

POLICY 008/2021 RAADSBELEID

SUBJECT/ONDERWERP: **SUPPLY CHAIN MANAGEMENT POLICY**

REFERENCE/VERWYSING: **5.B**

RESOLUTION NR/BESLUIT NO: **9/05/2021 (CM)**

DATE/DATUM: **31 May 2021**

OBJECTIVE: To ensure that Council receive the best possible services and goods through supply chain management processes complying with the principles of the Preferential Procurement Policy Framework Act, 2000 (Act No 5 of 2000); the Preferential Procurement Regulations, 2001; the Municipal Finance Management Act, 2003 (Act No 56 of 2003); and, the Municipal Supply Chain Management Regulations, 2005.

POLICY OBJECTIVE & PRINCIPLES:

Council recognises her role and responsibility to manage public finances to the most economical and efficient way and also to avoid unfair discrimination in the awarding of tenders and quotations.

GUIDELINES:

1. Implementation of supply chain management policy
2. Supply chain management system
 - 2.1 Demand management
 - 2.2 Acquisition management
 - 2.3 Logistics, Disposal, Risk and Performance Management
 - 2.4 Other matters
3. Preferential procurement points scoring system
4. Code of Conduct for Supply Chain Management Practitioners and other Role Players

1. DEFINITIONS

1. In this Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Act has the same meaning as in the Act, and –

“Accounting officer” means the Accounting Officer referred to in section 60 of the Municipal Finance Management Act, No. 56 of 2003, in relation to a municipal entity, means the official referred to in section 93, and includes a person acting as the accounting officer.

“Accredited Agent” means a provider who is authorized to deliver certain goods / services and can be trading in a specific area, however, an accredited agent is not a sole provider.

"Act" means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000);

"All applicable taxes" includes value-added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies;

"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 received by a measured entity based on its overall performance using the relevant scorecard contained in the Codes 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);

"Comparative price" means the price after the factors of a non-firm price and all unconditional discounts that can be utilized have been taken into consideration;

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

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

"Consortium or joint venture" means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract;

"Contract" means the agreement that results from the acceptance of a tender by an organ of state;

"CSD Central supplier database" means the national standardised and centralised electronic supplier database administered by the National Treasury which provides supplier information to an organ of state;

"Designated sector" means a sector, sub-sector or industry that has been designated by the Department of Trade and Industry in line with national development and industrial policies for local production, where only locally produced services, works or goods or locally manufactured goods meet the stipulated minimum threshold for local production and content;

"Emergency procurement" emergency cases are cases where immediate action is necessary in order to avoid dangerous or risky situation (life threatening) or misery such as floods or fires.

"Exceptional/urgent cases" exceptional cases are cases where early delivery is of critical importance and the invitation of competitive bids is either impossible or impractical. However, a lack of proper planning should not be constituted as an urgent case subject to the approval of the Accounting Officer. The nature of the urgency and the details of the justifiable procurement must be recorded and the AO to approve.

"Exempted Micro Enterprise" [EME's] Enterprises with an annual total revenue of R5 million or less [all taxes included] for goods and services. Sector charters have been developed for the

Tourism and Construction industry where thresholds of Rand 2.5 million and Rand 1.5 million respectively have been established.

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

"Firm price" means the price that is only subject to adjustments in accordance with the actual increase or decrease resulting from the change, imposition, or abolition of customs or excise duty and any other duty, levy, or tax, which, in terms of the law or regulation, is binding on the contractor and demonstrably has an influence on the price of any supplies, or the rendering costs of any service, for the execution of the contract;

"Fruitless expenditure"-expenditure made in vain and could have been avoided if reasonable care taken;

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

"Functionality" means the measurement according to predetermined norms, as set out in the tender documents, of a service or commodity that is designed to be practical and useful, working or operating, taking into account, among other factors, the quality, reliability, viability and durability of a service and the technical capacity and ability of a tenderer;

"Imported content" means that portion of the tender price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or its subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs, such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African port of entry;

"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 directors 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) a member of the accounting authority of any national or provincial public entity; or
- (f) an employee of Parliament or a provincial legislature;

"Irregular expenditure"-expenditure incurred that is not in accordance with a requirement of a SCM policy of the municipality or by-laws giving effect to such a policy/eg. Unsolicited bids

"Local content" means that portion of the tender price which is not included in the imported content, provided that local manufacture does take place;

"Long term contract" means a contract with a duration period exceeding one year;

"List of accredited prospective providers" means the list of accredited prospective providers which the municipality must keep in terms of paragraph 14 of this policy;

"Non-firm prices" means all prices other than "firm" prices;

"Other applicable legislation" means any other legislation applicable to municipal supply chain management, including –

- (a) the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000);
- (b) the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003); and
- (c) the Construction Industry Development Board Act, 2000 (Act No.38 of 2000);

"Person" includes a juristic person;

"Rand value" means the total estimated value of a contract in South African currency, calculated at the time of tender invitations, and includes all applicable taxes and excise duties;

"Senior manager" means

- (a) in relation to a municipality, means a manager referred to in section 56 of the Municipal Systems Act; or
- (b) in relation to a municipal entity, means a manager directly accountable to the chief executive officer of the entity;

"Sole Provider"-means a provider of specialized or exclusive goods/services who has a sole distribution / patent /manufacturing rights and copy rights.

"Stipulated minimum threshold" means that portion of local production and content as determined by the Department of Trade and Industry;

"Sub-contract" means the primary contractor's assigning, leasing, making out work to, or employing, another person to support such primary contractor in the execution of part of a project in terms of the contract;

"Tender" means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of services, works or goods, through price quotations, advertised competitive tendering processes or proposals;

"Total revenue" bears the same meaning assigned to this expression in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act and promulgated in the Government Gazette on 9 February 2007;

"Transversal contract" means a contract arranged for more than one Department/Municipality or for more than one level of government eg. National and Provincial Government.

"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, 2003 (Act No. 56 of 2003);

"The Regulations" means the Local Government: Municipal Finance Management Act, 2003, Municipal Supply Chain Management Regulations published by Government Notice 868 of 2005;

"Trust" means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person; and

"Trustee" means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person.

"Written or verbal quotations" means quotations referred to in paragraph 12(1)(b) of this Policy.

CHAPTER 1

IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY

2. SUPPLY CHAIN MANAGEMENT POLICY

(1) All officials and other role players in the supply chain management system of the Dawid Kruiper Municipality must implement this Policy in a way 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 Regulations; and
- (ii) any minimum norms and standards that may be prescribed in terms of section 168 of the Act;

(d) is consistent with other applicable legislation;

- Broad Based Black Economic Empowerment Act [B-BBEEA];
- Corruption Act, 1998 – anti-corruption measures and practices;

- Competition Law and Regulations;
 - Promotion of Administrative Justice Act, 2000;
 - National Archives of South Africa Act, 1996;
 - National Small Business Act;
 - Preferential Procurement Policy Framework Act
 - Construction Industry Development Board Act, 2000 [Act no 38 of 2000].
- (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.
- (2) This Policy applies when the Dawid Kruiper Municipality –
- (a) procures goods or services;
 - (b) disposes goods no longer needed;
 - (c) selects contractors to provide assistance in the provision of municipal services otherwise than in circumstances where Chapter 8 of the Municipal Systems Act applies; or
 - (d) selects 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) This Policy, except where provided otherwise, 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. AMENDMENT OF THE SUPPLY CHAIN MANAGEMENT POLICY

- (1) The accounting officer must –
- (a) at least annually review the implementation of this Policy; and
 - (b) when the accounting officer considers it necessary, submit proposals for the amendment of this Policy to the Dawid Kruiper Municipal Council.
- (2) If the accounting officer submits proposed amendments to the Dawid Kruiper Municipal Council that differs from the model policy issued by the National Treasury, the accounting officer must –
- (a) ensure that such proposed amendments comply with the Regulations; and

- (b) report any deviation from the model policy to National Treasury and the relevant provincial treasury.
- (3) When amending this supply chain management policy the need for uniformity in supply chain practices, procedures and forms between organs of state in all spheres, particularly to promote accessibility of supply chain management systems for small businesses must be taken into account.

4. DELEGATION OF SUPPLY CHAIN MANAGEMENT POWERS AND DUTIES

- (1) The Dawid Kruiper Municipal Council hereby delegates all powers and duties to the accounting officer which are necessary to enable the accounting officer –
 - (a) to discharge the supply chain management responsibilities conferred on accounting officers in terms of -
 - (i) Chapter 8 or 10 of the Act; and
 - (ii) this Policy;
 - (b) to maximise administrative and operational efficiency in the implementation of this Policy;
 - (c) to enforce reasonable cost-effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation of this Policy; and
 - (d) to comply with his or her responsibilities in terms of section 115 and other applicable provisions of the Act.
- (2) Sections 79 and 106 of the Act apply to the sub delegation of powers and duties delegated to an accounting officer in terms of sub paragraph (1).
- (3) The accounting officer may not sub delegate any supply chain management powers or duties to a person who is not an official of the Dawid Kruiper Municipality or to a committee which is not exclusively composed of officials of the Dawid Kruiper Municipality;
- (4) This paragraph may not be read as permitting an official to whom the power to make final awards has been delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 26 of this Policy.

5. SUB DELEGATIONS

- (1) The accounting officer may in terms of section 79 or 106 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 sub paragraph (2) of this paragraph and paragraph 4 of this Policy.
- (2) The power to make a final award -

- (a) above R10 million (VAT included) may not be sub delegated by the accounting officer;
 - (b) above 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 (director of Dawid Kruiper Municipality); or
 - (iii) a bid adjudication committee of which the chief financial officer or a senior manager is a member.
 - (c) not exceeding R2 million (VAT included) may be sub delegated but only to -
 - (i) the chief financial officer;
 - (ii) a senior manager (director of Dawid Kruiper Municipality);
 - (iii) a manager directly accountable to the chief financial officer or a senior manager (director of Dawid Kruiper Municipality); 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 (2) must within five days of the end of each month submit to the official referred to in subparagraph (4) a written report containing particulars of each final award made by such official or committee during that month, including-
- (a) the amount of the award;
 - (b) the name of the person to whom the award was made; and
 - (c) the reason why the award was made to that person.
- (4) A written report referred to in subparagraph (3) must be submitted -
- (a) to the accounting officer, in the case of an award by -
 - (i) the chief financial officer;
 - (ii) a senior manager (director of Dawid Kruiper Municipality); or
 - (iii) a bid adjudication committee of which the chief financial officer or a senior manager (director of Dawid Kruiper Municipality) is a member; or
 - (b) to the chief financial officer or the senior manager (director of Dawid Kruiper Municipality) responsible for the relevant bid, in the case of an award by -
 - (i) a manager referred to in subparagraph (2)(c)(iii); or
 - (ii) a bid adjudication committee of which the chief financial officer or a senior manager (director of Dawid Kruiper Municipality) is not a member.
- (5) Subparagraphs (3) and (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 Dawid Kruiper Municipal Council reserves its right to maintain oversight over the implementation of this Policy.
- (2) For the purposes of such oversight the accounting officer must -
 - (a) within 30 days of the end of each financial year, submit a report on the implementation of this Policy and the supply chain management policy of any municipal entity under the sole or shared control of the municipality, to the council of the municipality; and
 - (b) whenever there are serious and material problems in the implementation of this Policy, immediately submit a report to the Dawid Kruiper Municipal 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 must be made public in accordance with section 21A of the Municipal Systems Act.

