph 22 of this Policy.
- 3) The bid specification committee must be composed of the senior manager and at least one professional with required technical expertise from the department responsible for the function involved (requiring the goods or services), and supply chain management practitioner from the supply chain management unit, and may, when appropriate, include local economic development officer and external specialist advisors
- 4) No person, advisor or corporate entity involved with the bid specification committee, or director of such a corporate entity, may bid for any resulting contracts.

## 28. BID EVALUATION COMMITTEES

- 1) A bid evaluation committee must –
  - a) evaluate bids in accordance with –
    - i) the specifications for a specific procurement; and
    - ii) the points system set out in terms of paragraph 27(2)(f).



- iii) the general criteria to evaluate technical and financial ability as per **Annexure B**.
    - iv) the framework for the adjudication of bids as contained in Part B (Preferential Procurement Policy).
  - b) evaluate each bidder's ability to execute the contract;
  - c) evaluate the tenders to ensure value for money for the municipality;
  - d) check in respect of the recommended bidder whether municipal rates and taxes and municipal service charges are not in arrears for more than three months and;
  - e) consider only those bidders who has submitted and complied with the material terms and requirements of the bid documentation;
  - f) when calculating comparative prices, take into account any discounts which have been offered unconditionally, however, a discount which has been offered conditionally must, despite not being taken into account for evaluation purposes, be implemented when payment is effected;
  - g) submit to the adjudication committee a report and recommendations regarding the award of the bid or any other related matter.
  - h) submit to the adjudication committee a report and reasons in the event of a tender not being awarded.
- 2) A bid evaluation committee must as far as possible be composed of-
- a) Standing members
    - i) the relevant senior manager (or delegates);
    - ii) a delegated Manager: Treasury or senior supply chain management practitioner; and
    - iii) any other manager(s).
  - b) Other members:
    - i) At least one knowledgeable / professional official from the Directorate for whom the bid is called.
    - ii) Technical experts, consultants or advisors, provided that these experts may only actively contribute to discussions, but not vote on the items evaluated.
- 3) A manager: treasury or a supply chain practitioner nominated by the CFO will be the chairperson of the Bid Evaluation Committee.
- 4) The quorum for each meeting of the Bid Evaluation Committee is at least one senior supply chain management practitioner and a representative of the relevant directorate.

## **29. BID ADJUDICATION COMMITTEES**

- 1) A bid adjudication committee must –
  - a) consider the report and recommendations of the bid evaluation committee;
  - and

- b) either –
    - i) depending on its delegations, make a final award or a recommendation to the accounting officer to make the final award; or
    - ii) make another recommendation to the accounting officer how to proceed with the relevant procurement.
  - c) Consider the report and recommendations of the bid evaluation committee where it is recommended that the tender not be awarded; and either
    - i) Take a decision that the tender not be awarded for the reasons presented and that it be re-advertised or not be re-advertised; or
    - ii) take a decision that the tender be awarded and make a final award or ~~a recommendation to the accounting officer to make the final award.~~
- 
- 2) A bid adjudication committee shall be composed of the following: –
    - a) the chief financial officer or, if the chief financial officer is not available, a manager in the budget and treasury office reporting directly to the chief financial officer and designated by the chief financial officer; and
    - b) the Manager: Treasury or senior supply chain management practitioner; and
    - c) Directors of each directorate or in their absence, a duly delegated official.
    - d) if deemed necessary, a technical expert in the relevant field who is an official, if such an expert exists
  - 3) The accounting officer may appoint the CFO as chairperson of the committee. If the chairperson is absent from a meeting, the members of the committee who are present must elect one of them to preside at the meeting and will be documented in the minutes.
  - 4) Neither a member of a bid evaluation committee, nor an advisor or person assisting the evaluation committee, may be a member of a bid adjudication committee.
  - 5) The chairperson of the bid evaluation committee may present their reports to the bid adjudication committee and clarify any uncertainties. However, such members will not have any voting power or considered when determining a quorum.
  - 6) A quorum is of 50 % plus 1, with the Chief Financial Officer or, if the chief financial officer is not available, another manager in the budget and treasury office reporting directly to the chief financial officer and designated by the chief financial officer being, at all times one of the quorum-forming members.
  - 7) If the bid adjudication committee decides NOT to award a bid, either in support of the recommendation by the bid evaluation committee or on their own decision, the bid adjudication committee may:-
    - a) refer the evaluation report back to the bid evaluation committee for review and/or reconsideration or clarification, or
    - b) refer the bid document to bid specification to revise and advertise; or
    - c) cancel the bidding process.



