

BELA-BELA LOCAL MUNICIPALITY



**APPROVED 2025/26 FINAL SUPPLY CHAIN
MANAGEMENT POLICY**

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1. DEFINITIONS

In this Policy, unless the context indicates otherwise, a word or expression to which a meaning has been assigned in the Municipal Finance Management Act, No 56 of 2003, has the same meaning as in the Act, and -

"Accounting Officer" in relation to a Municipality means the municipal manager as escribed in Section 60 of the Local Government: Municipal Finance Management Act, No 56 of 2003.

"B-BBEE" means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;

"B-BBEE status level of contributor" means the B-BBEE status of an entity in terms of a code of good practice on black economic empowerment issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act:

"Broad-Based Black Economic Empowerment Act" means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003)

"commercial value" in relation to the sale or leasing of land or property relates to land or property which has a commercial value and can be sold or sub-let on a stand-alone basis and excludes small pockets of land such as small alley ways, erven or annexures which are only of value in relation to the adjoining properties or structures.

"Competitive bidding process" means a competitive bidding process referred to in paragraph 12 (1) (d) of this Policy;

"Consultants" mean consulting firms, engineering firms, legal firms, construction managers, management firms, procurement agents, inspection agents, auditors, other multinational organisations, investment and merchant banks, universities, research agencies, government agencies, non-governmental (NGO's) and individuals.

"Competitive bid" means a bid in terms of a competitive bidding process;

“Designated sector” means a sector, sub-sector or industry or product designated in terms of regulation 8(1)(a) of the Preferential Procurement Regulations, 2017

“Designated group” means-

- (a) black designated groups;
- (b) black people;
- (c) women;
- (d) people with disabilities; or
- (e) small enterprises, as defined in section 1 of the National Small Enterprise Act, 1996 (Act No. 102 of 1996);

“Disability” - means, in respect of a person, a permanent impairment of a physical, intellectual, or sensory function, which results in restricted, or lack of, ability to perform an activity in the manner, or within the range, considered normal for a human

“Emergency” means a serious, unexpected, unforeseen and potentially dangerous and damaging situation requiring immediate action and which is not due to a lack of planning.

“Final award” in relation to bids or quotations submitted for a contract, means the final decision on which bid or quote to accept;

“Formal written quotation” means quotations referred to in paragraph 12 (1) (c) of this Policy;

“Highest acceptable tender” means a tender that complies with all specifications and conditions of tender and that has the highest price compared to other tenders;

“HDI” – “Historically Disadvantaged Individual (HDI)” - means a South African Citizen (1) who, due to the apartheid policy that had been in place, had no franchise in national elections prior to the introduction of the Constitution of the Republic of South Africa, 1983 (Act No 110 of 1983) or the Constitution of the Republic of South Africa, 1993 (Act No 200 of 1993) (“the Interim Constitution”); and/or (2) Who is a female; and /or (3) Who has a disability; Provided that a person who obtained South African citizenship on or after the coming to effect of the Interim Constitution, is deemed not to be an HDI;

“In the service of the State” means to be -

- (a) a member of –
- (i) any municipal council;

- (ii) (any provincial legislature; or
- (iii) the National Assembly or the National Council of Provinces;
- (b) a member of the board of senior managers of any municipal entity;
- (c) an official of any Municipality or municipal entity;
- (d) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999);
- (e) an executive member of the accounting authority of any national or provincial public entity; or
- (f) an employee of Parliament or a provincial legislature;

“Long-term contract” means a contract with a duration period exceeding one year;

“Lowest acceptable tender” means a tender that complies with all specifications and conditions of tender and that has lowest price compared to other tenders;

“List of accredited prospective providers” means the list of accredited prospective providers which a Municipality or municipal entity must keep in terms of paragraph 14 of this Policy;

“Municipality” means the Bela-Bela Local Municipality

“Municipal Systems Act” means the Local Government: Municipal Systems Act, No 32 of 2000.

“National Treasury” means the National Treasury established by section 5 of the Public Finance Management Act, 1999 (Act No. 55 of 1998)

“Obtain” means to come into possession of; get, acquire, or procure, as through an effort or by a request

“Organ of the state” means –

- (a) Any department of state or administration in the national, provincial or local sphere of government; or
- (b) Any other functionary or institution

- (i) exercising a power or performing a function in terms of the Constitution or a provincial constitution;
- (ii) exercising a public power or performing a public function in terms of any legislation but does not include a court or judicial officer.

“Other applicable legislation” means any other legislation applicable to municipal supply chain management, including -

- (a) the Preferential Procurement Policy Framework Act, Act No. 5 of 2000;
- (b) the Construction Industry Development Board Act, Act No. 38 of 2000;

“Price” means an amount of money tendered for goods or services, and includes all applicable taxes less all unconditional discounts;

“Procurement” is the acquisition of goods

“Provincial Treasury” means the Treasury of the Limpopo Province.

“PPPFA” means the Preferential Procurement Policy Framework Act, No 5 of 2000.

“Price” includes all applicable taxes less all unconditional discounts;

“Regulations” means the Local Government: Municipal Finance Management Act, 2003: Supply Chain Management Regulations (Notice 868 of 2000).

“Senior Manager” means a manager in the employment of the Bela Bela Local Municipality who heads a directorate or sub-directorate or who reports to the municipal manager or a director or the head of a sub-directorate of the Municipality;

“Sole providers” can be broadly defined as manufacturers, licence holders, publishers, intellectual property holders or service providers appointed by a sole provider as their sole agent or distributor in a specific area;

“Specific goals” means specific goals as contemplated in section 2(1)(d) of the Act which may include contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender and disability including the implementation of

programmes of the Reconstruction and Development Programme as published in Government Gazette No. 16085 dated 23 November 1994.

“Stipulated minimum threshold” means the minimum threshold stipulated in terms of the Preferential Procurement Regulation 2017 8(1)(b)

“Tender” means a written offer in the form determined by an organ of state in response to an invitation to provide goods or services through price quotations, competitive tendering process or any other method envisaged in legislation;

“Tender for income-generating contracts” means a written offer in the form determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions;

“Treasury guidelines” means any guidelines on supply chain management issued by the Minister in terms of section 168 of the Act;

“The Act” means the Local Government: Municipal Finance Management Act, No 56 of 2003;

“Written quotations” means quotations referred to in paragraph 12(1) (b) of this Policy.

CHAPTER 1 - ESTABLISHMENT AND IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY

2. *SUPPLY CHAIN MANAGEMENT POLICY*

(1) The **MUNICIPALITY OF BELA BELA** has resolved in terms of Section 111 of the Municipal Finance Management Act, No 56 of 2003, to have and implement a Supply Chain Management Policy that:

- (a) gives effect to –
 - (i) section 217 of the Constitution; and
 - (ii) Part 1 of Chapter 11 and other applicable provisions of the Act;
- (b) is fair, equitable, transparent, competitive and cost effective;
- (c) complies with -
 - (i) the regulatory framework prescribed in Chapter 2 of 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, including but not limited to the following legislation:

The Constitution of South Africa, Act 108 of 1996

Municipal Finance Management Act, Act 56 of 2003

Preferential Procurement Policy Framework Act, Act 5 of 2000

Promotion of Administrative Justice Act, Act 3 of 2000

Promotion of Access to Information Act, Act 2 of 2000

Construction Industry Development Board Act, Act 38 of 2000

Competition Act, Act 89 of 1998

The Prevention and Combating of Corrupt Activities Act, Act 12 of 2004

State Information Technology Act, Act 88 of 1998

Broad-Based Black Economic Empowerment Act, Act 53 of 2003

- (e) To give effect to the Preferential Procurement regulations of 2022

- (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) assigns responsibility for the implementation of the policy to the Accounting Officer of the Municipality
 - (h) in the absence of the Accounting Officer or if the Accounting Officer is impeded from doing his/her work assigns the responsibility for the implementation of the policy to the person acting in his stead or, alternatively, the Chief Financial Officer, subject to Sections 5(2) and 5(4) of the SCM Regulations.
- (2) The Municipality may not act otherwise than in accordance with this Supply Chain Management Policy when –
- (a) procuring goods or services;
 - (b) disposing of goods, no longer needed or which have become redundant;
 - (c) disposing or letting of fixed assets, including land, of proven commercial value no longer required for basic municipal service delivery purposes, subject to Sections 14 and 90 of the Act;
 - (d) selecting contractors to provide assistance in the provision of municipal services otherwise than in circumstances where Chapter 8 of the Municipal Systems Act applies; or
 - (e) selecting external mechanisms referred to in Section 80 (1) (b) of the Municipal Systems Act for the provision of municipal services in circumstances contemplated in Section 83 of that Act.
- (3) Subparagraphs (1) and (2) of this Policy do not apply in the circumstances described in Section 110 (2) of the Act, except where specifically provided otherwise in this Policy.