7. SUPPLY CHAIN MANAGEMENT UNIT

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

8. TRAINING OF SUPPLY CHAIN MANAGEMENT OFFICIALS

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

CHAPTER 2

SUPPLY CHAIN MANAGEMENT SYSTEM

9. FORMAT OF SUPPLY CHAIN MANAGEMENT SYSTEM

This Policy provides systems for -

- (i) demand management;
- (ii) acquisition management;
- (iii) logistics management;
- (iv) disposal management;
- (v) risk management; and
- (vi) performance management.
- (vii) asset management
- (ix) contract management

PART 1: DEMAND MANAGEMENT

10. System of demand management

- (1) The accounting officer must establish and implement an appropriate demand management system in order to ensure that the resources required by the Dawid Kruiper Municipality support its operational commitments and its strategic goals outlined in the Integrated Development Plan.
- (2) The demand management system must –
 - (a) include timely planning and management processes to ensure that all goods and services required by the Dawid Kruiper 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;
 - (c) provide for the compilation of the required specifications to ensure that its needs are met; and
 - (d) to undertake appropriate industry analysis and research to ensure that innovations and technological benefits are maximised.
 - (e) The municipality must compile a Procurement Plan containing all planned procurement for the financial year in respect of the procurement of goods, services and infrastructure projects which exceed R200 000 [all applicable taxes included] per case as described in the Supply Chain Management Guide for Accounting Officers. The procurement plan must be finalized on the 1 July every year. The relevant information should preferably be furnished in the format contained in the Procurement Plan Template enclosed as Annexure A.
 - (f) Also refer to National Treasury MFMA Circular 62.

(3) Framework for Infrastructure Procurement

The framework for infrastructure procurement outlines the minimum infrastructure procurement policy requirements for municipal planning and implementation.

The strategic direction set in the Integrated Development Plan (IDP) informs the framework for infrastructure procurement. For example, procurement strategies must be aligned to the municipality's developmental and internal transformation needs, as specified in the IDP.

1. Minimum Requirement for Infrastructure Procurement

- a) Infrastructure procurement must be undertaken in accordance with all applicable Infrastructure Procurement related legislation and this Framework.
- b) Infrastructure procurement must be implemented in accordance with the institutional Supply Chain Management System, which promotes differentiated procurement for infrastructure.
- c) Infrastructure procurement must be implemented in accordance with the procurement gates prescribed in paragraph 11.
- d) The Accounting Officer must ensure that a budget is available for the duration of the project, in line with MFMA provisions for capital and operating budgets.
- e) The Accounting Officer must ensure that cash flow management processes are in place to meet payment obligations within the time periods specified in the contract.
- f) Procurement gates provided in paragraph 11 of this policy must be used, as appropriate, to:
 - i. Authorise commencement of activities that lead to the next control gate;
 - ii. Confirm conformity with requirements; and/or
 - iii. Provide information
- g) The authorisation to proceed to the next procurement gate must be given by a delegated person or body. The delegated person or body must be able to apply relevant built environment knowledge and skill to achieve the intended results required at the relevant procurement gate. The level of detail contained in the documentation on which a decision to proceed to the next procurement gate is made, must be sufficient to enable an informed decision.
- h) The Accounting Officer must develop and implement effective and efficient emergency procurement procedures, including relevant approval delegation, in compliance with relevant legislation.
- i) The Accounting Officer must develop and implement an effective and efficient infrastructure disposal policy in line with the Municipal Asset Transfer Regulations. The institution may consider disposal strategies aligned to their internal disposal policy, prior to proceeding with the procurement strategy.
- j) The Accounting Officer must keep records of Procurement Gate

Approvals, in a manual or electronic format, with the following minimum requirements:

- i. Procurement gate;
- ii. Delegated person/s or body;
- iii. Date on which the approval request was received;
- iv. Date on which the approval was actioned; and
- v. Signature of the delegated person or body.

- k) All assets must be recorded in the municipal asset register as required by the GRAP standards.

2. Infrastructure Procurement Gates (PG1)

- a) Initiate a procurement process;
(See Annexure C: In order for the initiation to be completed, and the decision to proceed with procurement is effected; the Project Stage Deliverables for Stages 1 and 2 must be completed. In the case of Mega Projects (Projects in excess of R50 million) the Gateway Review requirements must be adhered to as stipulated within Annexure C)

2.1 Minimum Requirement for PG 1:

- i. Establish and clarify the procurement need, aligned to the municipality's development and transformation priorities specified in the IDP.
 - ii. Determine a suitable title for the procurement, to be applied as the project description.
 - iii. Prepare the broad scope of work for the procurement.
 - iv. Perform market analysis.
 - v. Estimate the financial value of proposed procurement and contract for budgetary purposes, based on the broad scope of work.
 - vi. Confirm the budget.
 - vii. Compliance with section 33 of the MFMA with respect to community and stakeholder consultation.
- b) PG 1 is complete when a designated person or body makes the decision to proceed/not to proceed, with the procurement of the infrastructure.

2.2 Procurement Gate 2 for PG 2:

- a) Approve procurement strategy to be adopted.
(See Annexure C: In order for the procurement strategy to be adopted, and the decision to proceed with an approved procurement strategy; the Project Stage Deliverables for Stages 3 and 4 must be completed)

2.2.1 Minimum Requirement for PG 2:

- a) Develop a procurement strategy aligned to the institutional procurement strategy:
 - i. Establish contracting and pricing strategy comprising of an appropriate allocation of responsibilities and

- risks; and the methodology for contractor payments.
 - ii. Identify service required for works.
 - iii. Decide on contracting strategy.
 - iv. Decide on pricing strategy.
 - v. Decide on form of contract.
 - vi. Establish opportunities for promoting preferential procurement in compliance with legislative provisions and the Construction Sector Code.
 - b) PG 2 is complete when a delegated person or body approves the procurement strategy that is to be adopted.
- 2.3 Procurement Gate 3 (PG 3)
 - a) Approve procurement documents.
 - 2.3.1 Minimum requirements for PG 3:
 - b) Prepare procurement documents that are compatible with:
 - i. Approved procurement strategies.
 - ii. Project management design documentation.
 - c) PG 3 is complete when the Bid Specification Committee approves the procurement document.
- 2.4 Procurement Gate 4 (PG 4)
 - a) Confirm that cash flow processes are in place to meet projected contractual obligations.
 - 2.4.1 Minimum requirement for PG 4
 - 2.4.1.1 Confirm that cash flow processes are in place to meet contractual obligations.
 - 2.4.1.2 Establish control measures for settlement of payments within the time period specified in the contract.
 - b) PG 4 is complete when a delegated person or body confirms in writing that cash flow processes are in place; and control measures are established for the procurement to take place.

PART 2: ACQUISITION MANAGEMENT

11. System of acquisition management

- (1) The accounting officer must implement the system of acquisition management set out in this Part in order to ensure -
 - (a) that goods and services are procured by the Dawid Kruiper 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 as per National and Provincial prescripts (SCM Practice note 2, Explanatory notes: Revised quotation/bid forms);
- (e) that the preference point system used in accordance with the Revised Preferential Procurement Policy Regulations of 7 December 2011 (utilizing B-BBEE status level verification certificates to claim preference points).
- (f) that any Treasury guidelines on acquisition management are properly taken into account.
- (g) Verification of bids in excess of R10 million

PRIOR TO ADVERTISEMENT:

Verification by the CFO

The senior manager responsible for a vote must submit to the CFO:

- proof that budgetary provision exists for the procurement of the goods/services and/or infrastructure projects;
- any ancillary budgetary implications related to the bid;
- any multi -year budgetary implications;

PRIOR TO THE AWARD OF A BID

Contracts above the value of R10 million (all applicable taxes included) may only be awarded to the preferred bidder after the CFO 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.

- (h) Publication of awards in respect of advertised competitive bids (above the threshold value of R200,000)

The following information on the successful bids must be placed on the municipal website:

- Contract numbers and description of goods, services or infrastructure projects;
- Names of the successful bidders and the B-BBEE level of contribution claimed;
- Brand names and dates for completion of contracts.
- If an organ of state decides to apply pre-qualifying criteria to advance certain designated groups, that organ of state must advertise the tender

with a specific tendering condition that only one or more of the following tenderers may respond-

- (a) a tenderer having a stipulated minimum B-BBEE status level of contributor;
- (b) an EME or QSE;
- (c) a tenderer subcontracting a minimum of 30% to-
 - (i) an EME or QSE which is at least 51% owned by black people;
 - (ii) an EME or QSE which is at least 51% owned by black people who are youth;
 - (iii) an EME or QSE which is at least 51% owned by black people who are women;
 - (iv) an EME or QSE which is at least 51% owned by black people with disabilities;
 - (v) an EME or QSE which is 51% owned by black people living in rural or underdeveloped areas or townships;
 - (vi) a cooperative which is at least 51% owned by black people;
 - (vii) an EME or QSE which is at least 51% owned by black people who are military veterans;
 - (viii) an EME or QSE.

- (2) A tender that fails to meet any pre-qualifying criteria stipulated in the tender documents is an unacceptable tender.

(j) **Functionality**

Adhere to the revised guidelines when functionality is included as a criterion in the evaluation of bids (National Treasury note issued in September 2010).

- (1) An organ of state must state in the tender documents if the tender will be evaluated on functionality.
- (2) The evaluation criteria for measuring functionality must be objective.
- (3) The tender documents must specify-
 - (a) the evaluation criteria for measuring functionality;
 - (b) the points for each criteria and, if any, each sub-criterion; and
 - (c) the minimum qualifying score for functionality.
- (4) The minimum qualifying score for functionality for a tender to be considered further-
 - (a) must be determined separately for each tender; and
 - (b) may not be so-
 - (i) low that it may jeopardise the quality of the required goods or services; or
 - (ii) high that it is unreasonably restrictive.

- (5) Points scored for functionality must be rounded off to the nearest two decimal places.
- (6) A tender that fails to obtain the minimum qualifying score for functionality as indicated in the tender documents is not an acceptable tender.
- (7) Each tender that obtained the minimum qualifying score for functionality must be evaluated further in terms of price and the preference point system and any objective criteria envisaged in regulation 11.

PRE –EVALUATION

- After closure of the bid pre-evaluation is done to ensure all bidders comply with the prescribed minimum norms and standards, NO TECHNICAL EVALUATION IS DONE AT THIS POINT.

Bidders are then invited to prepare for a functionality presentation in line with the criteria set out in the bid document on a specific date and provided with a time slot.

APPOINTMENT OF A FUNCTIONALITY COMMITTEE

The functionality committee is an ad-hoc committee appointed per bid. It should consist out of a cross functional team
To be included as well:

- A SCM Practitioner;
- The end-user;
- Technical experts;
- Members of the Bid Evaluation- and Adjudication committees;
- CFO or a person with knowledge of the available budget from the CFO's office;
- Any other official deemed to be relevant;
- Provincial SCM official.
- Each member will complete a score sheet per bidder.
- The totals to be calculated by SCM, a average calculated and only the bidders who scored the minimum qualifying score will be evaluated further.
- Prior to the functionality committee meeting the end-user and the technical experts can
- sit with all the appointed committee members and peruse each bidder's proposal and draw-up a list of questions for clarification. Each member can add his / her own questions and during the presentations clarify or verify the information presented with relevant questions.