- 8) If the bid adjudication committee decides to award a bid other than the one recommended by the bid evaluation committee, the bid adjudication committee must prior to awarding the bid-
  - a) check in respect of the preferred bidder whether that bidder's municipal rates and taxes and municipal service charges are not in arrears, and;
  - b) notify the accounting officer.
- 9) The accounting officer may, in terms of a notice received as contemplated in paragraph 29.7—
  - a) after due consideration of the reasons for the deviation, ratify or reject the decision of the bid adjudication committee referred to; and
  - b) if the decision of the bid adjudication committee is rejected, refer the decision of the adjudication committee back to that committee for reconsideration.
- 10) The accounting officer may at any stage of a bidding process, refer any recommendation made by the evaluation committee or the adjudication committee back to that committee for reconsideration of the recommendation.
- 11) The accounting officer must comply with section 114 of the Act within 10 working days.
- 12) If the Bid Adjudication Committee or other delegated official has resolved that a bid be accepted, the successful and unsuccessful bidders shall be notified in writing of this decision.
- 13) Every notification of decision shall be sent via registered mail and either faxed or sent via electronic mail to the address chosen by the bidder, with a copy of proof of transmission kept for record purposes, or shall be delivered by hand, in which case acknowledgement of receipt must be signed and dated on a copy of such notification and kept for record purposes.
- 14) Members of the bid specification committee, bid evaluation committee and technical advisors may attend the bid adjudication committee to provide clarity, but has no decision making rights pertaining to the award.
- 15) The accounting officer may sub-delegate its power in terms of this policy to the bid evaluation committee, the bid adjudication committee and the Accountant Supply Chain Management.
- 16) After approval of a bid, the accounting officer and the bidder must enter into a written agreement.
- 17) Original / legal copies of written contracts agreements must be kept in a secure place for reference purposes.
- 18) The accounting officer is empowered to condone non-compliance with peremptory requirements of bids in cases where the condonation is not incompatible with public interest and promote the values of fairness, competitiveness and cost-effectiveness which are listed in Section 217 of the Constitution.

#### **Successful bidder briefing**



- 19) The notification to the successful bidder in terms of this Policy may require of the successful bidder to attend a compulsory briefing session with the municipality before commencement of the contract at no cost to the municipality.
- 20) The purpose of the briefing session is to:
- a) Introduce the municipal contract manager allocated to the specific contract in terms of this policy and to meet the successful bidders contract manager;
  - b) Examine and analyse the bid document and contractual conditions to ensure that specific expectations of the municipality and the obligations of the successful bidder are well understood;
  - c) Discuss the strengths and weaknesses of the bidder's submission in relation to the specific evaluation criteria and the bidders evaluated score.
  - d) Communicate and document the anticipated contract risks and challenges as perceived by both the municipality and the successful bidders;
  - e) To develop mitigating strategies to address and mitigate the contract risk and challenges; and
  - f) Communicate the contract administration process as stated in legislation and this policy.
  - g) Formally sign the bid contract.
- 21) At least the following persons must attend the briefing session:
- a) The municipal contract manager;
  - b) The authorised municipal supply chain official;
  - c) The successful bidders authorised contract signatory;
  - d) The successful bidders contract manager.
- 22) The notification to the successful bidder must state the date, time and place of the briefing session in writing:
- a) Proper minutes must be kept of each briefing session;
  - b) All correspondence and documentation in relation to the briefing session must be maintained as part of the procurement documentation.