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

- (1) The accounting officer must—
 - (a) promptly prepare and submit a draft supply chain management policy complying with regulation 2 to the council of the municipality for adoption;
 - (b) at least annually review the implementation of the policy; and
 - (c) when the accounting officer considers it necessary, submit proposals for the amendment of the policy to the council or the board of directors.

- (2) (a) The accounting officer may for purposes of subregulation (1)(a) make use of any Treasury guidelines determining standards for municipal supply chain management policies, and submit to the council any modified version thereof, as a draft policy.
- (b) If the accounting officer submits a draft policy to the council that differs from the guideline standard, the accounting officer must ensure that such draft policy complies with regulation 2.
- (c) The accounting officer must report any deviation from the guideline standard to the National Treasury and the relevant provincial treasury.

- (3) When preparing or amending its supply chain management policy, a municipality or municipal entity must take account of 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.

- (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 has and implements a supply chain management policy as set out in regulation 2.

4. *DELEGATION TO SUPPLY CHAIN MANAGEMENT POWERS AND DUTIES*

- (1) The council of a municipality must delegate such additional powers and duties to the accounting officer so as 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) the supply chain management policy of the municipality or municipal entity;
- (b) to maximise administrative and operational efficiency in the implementation of the supply chain management policy;
- (c) to enforce reasonable cost-effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation of the supply chain management policy; and
- (d) to comply with his or her responsibilities in terms of section 115 and other applicable provisions of the Act.
- (2) Sections 79 and 106 of the Act apply to the subdelegation of powers and duties delegated to an accounting officer in terms of subregulation (1).
- (3) No municipal council, board of directors of a municipal entity or accounting officer may delegate or subdelegate any supply chain management powers or duties—
 - (a) in the case of a municipality—
 - (i) to a person who is not an official of the municipality; or
 - (ii) to a committee which is not exclusively composed of officials of the municipality; or
- (4) This regulation 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 regulation 26.

5. SUB-DELEGATIONS

- (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 5 (2) 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 R2 million (VAT included), but not exceeding R10 million (VAT included), may be sub-delegated but only to -

- (i) the Chief Financial Officer;
 - (ii) a Senior Manager; or
 - (iii) a Bid Adjudication Committee of which the Chief Financial Officer or a Senior Manager is a member; or
- (c) not exceeding R2 million (VAT included) may be sub-delegated but only to -
 - (i) the Chief Financial Officer;
 - (ii) a Senior Manager;
 - (iii) a Manager directly accountable to the Chief Financial Officer or a Senior Manager; or
 - (iv) a Bid Adjudication Committee.
- (3) An official or Bid Adjudication Committee to which the power to make final awards has been sub-delegated in accordance with subparagraph 4(2) of this Policy, must within five working days of the end of each month, submit to the official referred to in subparagraph 4 of this Policy 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;
 - (c) the reason why the award was made to that person; and
 - (d) the status of the supplier's level of contribution.
- (4) A written report referred to in subparagraph 5(3) of this Policy must be submitted –
 - (a) to the Accounting Officer, in the case of an award by -
 - (i) the chief financial officer;
 - (ii) a senior manager;
 - (iii) a manager referred to in subparagraph 5(2)(c)(iii) of this Policy; or
 - (iv) a Bid Adjudication Committee of which the Chief Financial Officer or a Senior Manager is not a member.
 - (b) to the chief financial officer or the senior manager responsible for the relevant bid, in the case of an award by –
 - (i) a manager referred to in subparagraph 5(2)(c); or

- (ii) a bid adjudication committee of which the chief financial officer or a senior manager is not a member.
- (5) Subparagraph 5(3) and 5(4) of this Policy do not apply to procurements 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.
- (7) No supply chain management decision-making powers may be delegated to an advisor or consultant.

6. OVERSIGHT ROLE OF COUNCIL

- (1) The Council must maintain oversight over the implementation of this Supply Chain Management Policy.
- (2) For the purposes of such oversight the Accounting Officer must -
 - (i) within 30 days of the end of each financial year, submit a report on the implementation of the Supply Chain Management Policy of the Municipality and of any municipal entity under its sole or shared control, to the Council of the Municipality; and
 - (ii) whenever there are serious and material problems in the implementation of the Supply Chain Management Policy, immediately submit a report to the Council.
- (3) The Accounting Officer must, within 10 days of the end of each quarter, submit a report on the implementation of the Supply Chain Management Policy to the Mayor.
- (4) The reports referred to in paragraph 6(2) must be made public in accordance with Section 21A of the Municipal Systems Act, No 32 of 2000.
- (5) No Councillor of the Municipality may be a member of any municipal bid committee or any other committee evaluating or approving tenders, quotations, contracts or other bids, nor attend any such meeting as an observer.

7. SUPPLY CHAIN MANAGEMENT UNIT

- (1) The Accounting Officer must establish a Supply Chain Management Unit and determine the terms of reference of the Unit to implement this Supply Chain Management Policy
- (2) The Supply Chain Management Unit shall operate as a centralised supply chain management function to administer and co-ordinate all the supply chain management activities and functions of the Municipality as described in this Policy unless a function or activity is specifically excluded by the Accounting Officer from the Unit's terms of reference.
- (3) The Supply Chain Management Unit will operate 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 the Supply Chain Management Policy will be in accordance with any Treasury guidelines on supply chain management training as well as the Municipal Regulations on Minimum Competency Levels, GN493 of 15 June 2007.

CHAPTER 2 - FRAMEWORK FOR SUPPLY CHAIN MANAGEMENT

9. FORMAT OF SUPPLY CHAIN MANAGEMENT

This Supply Chain Management Policy provides systems for -

Part 1

- (i) Demand management

Part 2

- (ii) Acquisition management

Part 3

- (iii) Logistics management
- (iv) Disposal management
- (v) Risk management
- (vi) Performance management

PART 1***DEMAND MANAGEMENT******10. SYSTEM OF DEMAND MANAGEMENT***

- (1) The Accounting Officer must establish, through operational procedures, an effective system of demand management in order to ensure that the resources required to support the strategic and operational commitments are delivered at the correct time, at the right price and at the right location, and that the quantity and quality satisfy the needs.
- (2) The demand management system must –
 - (a) include timely planning and management processes to ensure that all goods and services required by the municipality are quantified, budgeted for and timely 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; and
 - (c) provide for the compilation of the required specifications to ensure that its needs are met.
- (3) Demand management should be co-ordinated by SCM officials in consultation with the end users and must form part of the strategic planning exercise.
- (4) Procurement plans for all tenders must be developed to be implemented by the SCM Unit. This plan should indicate the following:
 - (a) description of the goods, works or service
 - (b) the end user
 - (c) the contact person representing the end-user
 - (d) estimated value
 - (e) date of submission of specifications
 - (f) date of advertisement of the bid
 - (g) estimated evaluation time

- (h) envisaged date of the Bid Adjudication Committee meeting
 - (i) envisaged date of the Accounting Officer approval (for all procurement above R10 million)
 - (j) envisaged date of issuance of an official order.
- (5) For all tenders a bid register for the management of the procurement process for each requirement should be compiled.
- (6) The procurement plan should on a continuous basis be assessed and updated if required.

PART 2

ACQUISITION MANAGEMENT

11. SYSTEM OF ACQUISITION MANAGEMENT

- (1) The Accounting Officer must establish, through operational procedures, an effective system of acquisition management 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) This Supply Chain Management Policy, except where provided otherwise in the Policy, does not apply in respect of the procurement of goods and services contemplated in Section 110(2) of the Act, including -
- (a) water from the Department of Water Affairs or a public entity, another Municipality or a municipal entity; and

- (b) electricity from Eskom or another public entity, another Municipality or a municipal entity.

(3) The following information must be made public wherever goods or services contemplated in Section 110(2) of the Act are procured other than through the Supply Chain Management system -

- (a) the kind of goods or services; and
- (b) the name of the supplier.