NOTE: There cannot be two [2] technical evaluation processes, only one done by a duly appointed functionality committee.

- Functionality evaluation forms part of the formal evaluation processes and is open for legal scrutiny and challenges –therefore it is a formal once off process with proper procedures and score sheets to be completed per committee member for each bidder, duly signed off by the relevant committee member.
 - Score sheets form part of a bid and year-end audit by the Auditor – General.
 - Not following proper processes may lead to expenditure been classified as irregular by the Auditor-General's office.
- (3) When procuring goods or services contemplated in Section 110(2) of the Act, the accounting officer must make public the fact that such goods or services are procured otherwise than through the Dawid Kruiper Municipality's supply chain management system, including –
- (a) the kind of goods or services; and
 - (b) the name of the supplier.

Framework for Infrastructure Procurement

The framework for infrastructure procurement outlines the minimum infrastructure procurement policy requirements for municipal planning and implementation. The strategic direction set in the Integrated Development Plan (IDP) informs the framework for infrastructure procurement. For example, procurement strategies must be aligned to the municipality's developmental and internal transformation needs, as specified in the IDP.

(3.1.) Procurement Gate 5 (PG 5)

- a) Solicit tender offers.

(3.1.1.) Minimum requirements for PG 5

- (i) Invite contractors to submit tender offers.
 - (ii) Receive tender offers.
 - (iii) Record tender offers.
 - (iv) Safeguard tender offers.
- b) PG 5 is complete when tender offers received are recorded and safeguarded by a delegated person from the SCM unit.

(3.2.) Procurement Gate 6 (PG 6)

- a) Evaluate tender offers premised on undertakings and parameters established in procurement documents.

3.2.1. Minimum Requirement for PG 6:

- (i) Determine whether tender offers are complete.

- (ii) Determine whether tender offers are responsive.
- (iii) Evaluate tender submissions.
- (iv) Review minimum compliance requirements for each tender.
- (v) Perform a risk analysis.
- (vi) Prepare a report on tender offers received, and on their achievement of minimum compliance.

- b) PG 6 is complete when the chairperson of the Bid Evaluation Committee approves the BEC report.

(3.3.) Procurement Gate 7 (PG 7)

- a) Award the contract.

3.3.1. Minimum Requirement for PG 7:

- (i) Bid adjudication committee review of the BEC evaluation report.
- (ii) Bid Adjudication Committee makes an award.
- (iii) Accounting Officer Approval of the tender process.
- (iv) Notify successful tenderer and unsuccessful tenderers of the outcome.
- (v) Sign contract document.
- (vi) Formally accept tender offer.

- b) PG 7 is complete when the Accounting Officer, or the Bid Adjudication Committee where delegated, confirms that the tenderer has provided evidence of complying with all requirements stated in the tender data and formally accepts the tender offer in writing, and issues the contractor with a signed copy of the contract.

12. Range of procurement processes

- (1) Goods and services may only be procured by way of -

- (a) petty cash purchases or one quotation for transaction up to the value of R 2,000 (VAT included);
- (b) written or verbal quotations for procurements of a transaction value over R 2,000 up to R 10,000 (VAT included);
- (c) formal written price quotations for procurements of a transaction value over R 10,000 up to R 200,000 (VAT included); and
- (d) a competitive bidding process for-
 - (i) procurements above a transaction value of R 200,000 (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 sub paragraph (1); or

(b) direct that -

- (i) written or verbal quotations be obtained for any specific procurement of a transaction value lower than R 2,000 (VAT included);
- (ii) formal written price quotations be obtained for any specific procurement of a transaction value lower than R 10,000 (VAT included); or
- (iii) a competitive bidding process be followed for any specific procurement of a transaction value lower than R 200,000 (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.

13. General preconditions for consideration of written quotations or bids

A written quotation or bid may not be considered unless the provider who submitted the quotation or bid -

(a) has furnished that provider's -

- (i) full name;
- (ii) identification number or company or other registration number; and
- (iii) tax reference number and VAT registration number, if any;
- (iv) original valid tax clearance certificate from the South African Revenue Services;

The CSD and tax compliance status PIN, which are the approved methods to be used to prove tax compliance as the SARS no longer issues Tax Clearance Certificates but has made provision online, via e-Filing, for bidders to print their own Tax Clearance Certificates which they can submit with their bids or price quotations. 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. 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.

- (v) check in respect of the recommended bidder whether municipal rates and taxes and municipal service charges are not in arrears for more than three [3] months; Bids/ quotations should only be awarded to suppliers who are not in arrears with their municipal rates and taxes. If the suppliers are not resident in this municipality, but offer their services from any other municipality, the same applies. It should be established if they are not in arrears in their own municipality.
- (vi) requirements for construction and engineering related bids should be awarded according to CIDB regulations;

- (vii) The CIDB Act requires that all projects need to be registered with the CIDB;
- (viii) Before an award is done to a contractor, the contractor's CIDB grading must be confirmed with the CIDB website;
- (ix) The CIDB grading designation is as follows:

Grading designation	Less than or equal to
1	R200,000
2	R650,000
3	R2,000,000
4	R4,000,000
5	R6,500,000
6	R13,000,000
7	R40,000,000
8	R130,000,000
9	No Limit

- (b) has authorised the Dawid Kruiper Municipality to obtain a tax clearance from the South African Revenue Services that the provider's tax matters are in order; and
- (c) has indicated -
 - (i) whether he or she is in the service of the state, or has been in the service of the state in the previous twelve months;
 - (ii) if the provider is not a natural person, whether any of its directors, managers, principal 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
 - (iii) 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.
- (d) That any CIDB, ECSA, SANAS and SETA certificates which were not submitted and which can be confirmed online, may be submitted within 7 working days.
- (e) In the event that suppliers submitted uncertified copies of requested documents they will be granted to submit it within 7 working days except for B-BBEE certificates.

14. Lists of accredited prospective providers

- (1) The accounting officer must –
 - a) utilise the National Central Supplier Database(NCSD) to source accredited service providers of goods and services that must be used for procurements through written, verbal quotations, formal written price quotations and competitive bids; and
 - b) invite prospective service providers of goods and services to apply for evaluation and listing as accredited prospective service providers for subcontracting purposes; and
 - c) disallow the listing of any prospective provider whose name appears on the National Treasury's database as a person prohibited from doing business with the public sector.

- d) Suppliers may update their CSD status continuously;
- e) CSD is compiled per commodity and per type of service.

15. Petty cash purchases

The accounting officer must establish the conditions for the procurement of goods by means of petty cash purchases referred to in paragraph 12(1)(a) of this Policy, which must include conditions –

- (a) determining the terms on which a manager may delegate responsibility for petty cash to an official reporting to the manager;
- (b) limiting the maximum number of petty cash purchases or the maximum amounts per month for each manager;
- (c) excluding any types of expenditure from petty cash purchases, where this is considered necessary; and
- (d) requiring a monthly reconciliation report from each manager to the chief financial officer, including -
 - (i) the total amount of petty cash purchases for that month;
 - (ii) receipts and appropriate documents for each purchase; and
- (e) any other conditions determined by the Chief Financial Officer.

16. Written or verbal quotations

The conditions for the procurement of goods or services through written or verbal quotations are as follows -

- (a) quotations must be obtained from at least three different providers preferably from, but not limited to, providers whose names appear on the list of accredited prospective providers of the Dawid Kruiper Municipality provided that if quotations are obtained from providers who are not listed, such providers must meet the listing criteria set out in paragraph 14(1)(b) and (c) of this Policy;
- (b) where no suitable accredited service providers are available from the list, quotations may be obtained from other possible providers not on the list, provided that such service providers meet the listing criteria set out in paragraph 14(1)(b) and (c) of this policy.
- (c) to the extent feasible, providers must be requested to submit such quotations in writing;
- (d) if it is not possible to obtain at least three quotations, the reasons must be recorded and reported quarterly to the accounting officer or another official designated by the accounting officer;
- (e) the accounting officer must record the names of the potential providers requested to provide such quotations with their quoted prices;

- (f) if a quotation was submitted verbally, the order may be placed only against written confirmation by the selected provider; and
- (g) any other condition determined by the Dawid Kruiper Municipal Council.
- (h) The municipality will investigate and utilize various other options to advertise bids/quotations viz. community boards, the library, public buildings, police station, etc. This is to ensure that the municipality tried to obtain at least three quotations.
- (i) In cases where there are only a few suppliers for certain goods and, vehicle repairs, the municipality will then use these suppliers on a rotation basis, in order to give everybody a chance. This practice will only be utilized in exceptional cases. As soon as more suppliers become available, such goods / services will be provided via the database.

17. Formal written price quotations

- (1) The conditions for the procurement of goods or services through formal written price quotations, are as follows:
 - a) quotations must be obtained in writing from at least three different providers whose names are listed on Central Supplier Database
 - b) if it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the chief financial officer or an official designated by the chief financial officer, and
 - c) the accounting officer must record the names of the potential providers and their written quotations.
- (2) A designated official referred to in subparagraph (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 subparagraph.

18. Procedures for procuring goods or services through written or verbal quotations and formal written price quotations

The accounting officer must determine the operational procedure for the procurement of goods or services through written or verbal quotations or formal written price quotations, which must stipulate –

- (a) that when using the list of accredited prospective providers, the accounting officer must promote ongoing competition amongst providers by inviting providers to submit quotations on a rotation basis;
- (b) that all requirements in excess of R 30,000 (VAT included) that are to be procured by means of formal written price quotations must, in addition to the requirements of paragraph 17, be advertised for at least seven days on the website and an official notice board of the Dawid Kruiper Municipality;

The revised PPPFA prescripts are applicable, eg. Point system and Status level verification certificates [score cards] must be applied in the adjudication process. Please refer to paragraph 19 [3] for more detail.

- (c) that offers received must be evaluated on a comparative basis taking into account unconditional discounts;
- (d) that the accounting officer or chief financial officer must on a monthly basis be notified in writing of all written or verbal quotations and formal written price quotations accepted by an official acting in terms of a sub delegation;
- (e) that offers below R30,000 (VAT included) must be awarded based on compliance to specifications and conditions of contract, ability and capability to deliver the goods and services and lowest price;
- (f) that acceptable offers between R30,000 and R200,000 (VAT included, which are subject to the preference points system (PPPFA and associated regulations) as set out in Appendix A of this Policy, must be awarded to the bidder who's offer is according to specifications, has the ability to deliver and is compliant with all the other requirements and scored the highest points.
- (g) Minimum requirements for proper record keeping must be complied with.

19. Competitive bids process

- (1) Goods or services above a transaction value of R 200,000 (VAT included) and long term contracts may only be procured through a competitive bidding process, subject to paragraph 11(2) of this Policy.
- (2) No requirement for goods or services above an estimated transaction value of R 200,000 (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 80 / 20 principle is applicable; 80 points for price and 20 points for B-BBEE status level verification certificates. The 20 points will be standard as follows;

B-BBEE Status Level of Contributor	Number of points [80 / 20]	Number of points [90/10]
1	20	10
2	18	9
3	16	8
4	12	5
5	8	4
6	6	3
7	4	2
8	2	1
Non-compliant Contributor	0	0

The points scored for price must be added to the points scored for B-BBEE status level of contribution to obtain the bidder's total points scored out of 100.