#### **Unsuccessful bidder debriefing**

- 23) The unsuccessful bidder debriefing service is offered by the municipality to unsuccessful bidders upon request.
- 24) During the debriefing unsuccessful bidders can find out how their proposal scored against required criteria and obtain comments from the evaluation team on their bid.
- 25) The debriefing should be a positive and constructive experience that explains how bidders can improve future submissions.

- 26) The debriefing an opportunity for unsuccessful bidders to:
- a) Learn more about the procurement and evaluation process in an informal setting.
  - b) Find out how their proposal scored against the required criteria.
  - c) Hear the overall comments from the evaluation team on your bid.
  - d) Gather information on how future submissions may be improved.
- 27) The debriefing is not part of the Supply Chain complaint or appeal process in terms of this policy.
- ~~28) The debriefing is not legal proceeding and no legal representation is permitted at the debriefing.~~
- 29) At the debriefing session the unsuccessful bid is not compared to other bids, nor will information be provided to the unsuccessful bidder about other bids.
- 30) In scheduling bidders debriefings session upon the request of the unsuccessful bidder, the municipality must:
- a) Confirm the date and time of the debriefing session in writing;
  - b) Conduct separate debriefings with each vendor;
  - c) Ensure that proper minutes are kept of each debriefing session;
  - d) Retain all correspondence and documentation relevant to the debriefing session as part of the procurement documentation.
- 31) In conducting bidders debriefings, the municipality may:
- a) Provide a general overview of the evaluation process set out in the bid documents;
  - b) Discuss the strengths and weaknesses of the bidder's submission in relation to the specific evaluation criteria and the bidders evaluated score.
  - c) Provide suggestions on how the supplier may improve future submissions;
  - d) Address specific questions and issues raised by the supplier in relation to their submission.

#### **Acceptance of offers**

- 32) At the invitation of bids, or quotations:
- a) the municipality is not obliged to accept the lowest or any offer;
  - b) The municipality may, where an offer relates to more than one item, accept such offer in respect of or any specific item or items.
  - c) The municipality may accept any offer notwithstanding the fact that the offer does not comply with the bid invitation in respect of which the offer has been made subject to the conditions of this policy.

### **30. PROCUREMENT OF BANKING SERVICES**

- 1) A contract for banking services –
    - a) must be procured through competitive bids;
    - b) must be consistent with section 7 or 85 of the Act; and
    - c) may not be for a period of more than five years at a time.
  - 2) The process for procuring a contract for banking services must commence at least nine months before the end of an existing contract.
  - 3) The closure date for the submission of bids may not be less than 60 days from the date on which the advertisement is placed in a newspaper in terms of this policy. Bids must be restricted to banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990).
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### **31. PROCUREMENT OF IT RELATED GOODS OR SERVICES**

- 1) The accounting officer may request the State Information Technology Agency (SITA) to assist with the acquisition of IT related goods or services through a competitive bidding process.
- 2) Both parties must enter into a written agreement to regulate the services rendered by, and the payments to be made to, SITA.
- 3) The accounting officer must notify SITA together with a motivation of the IT needs if–
  - a) the transaction value of IT related goods or services required in any financial year will exceed R50 million (VAT included); or
  - b) the transaction value of a contract to be procured whether for one or more years exceeds R50 million (VAT included).
- 4) If SITA comments on the submission and the Municipality disagree with such comments, the comments and the reasons for rejecting or not following such comments must be submitted to the council, the National Treasury, the relevant provincial treasury and the Auditor General.

### **32. PROCUREMENT OF GOODS AND SERVICES UNDER CONTRACTS SECURED BY OTHER ORGANS OF STATE**

- 1) The accounting officer may procure goods or services under a contract secured by another organ of state, but only if –
  - a) the contract has been secured by that other organ of state by means of a competitive bidding process applicable to that organ of state;
  - b) there is no reason to believe that such contract was not validly procured;
  - c) there are demonstrable discounts or benefits to do so; and
  - d) that other organ of state and the provider have consented to such procurement in



writing.

2) Subparagraphs (1)(c) and (d) do not apply if –

- a) a municipal entity procures goods or services through a contract secured by its parent municipality; or
  - b) a municipality procures goods or services through a contract secured by a municipal entity of which it is the parent municipality.
-