12. RANGE OF PROCUREMENT PROCESSES

- (1) The procurement of goods and services through this Policy is provided by way of -
 - (a) petty cash purchases, up to a transaction value of R500, (VAT included), subject to the right of the Accounting Officer to increase the limit for petty cash purposes to R2 000 (VAT included).
 - (b) Formal written quotations for procurements of a transaction value exceeding R500, including VAT and up to R30 000, including VAT.
 - (c) formal written quotations for procurements of a transaction value exceeding R30 000 and up to R300 000 (VAT included); and
 - (d) a competitive bidding process for-
 - (i) procurement above a transaction value of R300 000 (VAT included); and
 - (ii) the procurement of long-term contracts.
- (2) The Accounting Officer may, in writing; -
 - (a) lower, but not increase, the different threshold values specified in subparagraph 12 (1); or
 - (b) direct that -
 - (i) quotations be obtained as per the Municipality's Expenditure Policy for any specific procurement of a transaction value lower than R500 (VAT included);
 - (ii) formal written quotations be obtained for any specific procurement of a transaction value lower than R30 000 (VAT included); or

- (iii) formal written quotations be obtained for any specific procurement of a transaction value exceeding R30 000 (VAT included) up to R300 000 (VAT included).
 - (iv) a competitive bidding process be followed for any specific procurement of a transaction value lower than R300 000 (VAT included).
- (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) The preferential point system as prescribed by the PPPFA and its Regulations shall apply to all procurement.

13. GENERAL CONDITIONS FOR CONSIDERATION OF WRITTEN QUOTATIONS, FORMAL WRITTEN QUOTATIONS AND TENDERS

A written quotation, formal written quotation or tender may not be considered unless the provider who submitted the quotation, formal written quotation or tender -

- (1) has furnished that provider's -
 - (a) full name;
 - (b) identification number or company or other registration number; and
 - (c) tax reference number and VAT registration number, if any;
- (2) has authorised the municipality to obtain a tax clearance from the South African Revenue Services that the provider's tax matters are in order; and
- (3) has indicated -
 - (a) 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;
 - (b) if the provider is not a natural person, whether any of its directors, managers, principal shareholders or stakeholder is in the service of the State, or has been in the service of the State in the previous twelve months; or

- (c) whether a spouse, child or parent 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.

14. LIST OF ACCREDITED PROSPECTIVE PROVIDERS

- (1) The Accounting Officer must utilise the list of accredited prospective providers of goods and services for the procurement requirements for the Municipality through written quotations and formal written quotations.

15. REGISTRATION ON NATIONAL TREASURY CENTRAL SUPPLIER DATABASE (CSD)

Prospective suppliers of goods and services will be required to register on the National Treasury Central Supplier Database to assist in performing validation functions of key supplier information. The system will become fully effective on 1 April 2016 for all national departments and public entities listed in Schedule 2 and 3 of the Public Finance Management Act. The transitional period for local government is from 1 April 2016 to 30 June 2016. The CSD will therefore be fully effective for municipalities and municipal entities from 1 July 2016.

During the transitional period of 1 April 2016 to 30 June 2016, Accounting Officers of Municipalities and municipal entities are required to encourage their respective local suppliers to register on the CSD. **Suppliers can use the following link to register: www.csd.gov.za.**

With effect from 1 July 2016, Municipalities and Municipal Entities must use the CSD supplier number starting with (MAAA) which is auto generated by the Central Database System after successful registration and validation of the prospective provider as mandatory requirement as part of listing criteria for accrediting prospective provider in line with Section 14(1)(b) of the Municipal Supply Chain Management Regulations.

The CSD will automatically validate the following registration documents for Municipality;

- Confirmation and status of Business Registration Documents;
- Proof of Bank Account Registration;
- Tax compliance status;
- Employee in the service of state as defined in the Municipal SCM Regulations with information only available in the PERSAL system at this time, namely National and Provincial officials;
- Identity Documentation; and
- Tender defaulters and restrictions status.

The following aspects are work-in-progress and further information will be provided on when systems have been upgraded after consultation with relevant stakeholders:

- BBBEE Status (not yet available, municipalities are required to continue with their current and existing process);
- CIDB (not yet available, municipalities are required to continue with their current and existing process); and
- Municipal Account status (not yet available, municipalities are required to continue with their current and existing process).

Bela-Bela municipality will continue with verification of other listing criteria which are not currently validated by CSD, for instance, proof of municipal accounts

16. PETTY CASH PURCHASES

- (1) The following shall be applicable to all purchases not exceeding R500, including VAT, or such amount up to R2 000 (VAT included) as determined by the Accounting Officer in terms of this Policy, or such other amount as may be legislated from time to time.
- (2) Conditions for petty cash purchases -
 - (a) Only officials duly delegated to authorise requisitions and certify invoices for payments may authorise the request for petty cash and authorise the expenditure incurred through petty cash transactions;

- (b) No request for petty cash transactions may be lodged for items that is held as inventory in the municipal stores; and
 - (c) Only one quotation has to be obtained when procuring goods or services to a value of less than the petty cash threshold.
- (3) Procedures to be followed in respect of petty cash transactions –
- (a) A register of numbered vouchers must be kept by the official responsible for petty cash;
 - (b) A proper voucher with full details of expenditure must be submitted;
 - (c) The voucher must be signed by the official making the payment as well as the official that rendered the payment for purchases;
 - (d) All vouchers must be signed by a duly authorised official for the relevant department;
 - (e) A proper register as determined by the Head: Supply Chain Management must be maintained;
 - (f) Reconciliation reports and supplement to the petty cash advance must be done on a regular basis;
 - (g) Reconciliation reports must be verified and signed off by the Head: Supply Chain Management before a cheque is issued by the Expenditure Department to supplement the petty cash advance.

17. WRITTEN QUOTATIONS

- (1) The Accounting Officer must establish the conditions for the procurement of goods or services through formal written quotations for requirements exceeding the petty cash threshold of R500 up to R30 000 (VAT included), which must include conditions stating:
- (a) that quotations must be obtained in writing from at least three different providers whose names appear on the list of accredited supplier database utilised by the Municipality;
 - (b) that quotations may be obtained from providers who are not listed on the Accredited Supplier Database the Municipality use, provided that such providers meet the required listing criteria of the accredited supplier database;

- (c) that providers must be requested to submit such quotation in writing;
 - (d) that if it is not possible to obtain at least three quotations or formal written quotations, the reasons must be recorded and approved by the Chief Financial Officer or an official designated by the Chief Financial Officer, and
 - (e) that the Accounting Officer must record the names of the potential providers and their written quotations.
- (2) The preferential point system as prescribed by the PPPFA and its Regulations shall apply to all procurement except for petty cash purchases
 - (3) A designated official must within three working days of the end of each month report to the Chief Financial Officer on any approvals, in terms of par. (1) (d), given during that month.

17.1 Formal written price quotations

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 National Treasury's Central Supplier Database available on www.csd.gov.za;
- b) quotations may be obtained from providers who are not listed, provided that such providers meet the listing criteria set out in paragraphs 14;
- c) that if it is not possible to obtain at least three quotations, the reasons must be **recorded and approved by the Chief Financial Officer**;
- (d) the accounting officer must record the names of the potential providers and their written quotations.

A designated official referred to in sub regulation (1)(c) must within three 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 regulation.