A bid must not be disqualified from the bidding process if the bidder does not submit a certificate substantiating the B-BBEE status level of contribution or is a non-compliant contributor. Such a bidder will score 0 out of a maximum of 10 or 20 points for B-BBEE status.

PLEASE NOTE: [a] The 80/20 point-system is applicable from R30,000 [all taxes included] up to R1million [all taxes included] [b] The 90/10 point-system is applicable to bids invited exceeding R1million [all taxes included]

This should not be interpreted that quotations can be invited for up to R1million. The threshold for the invitation of quotations did not change and it is still at R200,000.

Note: Quotations can only be invited not exceeding R200,000.

20. Process for competitive bidding

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

- (a) Compilation of bidding documentation as detailed in paragraph
- (b) Public invitation of bids as detailed in paragraph 22;
- (c) Site meetings or briefing sessions as detailed in paragraph 22;
- (d) Handling of bids submitted in response to public invitation as detailed in paragraph 23;
- (e) Evaluation of bids as detailed in paragraph 28;
- (f) Award of contracts as detailed in paragraph 29;
- (g) Administration of contracts. After approval of a bid, the accounting officer and the bidder must enter into a written agreement; and
- (h) Sub-contracting
 - a) If feasible to subcontract for a contract above R30 million, an organ of state must apply subcontracting to advance designated groups.
 - b) If an organ of state applies subcontracting as contemplated in sub-regulation (1) the organ of state must advertise the tender with a specific tendering condition that the successful tenderer must subcontract a minimum of 30% of the value of the contract to-
 - (i) an EME or QSE which is at least 51% Black Owned;
 - (ii) an EME or QSE which is at least 51% owned black owned by black youth;
 - (iii) an EME or QSE which is at least 51% Black Women Owned;
 - (iv) an EME or QSE which is at least 51% owned by black people with disabilities;
 - (v) an EME or QSE which is 51% owned by black people living in rural or underdeveloped areas and / or townships;
 - (vi) a Cooperative which is at least 51% owned by black people;

- (vii) an EME or QSE which is at least 51% owned by black people who are military veterans;
- (viii) The organ of state must make available the list of all suppliers registered on a database approved by national treasury to provide the required goods or services in respect of the applicable designated groups mentioned in sub-regulation (2) from which the tenderer must select a supplier. (3) The organ of state must make available the list of all suppliers registered on a database approved by the National Treasury to provide the required goods or services in respect of the applicable designated groups mentioned in sub regulation (2) from which the tenderer must select a supplier.

(i) Evaluation of bids that scored equal points

In the event that two or more bids have scored equal total, the successful bid must be the one that scored the highest points for B-BBEE.

If two or more bids have equal points, including equal preference points for B-BBEE, the successful bid must be the one scoring the highest points for functionality, if functionality is part of the evaluation process.

In the event that two or more bids are equal in all respects, the award must be decided by drawing lots.

(j) Cancellation and re-invitation of bids

In the application of the 80/20 point-system, if **all** bids received exceed R1 million, the bid must be cancelled. If one or more of the acceptable bid[s] received are within the R1 million thresholds, all bids received must be evaluated on the 80/20 preference point system.

In the application of the 90/10 preference point-system, if all bids received are equal or below R1million, the bid must be cancelled. If one or more of the acceptable bid[s] received are above the R1million threshold, all bids received must be evaluated on the 90/10 preference point system.

If a bid was cancelled as indicated above, the correct preference point system must be stipulated in the bid documents of the re-invited bid.

(k) Awarding of contracts

A contract must be awarded to the bidder who scored the highest total number of points in terms of the preference point system. Points scored must be rounded off to the nearest 2 decimal places.

In exceptional circumstances a contract may, on reasonable and justifiable grounds be awarded to a bidder that did not score the highest number of points. The reasons for such a decision must be approved and recorded for audit purposes and must be defensible in a court of law.

(l) 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 B-BBEE.
- (2) If functionality is part of the evaluation process and two or more tenderers score equal total points and equal preference points for B-BBEE, the contract must be awarded to the tenderer that scored the highest points for functionality.
- (3) If two or more tenderers score equal total points in all respects, the award must be decided by the drawing of lots.
- (7) Subcontracting after award of tender
- (8) A person awarded a contract may only enter into a subcontracting arrangement with the approval of the organ of state.
- (9) A person awarded a contract in relation to a designated sector, may not subcontract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.
- (10) A person awarded a contract may not subcontract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level of contributor than the person concerned, unless the contract is subcontracted to an EME that has the capability and ability to execute the subcontract.

(m) Sale and letting of assets

The Preferential Procurement Regulations, 2011, are not applicable to the sale and letting of assets.

In instances where assets are sold or leased, by means of a bidding process, the bid must be awarded to the bidder with the highest price

(n) Proper record keeping. Original/legal copies of written contracts agreements should be kept in a secure place for reference purposes.

(o) Remedies

- (1) Upon detecting that a tenderer submitted false information regarding its BBBEE status level of contributor, local production and content, or any other matter required in terms of these Regulations which will affect or has affected the evaluation of a tender, or where a tenderer has failed to declare any subcontracting arrangements, the organ of state must-

- (a) inform the tenderer accordingly;
- (b) give the tenderer an opportunity to make representations within 14 days as to why-

- (i) the tender submitted should 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;

- (ii) if the successful tenderer subcontracted a portion of the tender to another person without disclosing it, the tenderer should not be penalised up to 10 percent of the value of the contract; and
 - (iii) the tenderer should not be restricted by the National Treasury from conducting any business for a period not exceeding 10 years with any organ of state; and
 - (c) if it concludes, after considering the representations referred to in sub regulation (1)(b), that-
 - (i) such false information was submitted by the tenderer-
 - (aa) disqualify the tenderer or terminate the contract in whole or in part; and
 - (bb) if applicable, claim damages from the tenderer; or
 - (ii) the successful tenderer subcontracted a portion of the tender to another person without disclosing, penalise the tenderer up to 10 percent of the value of the contract.
- (2) (a) An organ of state must-
 - (i) inform the National Treasury, in writing, of any actions taken in terms of sub regulation (1);
 - (ii) provide written submissions as to whether the tenderer should be restricted from conducting business with any organ of state; and
 - (iii) submit written representations from the tenderer as to why that tenderer should not be restricted from conducting business with any organ of state.
- (b) The National Treasury may request an organ of state to submit further information pertaining to sub regulation (1) within a specified period.
- (3) The National Treasury must-
 - (a) after considering the representations of the tenderer and any other relevant information, decide whether to restrict the tenderer from doing business with any organ of state for a period not exceeding 10 years; and
 - (b) maintain and publish on its official website a list of restricted suppliers.

21. Bid documentation for competitive bids

The criteria to which bid documentation for a competitive bidding process must comply, must -

- (a) take into account -
 - (i) the general conditions of contract and any special conditions of contract, if specified;
 - (ii) any Treasury guidelines on bid documentation; and

- (iii) the requirements of the Construction Industry Development Board, in the case of a bid relating to construction, upgrading or refurbishment of buildings or infrastructure;
- (b) include the preference points system to be used, goals as contemplated in the Preferential Procurement Regulations and evaluation and adjudication criteria, including any criteria required by other applicable legislation;
- (c) compel bidders to declare any conflict of interest they may have in the transaction for which the bid is submitted;
- (d) if the value of the transaction is expected to exceed R 10 million (VAT included), require bidders to furnish-
 - (i) if the bidder is required by law to prepare annual financial statements for auditing, their audited annual financial statements -
 - (aa) for the past three years; or
 - (bb) since their establishment if established during the past three years;
 - (ii) 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;
 - (iii) 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;
 - (iv) a statement indicating whether any portion of the goods or services are expected to be sourced from outside the Republic; and, if so, what portion and whether any portion of payment from the municipality or municipal entity is expected to be transferred out of the Republic;
- (e) 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; and
- (f) The Accounting Officer reserves the right to stipulate such a dispute to be settled utilizing a court of law preferably within the municipal boundaries or as close as possible to the municipal boundaries
- (g) any other criteria determined by the Dawid Kruiper Municipal Council.

22. Public invitation for competitive bids

- (1) The procedure for the invitation of competitive bids is as follows:
 - (a) 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 Dawid Kruiper Municipality or any other appropriate ways (which may include an advertisement in the Government Tender Bulletin); and

- (b) Goods and Services
Advertisement of Bids and the Publication of notices in respect of Awards, Cancelled Bids, Verification and Extension of existing contracts on the e-Tender Publication Portal.

Works and Infrastructure

Advertisement of Bids and the Publication of notices in respect of Awards, and cancellation of bids on the CIDB i-Tender.

- (c) 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 R 10 million (VAT included), or which are of a long term nature; or 14 days in any other case, from the date on which the advertisement is placed in a newspaper, subject to subparagraph (2) of this policy;
 - (ii) a statement that bids may only be submitted on the bid documentation provided by the Dawid Kruiper Municipality; and
 - (iii) date, time and venue of any proposed site meetings or briefing sessions;
- (2) The accounting officer 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 must be sealed.
- (4) Where bids are requested in electronic format, such bids must be supplemented by sealed hard copies.
- (5) If a municipality decides to apply pre-qualifying criteria to advance certain designated groups, that organ of state must advertise the tender with a specific tendering condition that only one or more of the following tenderers may respond –
- (5.1) a tenderer having a stipulated minimum B-BBEE status level of contributor;
 - (5.2) an EME or QSE;
 - (5.3) a tenderer or subcontracting a minimum of 30% to –
 - (i) an EME or QSE which is at least 51% owned by black people,
 - (ii) an EME or QSE which is at least 51% owned black owned by black people who are youth.
 - (iii) and EME or QSE which is at least 51% owned by black people who are women;
 - (iv) an EME or QSE which is at least 51% owned by black people with disabilities;
 - (v) an EME which is 51% owned by black people living in rural or underdeveloped areas or townships;
 - (vi) a cooperative which is at least 51% owned by black people;

- (vii) an EME or QSE which is at least owned by black people who are military veterans;
- (viii) and EME or QSE

23. Procedure for handling, opening and recording of bids

The procedures for the handling, opening and recording of bids, are as follows:

- (a) Bids-
 - (i) must be opened only in public;
 - (ii) must be opened at the same time and as soon as possible after the period for the submission of bids has expired; and
 - (iii) received after the closing time should not be considered and returned unopened immediately.
- (b) Any bidder or member of the public has the right to request that the names of the bidders who submitted bids in time must be read out and, if practical, also each bidder's total bidding price;
- (c) No information, except the provisions in subparagraph (b), relating to the bid should be disclosed to bidders or other persons until the successful bidder is notified of the award; and
- (d) The accounting officer must -
 - (i) record in a register all bids received in time;
 - (ii) make the register available for public inspection; and
 - (iii) publish the entries in the register and the bid results on the website.

24. Negotiations with preferred bidders

- (1) The accounting officer may negotiate the final terms of a contract with bidders identified through a competitive bidding process as preferred bidders, provided that such negotiation -
 - (a) does not allow any preferred bidder a second or unfair opportunity;
 - (b) is not to the detriment of any other bidder; and
 - (c) does not lead to a higher price than the bid as submitted.
- (2) Minutes of such negotiations must be kept for record purposes.