18. PROCEDURES FOR PROCURING GOODS/SERVICES THROUGH WRITTEN QUOTATIONS

When goods or services are procured through written quotations the following will apply –

- (1) offers below R30 000 (VAT included) must be awarded based on compliance to specifications of goods and services and lowest price. The preferential point system may be applied to procurement less than R30 000 (VAT included) if and when deemed appropriate;
- (2) all reasonable steps must be taken to ensure that the procurement of goods and services through written quotations is not abused;
- (3) the Accounting Officer or his/her delegated authority must, on a monthly basis, be notified in writing of all written quotations accepted by an official acting in terms of a subdelegation;

19. PROCEDURES FOR PROCURING GOODS/SERVICES THROUGH FORMAL WRITTEN QUOTATIONS

When goods or services are procured through formal written quotations the following will apply –

- (1) all requirements in excess of R30 000 up to R300 000 (VAT included) that are to be procured by means of formal written quotations must, in addition to the requirements of paragraph 16, be advertised for at least seven (7) days on the website and an official notice board of the Municipality;
- (2) offers received must be evaluated on a comparative basis taking into account unconditional discounts;
- (3) acceptable offers, which are subject to the preference points system (PPPFA and associated regulations), must be awarded to the bidder who scored the highest points;
- (4) all reasonable steps must be taken to ensure that the procurement of goods and services through formal written quotations is not abused;

- (5) the Accounting Officer or his/her delegated authority must, on a monthly basis, be notified in writing of all formal written quotations accepted by an official acting in terms of a sub-delegation;
- (6) proper records of all bid documents and related correspondence must be kept; and
- (7) a lockable safe tender box must be kept at the main municipal building in which quotations and/or tender or bid documents can be deposited during working hours

20. COMPETITIVE BIDDING PROCESS

- (1) Goods or services above a transaction value of R300 000 (VAT included) and long-term contracts may only be procured through a competitive bidding process, subject to paragraph 11(2) of this Policy; and
- (2) No requirement for goods or services above an estimated transaction value of R300 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) The following information must be submitted by the senior manager responsible for the Vote to the CFO prior to the public advertisement of any bids in excess of R10 million (VAT included):
 - (a) Proof that budgetary provision exists for procurement of the goods, services and/or infrastructure projects;
 - (b) Any ancillary budgetary implications related to the bid, for example, if the project is for the acquisition of a municipal asset, does budgetary provision exist for the operation of the asset, maintenance costs relating to the asset, administration costs and rehabilitation/renewal costs;
 - (c) Any multi-year budgetary implications, for example, if a project will take more than one financial year, the estimated expenditure per financial year.
- (4) Contracts above the value of R10 million (VAT included) may only be awarded to the preferred bidder after the Chief Financial Officer or his/her delegate has verified in writing

that budgetary provision exists for the acquisition of the goods, infrastructure projects and/or services and that it is consistent with the Integrated Development Plan.

21. PROCEDURE FOR COMPETITIVE BIDDING

The Accounting Officer must establish procedures for the competitive bidding process for each of the following stages:

- (1) the compilation of bidding documentation;
- (2) the public invitation of bids;
- (3) site meetings or briefing sessions, if applicable;
- (4) the handling of bids submitted in response to public invitation;
- (5) the evaluation of bids;
- (6) the award of contracts;
- (7) the administration of contracts; and
- (8) proper record keeping.

22. BID DOCUMENTATION FOR COMPETITIVE BIDS

The Municipality's bid documentation must, in addition to the requirements stated in paragraph 13 of this Policy –

- (1) Take into account -
 - (a) the general conditions of contract and any special conditions of contract, if specified;
 - (b) any objective criteria the municipality intends to apply in terms of section 2(1)(f) of the Preferential Procurement Act. Such objective criteria must be stipulated in the tender document
 - (c) any Treasury guidelines on bid documentation; and
 - (d) the requirements of the Construction Industry Development Board (CIDB), in the case of a bid relating to construction, upgrading or refurbishment of buildings or infrastructure;

- (2) Include evaluation and adjudication criteria, including any criteria required by other applicable legislation;
- (3) Include the preferential procurement system that will be used in the evaluation of the bids. If it is unclear which preference point system will be applicable that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system,
- (4) If compulsory subcontracting is applicable;
- (5) Compel bidders to declare any conflict of interest they may have in the transaction for which the tender is submitted;
- (6) Compel bidders to complete and submit the Certificate of Independent Bid Determination;
- (7) Compel bidders to declare their previous supply chain management practices and state whether or not they
 - (a) have been found guilty by a Court of Law or a structure established by Council or the Accounting Officer for handling alleged abuses of the Municipality or the municipal entity's supply chain management system or committed any improper conduct in relation to such a system.
 - (b) have been convicted for fraud or corruption during the past five years
 - (c) have wilfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years
 - (d) have been listed in the Register for Tender Defaulters in terms of Section 29 of the Prevention and Combating of Corrupt Activities Act, No 12 of 2004.
- (8) If the value of the transaction is expected to exceed R10 million (VAT included), require bidders to furnish -
 - (a) if the bidder is required by law to prepare annual financial statements for auditing, their audited annual financial statements -
 - (i) for the past three years; or
 - (ii) since their establishment if established during the past three years;

- (b) a certificate signed by the bidder certifying that the bidder has no undisputed commitments for municipal services towards a Municipality or other service provider in respect of which payment is overdue for more than 30 days;
 - (c) particulars of any contracts awarded to the bidder by an organ of State during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract;
 - (d) 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 is expected to be transferred out of the Republic; and
- (9) 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.

23. PUBLIC INVITATION FOR COMPETITIVE BIDS

The Accounting Officer must determine the procedure for the invitation of competitive bids, which must stipulate that:

- (1) Any invitation to prospective providers to submit bids must be by means of a public advertisement in newspapers commonly circulating locally, the website of the Municipality or any other appropriate way (which may include an advertisement in the Government Tender Bulletin); and on the eTender Publication Portal
 - (a) The information contained in a public advertisement, must include -
 - (i) the closure date for the submission of bids, which may not be less than 30 days 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 22(3) of this Policy;
 - (ii) a statement that bids may only be submitted on the bid documentation provided by the Municipality; and

- (2) The Accounting Officer or his delegate may determine a closure date for the submission of bids which is less than the 30 or 14 days requirement, 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 to the municipality or municipal entity must be sealed.
- (4) Where bids are requested in electronic format, such bids must be supplemented by sealed hard copies.

24. PROCEDURE FOR HANDLING SITE MEETINGS, INFORMATION OR BRIEFING SESSIONS

- (1) Bid documentation should indicate whether a site meeting, information or briefing session is compulsory or not.
- (2) The address and time where the meeting or session will take place as well as the contact person with contact details should be stipulated.
- (3) An attendance register must be completed at all meetings or sessions.
- (4) Any additional information, clarifications, correction of errors or modifications to the bid documents must be distributed to all attendees in sufficient time before the closing date and time of the bid to enable bidders to take appropriate action if necessary.

25. PROCEDURE FOR HANDLING, OPENING AND RECORDING OF BIDS

- (1) The Accounting Officer must determine the procedure for the handling, opening and recording of bids, which must stipulate that
 - (a) bids
 - (i) must be deposited in the Municipality's tender box on or before the closing date and time will be considered
 - (ii) must be opened only in public;
 - (iii) must be opened simultaneously and as soon as possible after the period for the submission of bids has expired; and
 - (iv) received after the closing time should not be considered and must be returned.

- (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 as well as also each bidder's total bidding price;
- (c) Bids that are received after the closing date and time be labelled late, and not be considered.
- (d) a bid opening register must be kept in which all bids received in time are recorded;
- (e) the bid opening register must be available for public inspection;
- (f) publish the entries in the register and the result on the website of the municipality

26. NEGOTIATIONS WITH PREFERRED BIDDERS

- (1) The Accounting Officer or his delegate may negotiate the final terms of a contract with bidders identified through a competitive bidding process as preferred bidders, provided that such negotiation -
 - (a) do not allow any preferred bidder a second or unfair opportunity;
 - (b) are not to the detriment of any other bidder; and
 - (c) do not lead to a higher price (or a lower price in terms of an income generating bid) than the bid as submitted.
- (2) Minutes of such negotiations must be kept for record purposes.

27. TWO-STAGE BIDDING PROCESS

- (1) A two-stage bidding process is allowed for -
 - (a) large complex projects;
 - (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.

28. COMMITTEE SYSTEM FOR COMPETITIVE BIDS

- (1) The Accounting Officer is required to -
 - (a) establish a committee system for competitive bids consisting of at least a -
 - (i) Bid Specification Committee;
 - (ii) Bid Evaluation Committee; and
 - (iii) Bid Adjudication Committee;
 - (b) appoint the members of the Bid Committee, taking into account Section 117 of the Act; and
 - (c) provide for an attendance or oversight process by a neutral or independent observer, appointed by the Accounting Officer, when this is appropriate for ensuring fairness and promoting transparency.
- (2) The committee system must be consistent with –
 - (a) paragraphs 29, 30 and 31 of this Policy; and
 - (b) any other applicable legislation.
- (3) The Accounting Officer may apply the committee system to formal written quotations.
- (4) All Committee proceedings must be duly minuted and attendance registers personally signed by all those present. These records must be filed with all other documentation relating to the relevant bid or quotation.
- (5) A supply chain management policy may allow the accounting officer to apply the committee system to formal written price quotations.

29. BID SPECIFICATION COMMITTEES

- (1) The Accounting Officer or his/her delegate must appoint a Bid Specification Committee on an ad hoc basis to compile the specifications for each procurement of goods or services by the Municipality.
- (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 Organisation, 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 rather than in terms of descriptive characteristics for design;
 - (d) must indicate each specific goal for which points may be awarded in terms of the points system set out in the supply chain management policy of the municipality.
 - (e) 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;
 - (f) 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 words "equivalent";
 - (g) must be approved by the accounting officer prior to publication of the invitation for bids in terms of regulation 22.
- (3) A bid specification committee must be composed of one or more officials of the municipality, preferably the manager responsible for the function involved, and may, when appropriate, include external specialist advisors
- (4) No person, advisor or corporate entity involved with the Bid Specification Committee, or a director of such a corporate entity, may bid for any resulting contracts.
- (5) The Accounting Officer must appoint the chairperson of the Bid Specification 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.

30. 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 as must be set out in the supply chain management policy of the municipality in terms of regulation 27(2)(f) and as prescribed in terms of the Preferential Procurement Policy Framework Act;
 - (b) evaluate each bidder's ability and capacity to execute the contract;
 - (c) check in respect of the recommended bidder whether municipal rates and taxes and municipal service charges are not in arrears, and;
 - (d) submit to the Adjudication Committee a report and recommendations regarding the award of the bid or any other related matter.
- (2) The Bid Evaluation Committee must as far as possible be composed of –
 - (a) officials from departments requiring the goods or services; and
 - (b) at least one Supply Chain Management Practitioner of the Municipality.
- (3) The Accounting Officer must appoint the chairperson of the Bid Evaluation 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.

31. BID ADJUDICATION COMMITTEES

- (1) The Bid Adjudication Committee, to be appointed as a Standing Committee by the Accounting Officer must -
 - a. consider the report and recommendations of the Bid Evaluation Committee; and
 - either
 - i. depending on its delegations, make a final award or 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.
- (2) The Bid Adjudication Committee must consist of at least four senior managers of the Municipality and must include -
 - a. 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;
 - b. Senior Managers of the Municipality;
 - c. at least one Senior Supply Chain Management practitioner who is an official of the Municipality; and
 - d. a technical expert in the relevant field who is an official of the municipality, if the municipality has such an expert.
- (3) The Accounting Officer must appoint the chairperson of the Bid Adjudication 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.
- (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) 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.
- (6) The Accounting Officer may -
 - a. after due consideration of the reasons for the deviation, ratify or reject the decision of the Bid Adjudication Committee referred to in paragraph 5; and

- b. if the decision of the Bid Adjudication Committee is rejected, refer the decision back to that committee for reconsideration.
- (6) 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.
- (7) As required by Section 114 of the Act, if a tender other than the one recommended in the normal course of implementing this Policy is approved, the Accounting Officer must, in writing, notify the Auditor-General, the Provincial Treasury and the National Treasury of the reasons for deviating from such recommendation. This does not apply if a different tender was approved in order to rectify the irregularity. The accounting officer must comply with section 114 of the Act within 10 working days.

32. PROCUREMENT OF BANKING SERVICES

- (1) A contract for the provision of banking services to a municipality –
 - (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 paragraph 22 (1). Bids must be restricted to banks registered in terms of the Banks Act, No. 94 of 1990.

33. 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 a SITA comment on the submission and the Municipality disagrees with such comments, the comments and the reasons for rejecting or not following such comments must be submitted to Council, the National Treasury, the Provincial Treasury and the Auditor General.

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

- (1) Goods or services may be procured under 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 the 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.

35. PROCUREMENT OF GOODS NECESSITATING SPECIAL SAFETY ARRANGEMENTS

- (1) The acquisition and storage of goods in bulk (other than water) which necessitate special safety arrangements, including gasses and fuel, should be avoided where ever possible.
- (2) Where the storage of goods in bulk is justified, such justification must be based on sound reasons, including the total cost of ownership, cost advantages and environmental impact and must be approved by the Accounting Officer.

36. PROUDLY SOUTH AFRICA CAMPAIGN

The Municipality supports the Proudly SA Campaign in its procurement of goods and services to the extent that, all things being equal, preference is given to procuring local goods and services:

37. APPOINTMENT OF CONSULTANTS

- (1) The Municipality should consult the National Treasury's instructions in respect of the appointment of consultants.
- (2) A contract for the provision of consultancy services to a municipality or municipal entity must be procured through competitive bids if—
 - (a) the value of the contract exceeds R300 000 (VAT included); or
 - (b) the duration period of the contract exceeds one year.
- (3) Consultants should only be engaged when the necessary skills and/or resources to perform a project/duty/study are not available and the Accounting Officer cannot be reasonably expected either to train or to recruit people in the time available.
- (4) If transfer of knowledge and skills or training is an objective, it should be specifically outlined. The terms of reference or specifications should indicate the objectives, nature, scope and goals of the training programme, including details on trainers and trainees, skills to be transferred, time frames and monitoring and evaluation arrangements to enable consultants to estimate the required resources.

- (5) As consultant services are specialised types of services, specifications for procurement should be drafted on a case-by-case basis depending on the nature and the type of consulting work under consideration.
- (6) The municipality must ensure that copyright in any document produced, and the patent rights or ownership in any plant, machinery, thing, system or process designed or devised, by a consultant in the course of the consultancy service is vested in the municipality.

38. *DEVIATION FROM AND RATIFICATION OF MINOR BREACHES OF PROCUREMENT PROCESSES*

- (1) The Accounting Officer may in writing -
 - (a) Dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only -
 - (i) in an emergency as defined in paragraph 1 of this Policy;
 - (ii) if such goods or services are produced or available from a single provider only;
 - (iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;
 - (iv) acquisition of animals for zoos and/or nature and game reserves; or
 - (v) exceptional case where it is impractical or impossible to follow the official procurement processes;
 - (b) Ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.
- (2) The Accounting Officer must record the reasons for any deviations in terms of subparagraphs 38(1)(a) and (b) above and report them to the next meeting of the Council and include as a note to the annual financial statements.
- (3) Subparagraph 38(2) does not apply to the procurement of goods and services contemplated in paragraph 11(2) of this Policy.

39. UNSOLICITED BIDS

- (1) In accordance with Section 113 of the Act the Municipality has no obligation to consider unsolicited bids received outside a normal bidding process.
- (2) The Accounting Officer may, however, decide in terms of Section 113(2) of the Act to consider an unsolicited bid, only if –
 - (a) the product or service or proposal offered in terms of the bid is a demonstrably or proven unique, innovative or valuable concept; and/or
 - (b) the product or service or proposal will be exceptionally beneficial, or have exceptional cost advantages to the Municipality;
 - (c) the bidder who made the bid is the sole provider of the product or service or is the only proposer of the concept; and
 - (d) the reasons for not going through the normal bidding processes are found to be sound by the Accounting Officer.
- (3) If the Accounting Officer decides to consider an unsolicited bid that complies with subparagraph 39(2) of this Policy, the decision must be made public in accordance with Section 21A of the Municipal Systems Act, together with -
 - (a) reasons as to why the bid should not be open to other competitors;
 - (b) an explanation of the potential benefits if the unsolicited bid is accepted; and
 - (c) an invitation to the public or other potential suppliers to submit their comments within 30 days of the notice.
- (4) All written comments received pursuant to subparagraph 39(3), including any responses from the unsolicited bidder, must be submitted to the National Treasury and the relevant Provincial Treasury for comment.
- (5) The Adjudication Committee must consider the unsolicited bid and may award the bid or make a recommendation to the Accounting Officer, depending on its delegations.

- (6) A meeting of the Adjudication Committee to consider an unsolicited bid must be open to the public.
- (7) When considering the matter, the Adjudication Committee must take into account -
 - (a) any comments submitted by the public; and
 - (b) any written comments and recommendations of the National Treasury or the Provincial Treasury.
- (8) If any recommendations of the National Treasury or the Provincial Treasury are rejected or not followed, the Accounting Officer must submit to the Auditor General, the Provincial Treasury and the National Treasury the reasons for rejecting or not following those recommendations.
- (9) Such submission must be made within seven days after the decision on the award of the unsolicited bid is taken, but no contract committing the Municipality to the bid may be entered into or signed within 30 days of the submission.