25. 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.

26. Committee system for competitive bids

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

27. Bid specification committees

- (1) A bid specification committee must compile the specifications for the procurement of goods or services by the Dawid Kruiper 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) may not create trade barriers in contract requirements in the form of specifications, plans, drawings, designs, testing and test methods, packaging, marking or labeling of conformity certification;

- (e) may not make reference to any particular trade mark, name, patent, design, type, specific origin or producer unless there is no other sufficiently precise or intelligible way of describing the characteristics of the work, in which case such reference must be accompanied by the word "*equivalent*";
 - (f) must indicate each specific goal for which points may be awarded in terms of the points system set out in the Preferential Procurement Regulations 2011 and as set out in Appendix A of this Policy; and
 - (g) must be approved by the accounting officer prior to publication of the invitation for bids in terms of paragraph 22 of this Policy.
- (3) A bid specification committee must be composed of one or more officials of the Dawid Kruiper 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 director of such a corporate entity, may bid for any resulting contracts.

28. Bid evaluation committees

- (1) A bid evaluation committee must -
 - (a) evaluate bids in accordance with -
 - (i) the specifications for a specific procurement; and
 - (ii) the points system set out in terms of paragraph 27(2)(f);
 - (b) evaluate each bidder's ability 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) A 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 Dawid Kruiper Municipality.

29. Bid adjudication committees

- (1) A bid adjudication committee must -
 - (a) consider the report and recommendations of the bid evaluation committee; and
 - (b) either -
 - (i) depending on its delegations, make a final award or a recommendation to the accounting officer to make the final award; or
 - (ii) make another recommendation to the accounting officer how to proceed with the relevant procurement.

- (2) A bid adjudication committee must consist of at least four senior managers (Directors of Dawid Kruiper Municipality) of the Dawid Kruiper Municipality which 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; and
 - (b) at least one senior Supply Chain Management Practitioner who is an official of the Dawid Kruiper Municipality; and
 - (c) a technical expert in the relevant field who is an official, if such an expert exists. Outside technical experts can also be co-opted; they must leave the meeting after advice has been given. Only standing committee members can be involved in final deliberation and recommendations or final approval.
- (3) The accounting officer must appoint the chairperson of the committee. If the chairperson is absent from a meeting, the members of the committee who are present must elect one of them to preside at the meeting.
- (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) (a) 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 -
- (i) check in respect of the preferred bidder whether that bidder's municipal rates and taxes and municipal service charges are not in arrears, and;
 - (ii) notify the accounting officer in writing.
- (b) The accounting officer may -
- (i) after due consideration of the reasons for the deviation, ratify or reject the decision of the bid adjudication committee referred to in paragraph (a); and
 - (ii) if the decision of the bid adjudication committee is rejected, refer the decision of the adjudication committee 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) The accounting officer must comply with section 114 of the Act within 10 working days.
- (8) For the purposes of continuity and not to delay meetings the Accounting Officer may also appoint any official to temporarily replace members that are absent from meetings due to illness, leave, etc. The Accounting Officer may also decide whether or not such an official will have the same powers as committee members.

30. Procurement of banking services

- (1) A contract for banking services -
 - (a) must be procured through competitive bids;
 - (b) must be consistent with section 7 or 85 of the Act; and
 - (c) may not be for a period of more than five years at a time.
- (2) The process for procuring a contract for banking services must commence at least nine months before the end of an existing contract.
- (3) The closure date for the submission of bids may not be less than 60 days from the date on which the advertisement is placed in a newspaper in terms of paragraph 22(1). Bids must be restricted to banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990).

31. Procurement of IT related goods or services

- (1) The accounting officer may request the State Information Technology Agency (SITA) to assist with the acquisition of IT related goods or services through a competitive bidding process.
- (2) Both parties must enter into a written agreement to regulate the services rendered by and the payments to be made to SITA.
- (3) The accounting officer must notify SITA together with a motivation of the IT needs if -
 - (a) the transaction value of IT related goods or services required in any financial year will exceed R50 million (VAT included); or
 - (b) the transaction value of a contract to be procured whether for one or more years exceeds R 50 million (VAT included).
- (4) If SITA comments on the submission and the Dawid Kruiper Municipality disagree with such comments, the comments and the reasons for rejecting or not following such comments must be submitted to the Dawid Kruiper Municipal Council, the National Treasury, the relevant provincial treasury and the Auditor General.

32. Procurement of goods and services under contracts secured by other organs of state

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

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

33. 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.

34. Proudly SA Campaign

The Dawid Kruiper Municipality supports the Proudly SA Campaign to the extent that, all things being equal, preference is given to procuring local goods and services from:

- (a) Firstly - suppliers and businesses within the municipality or district;
- (b) Secondly - suppliers and businesses within the relevant province;
- (c) Thirdly - suppliers and businesses within the Republic.

35. Appointment of consultants

- (1) The accounting officer may procure consulting services provided that any Treasury guidelines in respect of consulting services are taken into account when such procurements are made.
- (2) Consultancy services must be procured through competitive bids if -
 - (a) the value of the contract exceeds R200,000 (VAT included); or
 - (b) the duration period of the contract exceeds one year.
- (3) In addition to any requirements prescribed by this policy for competitive bids, bidders must furnish particulars of -
 - (a) all consultancy services provided to an organ of state in the last five years; and
 - (b) any similar consultancy services provided to an organ of state in the last five years.
- (4) The accounting officer 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 Dawid Kruiper Municipality.

36. Deviation from, and ratification of minor breaches of, procurement processes

- (1) The accounting officer may -
 - (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;
 - (a) the possibility of human injury or death,
 - (b) the prevalence of human suffering or deprivation of rights,
 - (c) the possibility of damage to property, or suffering and death of livestock and animals,
 - (d) the interruption of essential services, including transportation and communication facilities or support services critical to the effective functioning of the municipality as a whole,
 - (e) the possibility of serious damage occurring to the natural environment,
 - (f) the possibility that failure to take necessary action may result in the municipality not being able to render an essential community service,
 - (g) the possibility that the security of the state could be compromised.
 - (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) in any other exceptional case where it is impractical or impossible to follow the official procurement processes; and
 - (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 (1)(a) and (b) of this policy and report them to the next meeting of the Dawid Kruiper Municipal Council and include it as a note to the annual financial statements.
 - (3) Subparagraph (2) does not apply to the procurement of goods and services contemplated in paragraph 11(2) of this policy.

37. 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. Furthermore, anything beyond the above mentioned thresholds must be reported to council. 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 of the contract.
- (2) The contents of this paragraph are not applicable to transversal 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.

38. Local Content

- (1) The Department of Trade and Industry may, in consultation with the National Treasury –
 - a) designate a sector, sub-sector or industry or product in accordance with national development and industrial policies for local production and content, where only locally produced services or goods or locally manufactured goods meet the stipulated minimum threshold for local production and content, taking into account economic and other relevant factors; and
 - b) stipulate a minimum threshold for local production and content.
- (2) An organ of state must, in the case of a designated sector, advertise the invitation to tender with a specific condition that only locally produced goods or locally manufactured goods, meeting the stipulated minimum threshold for local production and content, will be considered.
- (3) The National Treasury must inform organs of state of any designation made in terms of regulation 8(1) through a circular,
- (4)
 - a) If there is no designated sector, an organ of state may include, as a specific condition of the tender, that only locally produced services or goods or locally manufactured goods with a stipulated minimum threshold for local production and content, will be considered.
 - b) The threshold referred to in paragraph (a) must be in accordance with the standards determined by the Department of Trade and Industry in consultation with the National Treasury.
- (5) A tender that fails to meet the minimum stipulated threshold for local production and content is an unacceptable tender.
- (6) also applicable when requesting quotations.

A two stage evaluation process may be followed

First stage: calculate if the bidder adheres to the local content percentage requirement

Second stage: Only the bidders who comply with the local content percentage requirement will be evaluated further.

- (7) The Department of Trade and Industry may, in consultation with the National Treasury-
 - (a) designate a sector, sub-sector or industry or product in accordance with national development and industrial policies for local production and content, where only locally produced services or goods or locally manufactured goods meet the stipulated minimum threshold for local production and content, taking into account economic and other relevant factors; and
 - (b) stipulate a minimum threshold for local production and content.
- (8) An organ of state must, in the case of a designated sector, advertise the invitation to tender with a specific condition that only locally produced goods or locally manufactured goods, meeting the stipulated minimum threshold for local production and content, will be considered.

- (9) The National Treasury must inform organs of state of any designation made in terms of regulation 8(1) through a circular.
- (10)
 - (a) If there is no designated sector, an organ of state may include, as a specific condition of the tender, that only locally produced services or goods or locally manufactured goods with a stipulated minimum threshold for local production and content, will be considered.
 - (b) The threshold referred to in paragraph (a) must be in accordance with the standards determined by the Department of Trade and Industry in consultation with the National Treasury.
- (11) A tender that fails to meet the minimum stipulated threshold for local production and content is an unacceptable tender.

39. Unsolicited bids

- (1) In accordance with section 113 of the Act there is no obligation to consider unsolicited bids received outside a normal bidding process.
- (2) The accounting officer may decide in terms of section 113(2) of the Act to consider an unsolicited bid, only if -
 - (a) the product or service offered in terms of the bid is a demonstrably or proven unique innovative concept;
 - (b) the product or service will be exceptionally beneficial to, or have exceptional cost advantages;
 - (c) the person who made the bid is the sole provider of the product or service; 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 (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 were accepted; and
 - (c) an invitation to the public or other potential suppliers to submit their comments within 30 days of the notice.
- (4) The accounting officer must submit all written comments received pursuant to subparagraph (3), including any responses from the unsolicited bidder, 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 relevant provincial treasury.
- (8) If any recommendations of the National Treasury or provincial treasury are rejected or not followed, the accounting officer must submit to the Auditor General, the relevant 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 Dawid Kruiper 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, favouritism, unfair or irregular practices or failure to comply with this 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 Dawid Kruiper 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 Dawid Kruiper 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 abused the supply chain management system of the Dawid Kruiper 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 relevant provincial treasury in writing of any actions taken in terms of subparagraphs (1)(b)(ii), (e) or (f) of this policy.
- (3) The accounting officer (who may delegate the task to the CFO) must, as part of complying with section 62[1][d] of the MFMA set up and maintain a register of Unauthorised, Irregular, Fruitless and Wasteful Expenditures. The aim with the register is also to serve as a tool for recording all unauthorised, irregular, fruitless and wasteful expenditures and for tracking progress in dealing with the consequences flowing from such expenditures until all the issues that gave rise to the expenditures are properly resolved in accordance with the legal framework. Please also consult National Treasury MFMA Circular 68 dated 10 May 2013 in this regard.
- (4) **REMEDIES**
The regulation has been enhanced to include sub-regulations related to:
 - (i) Giving tenderer an opportunity to make a submission;
 - (ii) Informing the relevant treasury in writing of any actions taken against the tenderer;
 - (iii) The responsibilities of the treasury after receiving documents from the organ of state concerned

Part 3: Logistics, Disposal, Risk and Performance Management

41. Logistics management

The accounting officer must establish and implement an effective system of logistics management, which must include -

- (a) the monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number;

- (b) the setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock;
- (c) the placing of manual or electronic orders for all acquisitions other than those from petty cash;
- (d) before payment is approved, certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract;
- (e) appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased;
- (f) regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes; and
- (g) monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services.