40. COMBATING OF ABUSE OF SUPPLY CHAIN MANAGEMENT SYSTEM

- (1) The Accounting Officer must
 - (a) take all reasonable steps to prevent abuse of the Supply Chain Management System;
 - (b) investigate any allegations against an official or other role player of fraud, corruption, favoritism, unfair or irregular practices or failure to comply with this Supply Chain Management Policy, and when justified -
 - (i) take appropriate steps against such official or other role player; or
 - (ii) report any alleged criminal conduct to the South African Police Service.

- (c) check the National Treasury's database prior to awarding any contract to ensure that no recommended bidder, or any of its directors, is listed as a person prohibited from doing business with the public sector;
- (d) reject any bid from a bidder –
 - (i) if any municipal rates and taxes or municipal service charges owed by that bidder or any of its directors to the Municipality, or to any other Municipality or municipal entity, are in arrears for more than three months; or
 - (ii) who, during the last five years, has failed to perform satisfactorily on a previous contract with the Municipality; or any other organ of State after written notice was given to that bidder that performance was unsatisfactory;
- (e) reject a recommendation for the award of a contract if the recommended bidder, or any of its directors, has committed a corrupt or fraudulent act in competing for the particular contract;
- (f) cancel a contract awarded to a person if -
 - (i) the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract; or
 - (ii) an official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of the contract that benefited that person; and
- (g) reject the bid of any bidder if that bidder or any of its directors -
 - (i) has been found guilty by a Court of Law or a structure established by Council or the Accounting Officer for investigating or the arbitration of related to abuses of the Supply Chain Management System of the Municipality or has committed any improper conduct in relation to such system;
 - (ii) has been convicted for fraud or corruption during the past five years;
 - (iii) has wilfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
 - (iv) has been listed in the Register for Tender Defaulters in terms of Section 29 of the Prevention and Combating of Corrupt Activities Act, No 12 of 2004.

- (2) The Accounting Officer must inform the National Treasury and the Provincial Treasury in writing of any actions taken in terms of subparagraphs 40(1)(b)(ii), (e) or (f) above.

41. CONTRACT MANAGEMENT

- (1) The Accounting Officer must ensure that all written contracts or service level agreements that are entered into by their respective institutions are legally sound. This measure is aimed at avoiding potential litigation and minimizing possible fraud and corruption.
- (2) Such contracts or agreements must be actively managed in order to ensure that both parties (the municipality and the contractors) meet their respective obligations.
- (3) All contracts entered into by the Municipality in the tender process referred to in paragraph 19 of this Policy must -
 - (a) be in writing;
 - (b) stipulate the terms and conditions of the contract or agreement, which must include provisions providing for –
 - (i) the termination of the contract or agreement in the case of non- or underperformance;
 - (ii) dispute resolution mechanisms to settle disputes between parties;
 - (iii) a periodic review of the contract or agreement once every three years in the case of a contract or agreement for longer than three years; and (iv) any other matter that may be prescribed.
 - (c) include the General Conditions of Contract as prescribed by National Treasury.
 - (d) specify the duration of the contract;
 - (e) specify the payment terms in respect of the goods or service supplied;
 - (f) be monitored by the Directorate of the Municipality which requested the goods or service to ensure that all the contract requirements are met.

- (4) Unauthorised deviations or breaches of the contract as in paragraph 41(1)(d) above by the supplier or service provider must be reported to Divisional Manager: Legal Services for initiating appropriate action.
- (5) Copies must be made of original signed contracts entered into in the course of the implementation of this Policy and the original document must be kept by legal services
- (6) Contracts, with the exception of transversal contracts, may not be expanded or varied by more than 20% for constructions related goods, services and/or infrastructure projects and 15% for all other goods and/or services of the original value of the contract. Anything above the mentioned thresholds must be reported to council.
- (7) Any expansion or variation in excess of the thresholds stated above must be dealt within terms of the provisions of section 116(3) of the MFMA which will be regarded as an amendment of the contract.

42. PERFORMANCE MANAGEMENT

- (1) The senior manager which required the goods or a service in terms of a competitive bidding process must ensure that the goods had been delivered or the service completed according to the Municipality's quality and other requirements as specified in the relevant bid documentation.
- (2) In the case of goods and services supplied in response to a quotation invited by the Municipality the head of the client department or section of the Municipality which requested the goods or service must certify on the supplier's invoice that the goods or service had been supplied in accordance with the Municipality's requirements before payment is made.
- (3) In the case of goods or services procured through a tender process as specified in terms of paragraph 19 of this Policy, the head or section of the relevant department must within a 30 (thirty) working days of the final delivery of the required work submit a written report to the Head of Supply Chain Management on the performance of the supplier.
- (4) The report must state -

- (a) whether or not the performance of the supplier was satisfactory in terms of adherence to specifications and delivery or completion schedules, product or service quality and quality of workmanship;
- (b) Include details, supported by copies of any written notifications regarding service delivery given to the supplier.
- (c) Include a recommendation on any further action to be taken against the supplier in terms of paragraph 39 of this Policy.

PART 3

LOGISTICS, DISPOSAL AND RISK MANAGEMENT AND PERFORMANCE MONITORING

43. LOGISTICS MANAGEMENT

(1)

The Accounting Officer must establish an effective system of logistics management in order to provide for the setting of inventory levels, placing of orders, receiving and distribution of goods, stores and warehouse management, expediting orders, transport management, vendor performance, maintenance and contract administration.

44. DISPOSAL MANAGEMENT

- (1) The Accounting Officer must establish an effective system of disposal management for the disposal or letting of assets, including unserviceable, redundant or obsolete assets, subject to Sections 14 and 90 of the Act, which must stipulate the following:
- (2) The disposal of assets must -
 - (a) be by one of the following methods -
 - (i) transferring the asset to another organ of State in terms of a provision of the Act enabling the transfer of assets;
 - (ii) transferring the asset to another organ of State at market -related value or, when appropriate, free of charge;
 - (iii) selling the asset by way of an auction or a competitive bidding process; or destroying the asset;

- (b) provided that -
 - (i) immovable property may be sold only at market-related prices except when the public interest or the plight of the poor demands otherwise;
 - (ii) movable as well as immovable assets may be sold at market-related prices either by way of written quotations, a competitive bidding process or auction, whichever is the most advantageous to the municipality;
 - (iii) in the case of the free disposal of computer equipment, the Provincial Department of Education must first be approached to indicate within 30 days whether any of the local schools are interested in the equipment; and
 - (iv) in the case of the disposal of firearms, the National Conventional Arms Control Committee has approved any sale or donation of firearms to any person or institution within or outside the Republic;
- (c) furthermore ensure that -
 - (i) immovable property is let at market-related rates except when the public interest or the plight of the poor demands otherwise; and
 - (ii) all fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed; and
- (d) ensure that where assets are traded in for other assets, the highest possible trade in price is negotiated.

46. RISK MANAGEMENT

- (1) The Accounting Officer must establish an effective system of risk management for the identification, consideration and avoidance of potential risks in the Supply Chain Management system.
- (2) Risk management must include -
 - (a) the identification of risks on a case-by-case basis;
 - (b) the allocation of risks to the party best suited to manage such risks;
 - (c) acceptance of the cost of the risk where the cost of transferring the risk is greater than that of retaining it;

- (d) the management of risks in a pro-active manner and the provision of adequate cover for residual risks; and
- (e) the assignment of relative risks to the contracting parties through clear and unambiguous contract documentation.

47. PERFORMANCE MANAGEMENT

- (1) The Accounting Officer must establish an effective internal monitoring system in order to determine, on the basis of a retrospective analysis, whether the authorised supply chain management processes were followed and whether the desired objectives were achieved.

PART 4

OTHER MATTERS

48. PROHIBITION ON AWARDS TO PERSONS WHOSE TAX MATTERS ARE NOT IN ORDER

- (1) The Accounting Officer must ensure that, irrespective of the procurement process followed, no award above R30 000 (VAT included) is given to a person whose tax matters have not been declared by the South African Revenue Service (SARS) to be in order.
- (2) The designated official(s) should verify the bidder's tax compliance status prior to the finalisation of the award of the bid or price quotation.
- (3) Where the recommended bidder is not tax compliant, the bidder should be notified of their non-compliant status and the bidder must be requested to submit to the municipality or municipal entity, within 7 working days, written proof from SARS of their tax compliance status or proof from SARS that they have made an arrangement to meet their outstanding tax obligations. The proof of tax compliance status submitted by the bidder to the municipality or municipal entity must be verified via the CSD or e-Filing.
- (4) The accounting officer should reject a bid submitted by the bidder if such a bidder fails to provide proof of tax compliance status within the timeframe stated above.

- (5) Where goods or services have been delivered satisfactorily without any dispute, accounting officers should not delay processing payment of invoices due to outstanding tax matters.

49. PROHIBITION ON AWARDS TO PERSONS IN THE SERVICE OF THE STATE

- (1) No award may be given to a person -
 - (a) who is in the service of the State; or
 - (b) if that person is not a natural person, of which any director, manager, principal shareholder or stakeholder is a person in the service of the State; or
 - (c) who is an advisor or consultant contracted with the Municipality.

50. AWARDS TO CLOSE FAMILY MEMBERS OF PERSONS IN THE SERVICE OF THE STATE

- (1) The notes to the annual financial statements must disclose particulars of any award of more than R2 000 (VAT included) to a person who is a spouse, child or parent of a person in the service of the State, or has been in the service of the State in the previous twelve months, including -
 - (a) the name of that person;
 - (b) the capacity in which that person is in the service of the State; and (c) the amount of the award.

51. ETHICAL STANDARDS

- (1) A code of ethical standards is hereby established for officials and other role players in the Supply Chain Management System in order to promote -
 - (a) mutual trust and respect; and
 - (b) an environment where business can be conducted with integrity and in a fair and reasonable manner.
- (2) An official or other role player involved in the implementation of the Supply Chain Management Policy:
 - (a) must treat all providers and potential providers equitably;

- (b) may not use his or her position for private gain or to improperly benefit another person;
 - (c) may not accept any reward, gift, favour, hospitality or other benefit directly or indirectly, including to any close family member, partner or associate of that person, of a value more than R350 (VAT included);
 - (d) notwithstanding subparagraph 51(2)(c), must declare to the Accounting Officer details of any reward, gift, favour, hospitality or other benefit promised, offered or granted to that person or to any close family member, partner or associate of that person;
 - (e) must declare to the Accounting Officer details of any private or business interest which that person, or any close family member, partner or associate, may have in any proposed procurement or disposal process of, or in any award of a contract by, the Municipality;
 - (f) must immediately withdraw from participating in any manner whatsoever in a procurement or disposal process or in the award of a contract in which that person, or any close family member, partner or associate, has any private or business interest;
 - (g) must be scrupulous in his or her use of property belonging to the Municipality;
 - (h) must assist the Accounting Officer in combating fraud, corruption, favoritism and unfair and irregular practices in the supply chain management system; and
 - (i) must report to the Accounting Officer any alleged irregular conduct in the supply chain management system which that person may become aware of, including –
 - (i) any alleged fraud, corruption, favoritism or unfair conduct;
 - (ii) any alleged contravention of paragraph 51(1) of this Policy; or (iii) any alleged breach of this code of ethical standards.
- (3) Declarations in terms of subparagraph 51(2)(d) and (e) -

- (a) must be recorded in a register which the Accounting Officer must keep for this purpose;
 - (b) by the Accounting Officer must be made to the Mayor of the Municipality who must ensure that such declarations are recorded in the register.
 - (c) contain measures to ensure that appropriate action is taken against any official or other role player who commits a breach of the code of ethical standards.
- (4) The National Treasury's code of conduct must also be taken into account by supply chain management practitioners and other role players involved in supply chain management.
- (5) The National Treasury Code of Conduct for Supply Management Practitioners, attached as Annexure A, is adopted by the Municipality and shall apply mutatis mutandis to and be binding on supply chain management practitioners and other role players involved in the supply chain management of the Municipality.
- (6) A breach of the code of conduct adopted by the Municipality must be dealt with in accordance with Schedule 1 (Code of Conduct for Councillors) and Schedule 2 (Code of Conduct for Municipal Staff Members) of the Municipal Systems Act, No 32 of 2000.

52. INDUCEMENTS, REWARDS, GIFTS AND FAVOURS TO MUNICIPALITIES, OFFICIALS AND OTHER ROLE PLAYERS

- (1) No person who is a provider or prospective provider of goods or services, or recipient or prospective recipient of goods disposed or to be disposed of may either directly or through a representative or intermediary promise, offer or grant -
- (a) any inducement or reward to the Municipality for or in connection with the award of a contract; or
 - (b) any reward, gift, favour or hospitality to -
 - (i) any official; or
 - (ii) any other role player involved in the implementation of the Supply Chain Management Policy.
- (2) The Accounting Officer must promptly report any alleged contravention of subparagraph 52(1) to the National Treasury for considering whether the offending person, and any

representative or intermediary through which such person is alleged to have acted, should be listed in the National Treasury's database of persons prohibited from doing business with the Public Sector.

- (3) Subparagraph 52(1) does not apply to gifts less than R350 (VAT included) in value.

53. SPONSORSHIPS

- (1) The Accounting Officer must promptly disclose to the National Treasury and the Provincial Treasury any sponsorship promised, offered or granted, whether directly or through a representative or intermediary, by any person who is –
- (a) a provider or prospective provider of goods or services; or
 - (b) a recipient or prospective recipient of goods disposed or to be disposed.

54. OBJECTIONS, COMPLAINTS AND APPEALS

Persons aggrieved by decisions or actions taken in the implementation of this Supply Chain Management policy, may lodge within 14 days of the decision or action, a written objection or complaint against the decision or action.

55. RESOLUTION OF DISPUTES, OBJECTIONS, COMPLAINTS AND QUERIES

- (1) The Accounting Officer must appoint an independent and impartial person or persons, not directly involved in the supply chain management processes –
- (a) to assist in the resolution of disputes between the Municipality and other persons regarding –
 - (i) any decisions or actions taken in the implementation of the Supply Chain Management system; or
 - (ii) any matter arising from a contract awarded in the course of the Supply Chain Management system; or

- (b) to deal with objections, complaints or queries regarding any such decisions or actions or any matters arising from such contract.
- (2) The Accounting Officer, or another official designated by the Accounting Officer, is responsible for assisting the appointed person to perform his or her functions effectively.
- (3) The person appointed must -
 - (a) strive to resolve promptly all disputes, objections, complaints or queries received; and
 - (b) submit monthly reports to the Accounting Officer on all disputes, objections, complaints or queries received, attended to or resolved.
- (4) A dispute, objection, complaint or query may be referred to the relevant Provincial Treasury if -
 - (a) the dispute, objection, complaint or query is not resolved within 60 days; or
 - (b) no response is forthcoming within 60 days.
- (5) If the Provincial Treasury does not or cannot resolve the matter, the dispute, objection, complaint or query may be referred to the National Treasury for resolution.
- (6) This paragraph must not be read as affecting a person's rights to approach a court at any time.

56. CONTRACTS PROVIDING FOR COMPENSATION BASED ON TURNOVER

- (1) If a service provider acts on behalf of a Municipality to provide any service or act as a collector of fees, service charges or taxes and the compensation payable to the service provider is fixed as an agreed percentage of turnover for the service or the amount collected, the contract between the service provider and the Municipality must stipulate:
 - (a) a cap on the compensation payable to the service provider; and
 - (b) that such compensation must be performance based.

57. CONSTRUCTION INDUSTRY DEVELOPMENT BOARD

- (1) The Construction Industry Development Board (CIDB) has been established by government to promote the uniform application of policy to the construction industry.
 - (a) When calling for construction related bids -
 - (i) the same Bid Committee system as for all other bids will be applicable;
 - (ii) the prescribed CIDB (uniformity standard bid documents) may be utilised;
 - (iii) only Contractors registered with the CIDB may be used;
 - (iv) all tenders must be advertised on the CIDB i-tender system;
 - (v) consultants used in the procurement process must adhere to the CIDB legislation;
 - (vi) consultants used in the procurement process are prohibited to provide goods, works or services related to the project; and
 - (vii) subcontract arrangements and joint venture initiatives must be aligned to CIDB guidelines and requirements.
 - (b) When evaluating construction related bids -
 - (i) the validity of the contractor's registration and grading on the CIDB website must be verified;
 - (ii) the bidder's documents must be assessed against the prescribed CIDB contractor requirements; and
 - (iii) calculations for joint venture grading must be done according to the CIDB prescriptions.