42. 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.
- (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; or
 - (iv) 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 assets may be sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous;
 - (iii) 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; and
 - (iv) 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;
 - (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;
 - (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.

43. 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.

44. Performance management

The accounting officer must establish and implement an 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 objectives of this Policy were achieved.

Part 4: Other matters

45. Prohibition on awards to persons whose tax matters are not in order

- (1) No award above R 15,000 may be made in terms of this Policy to a person whose tax matters have not been declared by the South African Revenue Service to be in order.
- (2) Before making an award to a person the accounting officer must first check with SARS whether that person's tax matters are in order.
- (3) If SARS does not respond within 7 days such person's tax matters may for purposes of subparagraph (1) be presumed to be in order.

46. Prohibition on awards to persons in the service of the state

Irrespective of the procurement process followed, no award may be made to a person in terms of this Policy -

- (a) who is in the service of the state;
- (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) a person who is an advisor or consultant contracted with the Dawid Kruiper Municipality.

47. Awards to close family members of persons in the service of the state

The accounting officer must ensure that the notes to the annual financial statements disclose particulars of any award of more than R2,000 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.

48. Ethical standards

(1) A code of ethical standards as set out in Appendix B to this Policy is hereby established for officials and other role players in the supply chain management system of the Dawid Kruiper Municipality 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) A breach of the code of ethics must be dealt with as follows -

- (a) in the case of an employee, in terms of the disciplinary procedures of the Dawid Kruiper Municipality envisaged in section 67(1)(h) of the Municipal Systems Act;
- (b) in the case of a role player who is not an employee, through other appropriate means in recognition of the severity of the breach.
- (c) In all cases, financial misconduct must be dealt with in terms of chapter 15 of the Act.

(3) An official or other role player involved in the implementation of this 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;
- d) notwithstanding subparagraph (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 Dawid Kruiper 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 Dawid Kruiper Municipality;
 - h) must assist the accounting officer in combating fraud, corruption, favouritism 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, favouritism or unfair conduct;
 - (ii) any alleged contravention of paragraph 49(1) of this Policy; or
 - (iii) any alleged breach of this code of ethical standards.
- (3) Declarations in terms of subparagraphs (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 council of the municipality who must ensure that such declarations are recorded in the register.
- (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) A breach of the code of ethics must be dealt with as follows –
- a) in the case of an employee, in terms of the disciplinary procedures of the municipality envisaged in section 67(1)(h) of the Municipal Systems Act;
 - b) in the case a role player who is not an employee, through other appropriate means in recognition of the severity of the breach.
 - c) In all cases, financial misconduct must be dealt with in terms of chapter 15 of the Act.

49. 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 a 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 Dawid Kruiper 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 this Policy.
- (2) The accounting officer must promptly report any alleged contravention of subparagraph (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 (1) does not apply to gifts less than R 350 in value.

50. Sponsorships

The accounting officer must promptly disclose to the National Treasury and the relevant 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.

51. Objections and complaints

Persons aggrieved by decisions or actions taken in the implementation of this supply chain management system, may lodge within 14 days of the decision or action, a written objection or complaint against the decision or action.

52. Resolution of disputes, objections, complaints and queries

- (1) The accounting officer must appoint an independent and impartial person, not directly involved in the supply chain management processes -
 - (a) to assist in the resolution of disputes between the Dawid Kruiper 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.

53. Contracts providing for compensation based on turnover

If a service provider acts on behalf of the Dawid Kruiper 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 Dawid Kruiper Municipality must stipulate -

- (a) a cap on the compensation payable to the service provider; and
- (b) that such compensation must be performance based.

53 PROCUREMENT CONTROL MEASURES UNDER COVID

- (1) During the national state of disaster accounting officers must consider the impact any supply chain disruptions may have on finance management operations and develop control measures to address such.
- (2) When accounting officers consider invoking provisions in contracts related to "force majeure" for suppliers, legal advice must be sought on a case-by-case basis and accounting officers must guard against the risk of possible fruitless and wasteful expenditure due to payments made for services not rendered or goods not supplied.
- (3) Internal controls within the supply chain management (SCM) environment must be reviewed in terms of administrative controls and delegations to ensure required authorisations are done by relevant officials.
- (4) Internal control measures must be established to consider and approve any COVID-19 related procurement in the municipality or municipal entity. Prior to generating an order in relation to COVID-19 related procurement, the document must be referred to any other relevant function within the municipality or municipal entity to conduct checks to prevent any possible irregular expenditure.
- (5) Emergency requirements may be addressed through the emergency procurement provisions as stipulated in SCM Regulations and MFMA Circulars — Preventing and Combatting Abuse in the SCM System and reiterated further in the National Treasury Circulars.
- (6) MFMA Circulars on Preventing and Combating Abuse in the Supply Chain Management System states that accounting officers must only deviate from inviting competitive bids in cases of emergency and sole supplier status. These deviations do not require the approval of the relevant treasuries. It is understood that emergency procurement may occur when there is a serious and unexpected situation that poses an immediate risk to health, life, property or environment which calls on a municipality or municipal entity to action and there is insufficient time to invite competitive bids.
- (7) The emergency procurement provisions provide for accounting officers to procure the required goods or services by other means, such as price quotations or negotiations, in

terms of SCM Regulations. The reasons must be recorded and approved by the accounting officer or his/her delegate.

- (8) Section 114 of the MFMA and council policies require accounting officers to report within 10 working days to the relevant treasury and the Auditor-General all cases where goods and services were procured from bidders other than the one recommended. The report must include the description of the goods or services, the name/s of the supplier/s, the amount/s involved and the reasons for dispensing with the prescribed competitive bidding process.
- (9) The principles of fairness, equity, transparency, competitiveness and cost- effectiveness must be maintained. Emergency procurement must be limited to goods, services and works that addresses the programme of preventing the spread of the COVID-19 virus

54. Planning and stipulation of preference point system to be utilized

An organ of state must, prior to making an invitation for tenders-

- (a) properly plan for, and, as far as possible, accurately estimate the costs of the provision of services, works or goods for which an invitation for tenders is to be made;
- (b) determine and stipulate the appropriate preference point system to be utilized in the evaluation and adjudication of the tenders; and
- (c) determine whether the services, works or goods for which an invitation for tenders is to be made has been designated for local production and content In terms of regulation 9.

55. Evaluation of tenders on functionality

- (1) An organ of state must indicate in the invitation to submit a tender if that tender will be evaluated on functionality.
- (2) The evaluation criteria for measuring functionality must be objective.
- (3) When evaluating tenders on functionality, the-
 - (a) evaluation criteria for measuring functionality;
 - (b) weight of each criterion;
 - (c) applicable values; and
 - (d) minimum qualifying score for functionality, must be clearly specified in the invitation to submit a tender.
- (4) No tender must be regarded as an acceptable tender if it fails to achieve the minimum qualifying score for functionality as indicated in the tender invitation.
- (5) Tenders that have achieved the minimum qualification score for functionality must be evaluated further in terms of the preference point systems prescribed in regulations 5 and

56. Procedure for handling extension of tender

- (1) A contract or agreement procured through the supply chain management policy of the municipality or municipal entity may be amended by the parties, but only after—

- a) the reasons for the proposed amendment have been tabled in the council of the
 - (i) municipality or, in the case of a municipal entity, in the council of its parent
 - (ii) municipality; and
- b) the local community—
 - (i) has been given reasonable notice of the intention to amend the contract or
 - (ii) agreement; and
 - (iii) has been invited to submit representations to the municipality or
 - (iv) municipal entity.

57. Commencement

This Policy should take effect from the 01 July 2021

PREFERENTIAL PROCUREMENT POINTS SCORING SYSTEM

The purpose of the preferential procurement points scoring system is to give effect to section 217(2) and (3) of the Constitution and section 2 of the Preferential Procurement Policy Framework Act, 2000 by providing a framework for the implementation of section 18(f) and 27(2)(f) of the Supply Chain Management Policy of the Dawid Kruiper Municipality.

1. General principles

- 1.1 Points will be awarded on a price and preferential basis when goods or services to be procured can be quantified in a monetary value.
- 1.2 Points will be awarded on a price, functionality and preferential basis when the services to be procured and the contracts to be entered into are to be evaluated on a qualitative basis as well.
- 1.3 Quotations and bids between a monetary value of R 30,000 and R 50,000,000 will be evaluated on the 80% / 20% basis. A maximum of eighty (80) points will be awarded for price / functionality and a maximum of twenty (20) points for preferential purposes.
- 1.4 Bids with a monetary value of more than R 50,000,000 will be evaluated on the 90% / 10% basis. A maximum of ninety (90) points will be awarded for price / functionality and a maximum of ten (10) points for preferential purposes.
- 1.5 Long term contracts will also be evaluated on the 80% / 20% or 90% / 10% basis depending on the monetary value of the contract over the lifespan of the contract.

2. Price point's basis

- 2.1 Quotations and bids received with a monetary value between R 30,000 and R50,000,000 price points earned will be calculated as follows:

$$P_s = 80 \times [1 - ((P_t - P_{\min}) / P_{\min})]$$

Where:

P_s = Points scored for price of bid under consideration

P_t = Rand value of bid under consideration

P_{\min} = Rand value of lowest acceptable bid

The maximum price points that can be earned are eighty (80) points.

- 2.2 Bids received with a monetary value above R 50,000,000 price points earned will be calculated as follows:

$$P_s = 90 \times [1 - ((P_t - P_{\min}) / P_{\min})]$$

Where:

P_s = Points scored for price of bid under consideration

P_t = Rand value of bid under consideration

P_{\min} = Rand value of lowest acceptable bid

The maximum price points that can be earned are ninety (90) points.

3. Preferential point's basis
4. Functionality point's basis
- 4.1 The calculation of the functionality percentage score to be earned is set out in Table 4 below. The Functionality criteria as well as the Functionality percentage will be determined during the compilation of the specifications.

Table 4: Functionality Percentage Score			
	(W)	(V)	(W x V)
Criteria	Weight	Value	Score
Compliance to Terms of Reference	25		
Previous experience and proof of similar work successfully concluded	15		
Extensive knowledge of legislation and regulations	10		
Format and quality of previous services rendered to Council	15		
Level of expertise and qualifications of personnel	10		
Total Weight	75	375	So

Values: 1 = Poor; 2 = Average; 3 = Good; 4 = Very good; 5 = Excellent

Fp = %

- 4.2 Quotations or bids that scored less than a % functionality percentage (Fp) in Table 4 above where $Fp = So / 375 \times 100$, will be disqualified.
- 4.3 Functionality will only be applicable to consultants or to long term contracts where the monetary value of the contract cannot be determined exactly.

5. Preference points claim forms

- 5.1 The preference points claim forms in terms of the Preferential Procurement Regulations, 2001 which are to be used for the preferential procurement points scoring system are as follows –

MBD 1: Invitation to the Bid
 MBD 2: Tax Clearance Requirements
 MBD 4: Declaration of Interest
 MBD 6.1: Preference points claim form
 MBD 8: Declaration of bidder's past supply chain management practices
 MBD 9: Certificate of independent bid determination
 MBD 7: Contract Forms

- 5.2 These MBD forms are attached as annexures to Appendix A.

PART A
INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE DAWID KRUIPER MUNICIPALITY			
BID NUMBER:	TN002/2021	CLOSING DATE: 26 February 2021	CLOSING TIME: 14:00
DESCRIPTION	SUPPLY AND DELIVERY OF BITUMEN EMULSION PRODUCT		
THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (MBD7).			
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT			
Dawid Kruiper Municipality			
Civic Centre			
Mutual Street			
Uppington			
8800			
SUPPLIER INFORMATION			
NAME OF BIDDER			
POSTAL ADDRESS			
STREET ADDRESS			
TELEPHONE NUMBER	CODE	NUMBER	
CELLPHONE NUMBER			
FACSIMILE NUMBER	CODE	NUMBER	
E-MAIL ADDRESS			
VAT REGISTRATION NUMBER			
TAX COMPLIANCE STATUS	TCS PIN:	OR	CSD No:
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE [TICK APPLICABLE BOX]	<input type="checkbox"/> Yes <input type="checkbox"/> No	B-BBEE STATUS LEVEL SWORN AFFIDAVIT	<input type="checkbox"/> Yes <input type="checkbox"/> No
[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES & QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]			
TOTAL NUMBER OF ITEMS OFFERED		TOTAL BID PRICE: R.....	
SIGNATURE OF BIDDER		DATE
CAPACITY UNDER WHICH THIS BID IS SIGNED			
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:		TECHNICAL INFORMATION MAY BE DIRECTED TO:	
DEPARTMENT	Supply Chain Management Unit	DEPARTMENT	
CONTACT PERSON	Michael Rooi	CONTACT PERSON	
TELEPHONE NUMBER	054 338 7133	TELEPHONE NUMBER	
FACSIMILE NUMBER	-	E-MAIL ADDRESS	
E-MAIL ADDRESS	michael.rooi@dkm.gov.za		

PART B
TERMS AND CONDITIONS FOR BIDDING

1. BID SUBMISSION:	
1.	BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
2.	ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED–(NOT TO BE RE-TYPED) OR ONLINE
3.	THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.
2. TAX COMPLIANCE REQUIREMENTS	
2.1	BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
2.2	BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VIEW THE TAXPAYER'S PROFILE AND TAX STATUS.
2.3	APPLICATION FOR THE TAX COMPLIANCE STATUS (TCS) CERTIFICATE OR PIN MAY ALSO BE MADE VIA E-FILING. IN ORDER TO USE THIS PROVISION, TAXPAYERS WILL NEED TO REGISTER WITH SARS AS E-FILERS THROUGH THE WEBSITE WWW.SARS.GOV.ZA.
2.4	FOREIGN SUPPLIERS MUST COMPLETE THE PRE-AWARD QUESTIONNAIRE IN PART B:3.
2.5	BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.
2.6	IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.
2.7	WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.
3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS	
3.1	IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)? <input type="checkbox"/> YES <input type="checkbox"/> NO
3.2	DOES THE ENTITY HAVE A BRANCH IN THE RSA? <input type="checkbox"/> YES <input type="checkbox"/> NO
3.3	DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA? <input type="checkbox"/> YES <input type="checkbox"/> NO
3.3	DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA? <input type="checkbox"/> YES <input type="checkbox"/> NO
3.4	IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION? <input type="checkbox"/> YES <input type="checkbox"/> NO
<p>IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 ABOVE.</p>	

NB: FAILURE TO PROVIDE ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID.

NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE.

SIGNATURE OF BIDDER:

CAPACITY UNDER WHICH THIS BID IS SIGNED:

DATE:



DECLARATION OF INTEREST

1. No bid will be accepted from persons in the service of the state¹.
2. Any person, having a kinship with persons in the service of the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid. In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons connected with or related to persons in service of the state, it is required that the bidder or their authorised representative declare their position in relation to the evaluating/adjudicating authority.
- 3 In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.
 - 3.1 Full Name of bidder or his or her representative:
 - 3.2 Identity Number:
 - 3.3 Position occupied in the Company (director, trustee, shareholder²):
 - 3.4 Company Registration Number:
 - 3.5 Tax Reference Number:
 - 3.6 VAT Registration Number:
 - 3.7 The names of all directors / trustees / shareholders members, their individual identity numbers and state employee numbers must be indicated in paragraph 4 below.
 - 3.8 Are you presently in the service of the state? **YES / NO**
 - 3.8.1 If yes, furnish particulars.
.....

¹MSCM Regulations: “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 directors 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) a member of the accounting authority of any national or provincial public entity; or
- (f) an employee of Parliament or a provincial legislature.

² Shareholder” means a person who owns shares in the company and is actively involved in the management of the company or business and exercises control over the company.

3.9 Have you been in the service of the state for the past twelve months? **YES / NO**

3.9.1 If yes, furnish particulars

.....

3.10 Do you have any relationship (family, friend, other) with persons in the service of the state and who may be involved with the evaluation and or adjudication of this bid? **YES / NO**

3.10.1 If yes, furnish particulars.

.....

3.11 Are you, aware of any relationship (family, friend, other) between any other bidder and any persons in the service of the state who may be involved with the evaluation and or adjudication of this bid? **YES / NO**

3.11.1 If yes, furnish particulars

.....

3.12 Are any of the company's directors, trustees, managers, principle shareholders or stakeholders in service of the state? **YES / NO**

3.12.1 If yes, furnish particulars.

.....

3.13 Are any spouse, child or parent of the company's director's trustees, managers, principle shareholders or stakeholders in service of the state? **YES / NO**

3.13.1 If yes, furnish particulars.

.....

3.14 Do you or any of the directors, trustees, managers, principle shareholders, or stakeholders of this company have any interest in any other related companies or business whether or not they are bidding for this contract? **YES / NO**

3.14.1 If yes, furnish particulars:

.....

4. Full details of directors / trustees / members / shareholders.

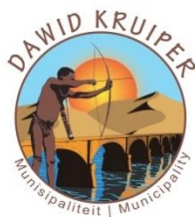
Full Name	Identity Number	State Employee Number

.....
Signature

.....
Date

.....
Capacity

.....
Name of Bidder

**PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2017**

This preference form must form part of all bids invited. It contains general information and serves as a claim form for preference points for Broad-Based Black Economic Empowerment (B-BBEE) Status Level of Contribution

NB: BEFORE COMPLETING THIS FORM, BIDDERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF B-BBEE, AS PRESCRIBED IN THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017.

1. GENERAL CONDITIONS

- 1.1 The following preference point systems are applicable to all bids:
- the 80/20 system for requirements with a Rand value of up to R50 000 000 (all applicable taxes included); and
 - the 90/10 system for requirements with a Rand value above R50 000 000 (all applicable taxes included).
- 1.2 The value of this bid is estimated to **not exceed** R50 000 000 (all applicable taxes included) and therefore the **80/20** preference point system shall be applicable
- 1.3 Points for this bid shall be awarded for:
- (a) Price; and
 - (b) B-BBEE Status Level of Contributor.
- 1.4 The maximum points for this bid are allocated as follows:

	POINTS
PRICE	80
B-BBEE STATUS LEVEL OF CONTRIBUTOR	20
Total points for Price and B-BBEE must not exceed	100

- 1.5 Failure on the part of a bidder to submit proof of B-BBEE Status level of contributor together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.
- 1.6 The purchaser reserves the right to require of a bidder, either before a bid is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the purchaser.

2. DEFINITIONS

- (a) **“B-BBEE”** means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;
- (b) **“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;
- (c) **“bid”** means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of goods or services, through price quotations, advertised competitive bidding processes or proposals;
- (d) **“Broad-Based Black Economic Empowerment Act”** means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- (e) **“EME”** means an Exempted Micro Enterprise 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;
- (f) **“functionality”** means the ability of a tenderer to provide goods or services in accordance with specifications as set out in the tender documents.
- (g) **“prices”** includes all applicable taxes less all unconditional discounts;
- (h) **“proof of B-BBEE status level of contributor”** means:
 - 1) B-BBEE Status level certificate issued by an authorized body or person;
 - 2) A sworn affidavit as prescribed by the B-BBEE Codes of Good Practice;
 - 3) Any other requirement prescribed in terms of the B-BBEE Act;
- (i) **“QSE”** means a qualifying small business enterprise 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;
- (j) **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;

3. POINTS AWARDED FOR PRICE

3.1 THE 80/20 OR 90/10 PREFERENCE POINT SYSTEMS

A maximum of 80 or 90 points is allocated for price on the following basis:

$$P_s = 80 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right) \quad \text{or} \quad P_s = 90 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

Where

- P_s = Points scored for price of bid under consideration
- P_t = Price of bid under consideration
- P_{\min} = Price of lowest acceptable bid

4. POINTS AWARDED FOR B-BBEE STATUS LEVEL OF CONTRIBUTOR

- 4.1 In terms of Regulation 6 (2) and 7 (2) of the Preferential Procurement Regulations, preference points must be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

B-BBEE Status Level of Contributor	Number of points (90/10 system)	Number of points (80/20 system)
1	10	20
2	9	18
3	6	14
4	5	12
5	4	8
6	3	6
7	2	4
8	1	2
Non-compliant contributor	0	0

5. BID DECLARATION

- 5.1 Bidders who claim points in respect of B-BBEE Status Level of Contribution must complete the following:

6. B-BBEE STATUS LEVEL OF CONTRIBUTOR CLAIMED IN TERMS OF PARAGRAPHS 1.4 AND 4.1

- 6.1 B-BBEE Status Level of Contributor: =(maximum of 10 or 20 points)
(Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 4.1 and must be substantiated by relevant proof of B-BBEE status level of contributor.

7. SUB-CONTRACTING

- 7.1 Will any portion of the contract be sub-contracted?

(Tick applicable box)

YES		NO	
-----	--	----	--

- 7.1.1 If yes, indicate:

- i) What percentage of the contract will be subcontracted%
- ii) The name of the sub-contractor
- iii) The B-BBEE status level of the sub-contractor
- iv) Whether the sub-contractor is an EME or QSE

(Tick applicable box)

YES		NO	
-----	--	----	--

- v) Specify, by ticking the appropriate box, if subcontracting with an enterprise in terms of Preferential Procurement Regulations, 2017:

Designated Group: An EME or QSE which is at last 51% owned by:	EME √	QSE √
Black people		
Black people who are youth		
Black people who are women		
Black people with disabilities		
Black people living in rural or underdeveloped areas or townships		
Cooperative owned by black people		
Black people who are military veterans		
OR		
Any EME		
Any QSE		

8. DECLARATION WITH REGARD TO COMPANY/FIRM

8.1 Name of company/firm:

8.2 VAT registration number:

8.3 Company registration number:

8.4 TYPE OF COMPANY/ FIRM

- ☐ Partnership/Joint Venture / Consortium
- ☐ One person business/sole propriety
- ☐ Close corporation
- ☐ Company
- ☐ (Pty) Limited

[TICK APPLICABLE BOX]

8.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

.....

.....

.....

8.6 COMPANY CLASSIFICATION

- ☐ Manufacturer
- ☐ Supplier
- ☐ Professional service provider
- ☐ Other service providers, e.g. transporter, etc.