58. MANAGEMENT OF EXPANSION OR VARIATION OF ORDERS AGAINST THE ORIGINAL CONTRACT

- (1) Contracts may be expanded or varied by not more than 20% for construction related goods, services and/or infrastructure projects and 15% for all other goods and/or services of the original value of the contract.
- (2) Anything beyond the abovementioned thresholds in (1) must be reported to council.

- (3) Any expansion or variation in excess of these thresholds must be dealt with in terms of the provisions of section 116(3) of the MFMA which will be regarded as an amendment to the contract.
- (4) The contents of paragraph (3) are not applicable to transversal term contracts, facilitated by the relevant treasuries on behalf of municipalities and specific term contracts. The latter refers to orders placed as and when commodities are required and at the time of awarding contracts, the required quantities were unknown.

59. APPOINTMENT OF PANEL OF SERVICE PROVIDER/CONSULTANTS

- (1) Need analysis will need to be conducted by the Municipality user department to establish the needs to appoint a panel of services provider.
- (2) The panel of services provider should not exceed 5 services provider on each appointment.
- (3) Paragraph (2) above should exclude panel of service provider on constructions projects or special projects.

61. ROTATION OF SERVICE PROVIDER ON THE PANEL APPOINTMENT

- 1. Where services provider have been appointment for a specific services as a panel to provider goods and services, allocation shall of work will be done on rotational basis;
- 2. Quotation system from the appointed panel of services provider will be used should the above rotation system not practical. Quotation request will be send to all appointed panel of services provider and quotations received will be evaluated in line with the tender conditions.

62. PREFERENTIAL PROCUREMENT REGULATION, 2022

1. IDENTIFICATION OF SPECIFIC GOALS

- (1) A Municipality must identify its specific goals that are in line with Reconstruction Development Programme (RDP) document, the following specific goals and allocation of points should be indicated on the tender advert.

(2)

For 80/20 - preference point system

Category of persons	100% Youth owned – 5 points More than or equal to 51% Youth owned = 3 points,
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	Less than 51% Youth shareholding = 1 point Maximum points = 5 points
Gender	100% Women owned – 5 points More than or equal to 51% Women owned – 3 points Less than 51% Women owned – 1 point Maximum points = 5 points
Race	100% Black owned– 5 points More than or equal to 51% Black owned – 3 points Less than 51% Black owned – 1 point Maximum points = 5 points
Disability	100% people with disability owned – 5 points More than or equal to 51% people with disability owned – 3 points Less than 51% people with disability owned – 1 point Maximum points = 5 points

For 90/10 – preference point system

Category of persons	100% Youth owned – 2.5 points More than or equal to 51% Youth owned – 1.5 points Less than 51% Youth owned – 1 point Maximum points = 2.5 points
Gender	100% Women owned – 2.5 points More than or equal to 51% Women owned – 1.5 points Less than 51% Women owned – 1 point Maximum points = 2.5 points
Race	100% Black owned– 2.5 points More than or equal to 51% Black owned – 1.5 points Less than 51% Black owned – 1 point Maximum points = 2.5 points
Disability	100% people with disability owned – 2.5 points More than or equal to 51% people with disability owned – 1.5 points

	Less than 51% people with disability owned – 1 point Maximum points = 2.5 points
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2. IDENTIFICATION OF PREFERENCE POINT SYSTEM

(1) A Municipality must, in the tender documents, stipulate—

- (a) the applicable preference point system as envisaged in regulations 4, 5, 6 or 7;
- (b) the specific goal in the invitation to submit the tender for which a point may be awarded, and the number of points that will be awarded to each goal, and proof of the claim for such goal.

(2) If it is unclear whether the 80/20 or 90/10 preference point system applies, a Municipality must in the tender documents, stipulate in the case of—

- (a) an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or
- (b) any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system.

2. 80/20 PREFERENCE POINT SYSTEM FOR ACQUISITION OF GOODS OR SERVICES WITH RAND VALUE EQUAL TO OR BELOW R50 MILLION

(1) The following formula must be used to calculate the points out of 80 for price in respect of an invitation for a tender with a Rand value equal to or below R50 million, inclusive of all applicable taxes:

$$Ps = 80 \left(1 - \frac{Pt - P \text{ min}}{P \text{ min}} \right)$$

Where-

Ps = Points scored for price of tender under consideration;

Pt = Price of tender under consideration; and

Pmin = Price of lowest acceptable tender.

- (2) A maximum of 20 points may be awarded to a tenderer for the specific goal specified for the tender.
- (3) The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.
- (4) Subject to section 2(1)(f) of the Act, the contract must be awarded to the tenderer scoring the highest points.

3. 90/10 PREFERENCE POINT SYSTEM FOR ACQUISITION OF GOODS OR SERVICES WITH RAND VALUE ABOVE R50 MILLION

- (1) The following formula must be used to calculate the points out 90 for price in respect of an invitation for tender with a Rand value above R50 million, inclusive of all applicable taxes:

$$Ps = 90 \left(1 - \frac{Pt - P \text{ min}}{P \text{ min}} \right)$$

Where-

- Ps = Points scored for price of tender under consideration;
- Pt = Price of tender under consideration; and
- Pmin = Price of lowest acceptable tender.

- (2) A maximum of 10 points may be awarded to a tenderer for the specific goal specified for the tender.
- (3) The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.
- (4) Subject to section 2(1)(f) of the Act, the contract must be awarded to the tenderer scoring the highest points.

4.80/20 PREFERENCE POINTS SYSTEM FOR TENDERS FOR INCOME-GENERATING CONTRACTS WITH RAND VALUE EQUAL TO OR BELOW R50 MILLION

- (1) The following formula must be used to calculate the points for price in respect of an invitation for tender for income-generating contracts, with a Rand value equal to or below R50 million,

$$P_s = 80 \left(1 - \frac{P_t - P_{\max}}{P_{\max}} \right)$$

Where-

P_s = Points scored for price of tender under consideration;

P_t = Price of tender under consideration; and

$P_{\max}$ = Price of highest acceptable tender.

- (2) A maximum of 20 points may be awarded to a tenderer for the specific goal specified for the tender.
- (3) The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.
- (4) Subject to section 2(1)(f) of the Act, the contract must be awarded to the tenderer scoring the highest points.

5.90/10 PREFERENCE POINT SYSTEM FOR TENDERS FOR INCOME-GENERATING CONTRACTS WITH RAND VALUE ABOVE R50 MILLION

- (1) The following formula must be used to calculate the points for price in respect of a tender for income-generating contracts, with a Rand value above R50 million, inclusive of all applicable taxes:

$$P_s = 90 \left(1 - \frac{P_t - P_{\max}}{P_{\max}} \right)$$

Where:

P_s = Points scored for price of tender under consideration;

P_t = Price of tender under consideration; and

$P_{\max}$ = Price of highest acceptable tender.

- (2) A maximum of 10 points may be awarded to a tenderer for the specific goal specified for the tender.

- (3) The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.
- (4) Subject to section 2(1)(f) of the Act, the contract must be awarded to the tenderer scoring the highest points.

CRITERIA FOR BREAKING DEADLOCK IN SCORING

- (1) If two or more tenderers score an equal total number of points, the contract must be awarded to the tenderer that scored the highest points for specific goals.
- (2) If two or more tenderers score equal total points in all respects, the award must be decided by the drawing of lots conducted by Bid Adjudication Committee.

REMEDIES

- (1) If a Municipality is of the view that a tenderer submitted false information regarding a specific goal, it must —
 - (a) inform the tenderer accordingly; and
 - (b) give the tenderer an opportunity to make representations within 14 days as to why the tender may not be disqualified or, if the tender has already been awarded to the tenderer, the contract should not be terminated in whole or in part.
- (2) After considering the representations referred to in sub-regulation (1)(b), the organ of state may, if it concludes that such information is false—
 - (a) disqualify the tenderer or terminate the contract in whole or in part; and
 - (b) if applicable, claim damages from the tenderer.

CIRCULARS AND GUIDELINES

13. The National Treasury may issue-

- (a) a circular to inform organs of state of any matter pertaining to these policy; or
- (b) a guideline to assist organs of state with the implementation of any provision of these policy.

63. COMMENCEMENT

This revised policy takes effect on 01 July 2025

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