[TICK APPLICABLE BOX]

8.7 MUNICIPAL INFORMATION

Municipality where business is situated:

Registered Account Number:

Stand Number:

8.8 Total number of years the company/firm has been in business:

8.9 I/we, the undersigned, who is / are duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the B-BBE status level of contributor indicated in paragraphs 1.4 and 6.1 of the foregoing certificate, qualifies the company/ firm for the preference(s) shown and I / we acknowledge that:

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 6.1, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;
- iv) If the B-BBEE status level of contributor has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –
 - (a) disqualify the person from the bidding process;
 - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
 - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
 - (d) recommend that the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted by the National Treasury from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
 - (e) forward the matter for criminal prosecution.

WITNESSES

- 1.
- 2.

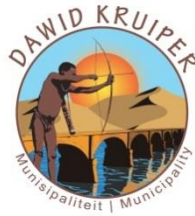
.....
SIGNATURE(S) OF BIDDERS(S)

DATE:

ADDRESS

.....

.....



DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

- 1 This Municipal Bidding Document must form part of all bids invited.
- 2 It serves as a declaration to be used by municipalities and municipal entities in ensuring that when goods and services are being procured, all reasonable steps are taken to combat the abuse of the supply chain management system.
- 3 The bid of any bidder may be rejected if that bidder, or any of its directors have:
 - a. abused the municipality's / municipal entity's supply chain management system or committed any improper conduct in relation to such system;
 - b. been convicted for fraud or corruption during the past five years;
 - c. willfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
 - d. 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).
- 4 **In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**

Item	Question	Yes	No
4.1	Is the bidder or any of its directors listed on the National Treasury's Database of Restricted Suppliers as companies or persons prohibited from doing business with the public sector? (Companies or persons who are listed on this Database were informed in writing of this restriction by the Accounting Officer/Authority of the institution that imposed the restriction after the <i>audi alteram partem</i> rule was applied). The Database of Restricted Suppliers now resides on the National Treasury's website (www.treasury.gov.za) and can be accessed by clicking on its link at the bottom of the home page.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.1.1	If so, furnish particulars:		
4.2	Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)? The Register for Tender Defaulters can be accessed on the National Treasury's website (www.treasury.gov.za) by clicking on its link at the bottom of the home page.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.2.1	If so, furnish particulars:		
Item	Question	Yes	No

4.3	Was the bidder or any of its directors convicted by a court of law (including a court of law outside the Republic of South Africa) for fraud or corruption during the past five years?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.3.1	If so, furnish particulars:		
4.4	Does the bidder or any of its directors owe any municipal rates and taxes or municipal charges to the municipality / municipal entity, or to any other municipality / municipal entity, that is in arrears for more than three months?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.4.1	If so, furnish particulars:		
4.5	Was any contract between the bidder and the municipality / municipal entity or any other organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.7.1	If so, furnish particulars:		

CERTIFICATION

I, THE UNDERSIGNED (FULL NAME) CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION FORM TRUE AND CORRECT.

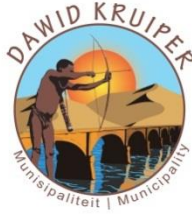
I ACCEPT THAT, IN ADDITION TO CANCELLATION OF A CONTRACT, ACTION MAY BE TAKEN AGAINST ME SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder



CERTIFICATE OF INDEPENDENT BID DETERMINATION

- 1 This Municipal Bidding Document (MBD) must form part of all bids¹ invited.
- 2 Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).² Collusive bidding is a *pe se* prohibition meaning that it cannot be justified under any grounds.
- 3 Municipal Supply Regulation 38 (1) prescribes that a supply chain management policy must provide measures for the combating of abuse of the supply chain management system, and must enable the accounting officer, among others, to:
 - a. take all reasonable steps to prevent such abuse;
 - b. reject the bid of any bidder if that bidder or any of its directors has abused the supply chain management system of the municipality or municipal entity or has committed any improper conduct in relation to such system; and
 - c. cancel a contract awarded to a person if the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract.
- 4 This MBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.
- 5 In order to give effect to the above, the attached Certificate of Bid Determination (MBD 9) must be completed and submitted with the bid:

¹ Includes price quotations, advertised competitive bids, limited bids and proposals.

² Bid rigging (or collusive bidding) occurs when businesses, that would otherwise be expected to compete, secretly conspire to raise prices or lower the quality of goods and / or services for purchasers who wish to acquire goods and / or services through a bidding process. Bid rigging is, therefore, an agreement between competitors not to compete.

NOTICE

CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

in response to the invitation for the bid made by:

DAWID KRUIPER MUNICIPALITY

do hereby make the following statements that I certify to be true and complete in every respect:

I certify, on behalf of:

that:

(Name of Bidder)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign, the bid, on behalf of the bidder;
5. For the purposes of this Certificate and the accompanying bid, I understand that the word "competitor" shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:
 - (a) has been requested to submit a bid in response to this bid invitation;
 - (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
 - (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder
6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium³ will not be construed as collusive bidding.

³ Joint venture or Consortium means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract.

7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
 - (a) prices;
 - (b) geographical area where product or service will be rendered (market allocation)
 - (c) methods, factors or formulas used to calculate prices;
 - (d) the intention or decision to submit or not to submit, a bid;
 - (e) the submission of a bid which does not meet the specifications and conditions of the bid;
or
 - (f) bidding with the intention not to win the bid.
8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.
9. The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.
10. I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder



CONTRACT FORM - PURCHASE OF GOODS/WORKS

THIS FORM MUST BE FILLED IN DUPLICATE BY BOTH THE SUCCESSFUL BIDDER (PART 1) AND THE PURCHASER (PART 2). BOTH FORMS MUST BE SIGNED IN THE ORIGINAL SO THAT THE SUCCESSFUL BIDDER AND THE PURCHASER WOULD BE IN POSSESSION OF ORIGINALLY SIGNED CONTRACTS FOR THEIR RESPECTIVE RECORDS.

PART 1 (TO BE FILLED IN BY THE BIDDER)

1. I hereby undertake to supply all or any of the goods and/or works described in the attached bidding documents to (name of institution) in accordance with the requirements and specifications stipulated in bid number..... at the price/s quoted. My offer/s remain binding upon me and open for acceptance by the purchaser during the validity period indicated and calculated from the closing time of bid.
2. The following documents shall be deemed to form and be read and construed as part of this agreement:
 - (i) Bidding documents, viz
 - Invitation to bid;
 - Tax clearance certificate;
 - Pricing schedule(s);
 - Technical Specification(s);
 - Preference claims for Broad Based Black Economic Empowerment Status Level of Contribution in terms of the Preferential Procurement Regulations 2011;
 - Declaration of interest;
 - Declaration of bidder's past SCM practices;
 - Certificate of Independent Bid Determination;
 - Special Conditions of Contract;
 - (ii) General Conditions of Contract; and
 - (iii) Other (specify)
3. I confirm that I have satisfied myself as to the correctness and validity of my bid; that the price(s) and rate(s) quoted cover all the goods and/or works specified in the bidding documents; that the price(s) and rate(s) cover all my obligations and I accept that any mistakes regarding price(s) and rate(s) and calculations will be at my own risk.

4. I accept full responsibility for the proper execution and fulfilment of all obligations and conditions devolving on me under this agreement as the principal liable for the due fulfillment of this contract.
5. I declare that I have no participation in any collusive practices with any bidder or any other person regarding this or any other bid.
6. I confirm that I am duly authorised to sign this contract.

NAME (PRINT)

CAPACITY

SIGNATURE

NAME OF FIRM

DATE

WITNESSES

1

2.

DATE:

CONTRACT FORM - PURCHASE OF GOODS/WORKS

PART 2 (TO BE FILLED IN BY THE PURCHASER)

1. I..... in my capacity as
accept your bid under reference numberdated.....for the supply of goods/works indicated hereunder and/or further specified in the annexure(s).
2. An official order indicating delivery instructions is forthcoming.
3. I undertake to make payment for the goods/works delivered in accordance with the terms and conditions of the contract, within 30 (thirty) days after receipt of an invoice accompanied by the delivery note.

ITEM NO.	PRICE (ALL APPLICABLE TAXES INCLUDED)	BRAND	DELIVERY PERIOD	B-BBEE STATUS LEVEL OF CONTRIBUTION	MINIMUM THRESHOLD FOR LOCAL PRODUCTION AND CONTENT (if applicable)

4. I confirm that I am duly authorized to sign this contract.

SIGNED ATON.....

NAME (PRINT)

SIGNATURE

OFFICIAL STAMP

WITNESSES
1.
2.
DATE

CONTRACT FORM - RENDERING OF SERVICES

THIS FORM MUST BE FILLED IN DUPLICATE BY BOTH THE SERVICE PROVIDER (PART 1) AND THE PURCHASER (PART 2). BOTH FORMS MUST BE SIGNED IN THE ORIGINAL SO THAT THE SERVICE PROVIDER AND THE PURCHASER WOULD BE IN POSSESSION OF ORIGINALLY SIGNED CONTRACTS FOR THEIR RESPECTIVE RECORDS.

PART 1 (TO BE FILLED IN BY THE SERVICE PROVIDER)

I hereby undertake to render services described in the attached bidding documents to (name of the institution)..... in accordance with the requirements and task directives / proposals specifications stipulated in Bid Number..... at the price/s quoted. My offer/s remain binding upon me and open for acceptance by the Purchaser during the validity period indicated and calculated from the closing date of the bid.

1. The following documents shall be deemed to form and be read and construed as part of this agreement:
 - (i) Bidding documents, viz
 - Invitation to bid;
 - Tax clearance certificate;
 - Pricing schedule(s);
 - Filled in task directive/proposal;
 - Preference claims for Broad Based Black Economic Empowerment Status Level of Contribution in terms of the Preferential Procurement Regulations 2011;
 - Declaration of interest;
 - Declaration of Bidder's past SCM practices;
 - Certificate of Independent Bid Determination;
 - Special Conditions of Contract;
 - (ii) General Conditions of Contract; and
 - (iii) Other (specify)
2. I confirm that I have satisfied myself as to the correctness and validity of my bid; that the price(s) and rate(s) quoted cover all the services specified in the bidding documents; that the price(s) and rate(s) cover all my obligations and I accept that any mistakes regarding price(s) and rate(s) and calculations will be at my own risk.
3. I accept full responsibility for the proper execution and fulfilment of all obligations and conditions devolving on me under this agreement as the principal liable for the due fulfillment of this contract.
4. I declare that I have no participation in any collusive practices with any bidder or any other person regarding this or any other bid.

5. I confirm that I am duly authorised to sign this contract.

NAME (PRINT)

CAPACITY

SIGNATURE

NAME OF FIRM

DATE

WITNESSES

1

2

DATE:

CONTRACT FORM - RENDERING OF SERVICES

PART 2 (TO BE FILLED IN BY THE PURCHASER)

1. I..... in my capacity as.....
accept your bid under reference number dated for the rendering of services indicated hereunder and/or further specified in the annexure(s).
2. An official order indicating service delivery instructions is forthcoming.
3. I undertake to make payment for the services rendered in accordance with the terms and conditions of the contract, within 30 (thirty) days after receipt of an invoice.

DESCRIPTION OF SERVICE	PRICE (ALL APPLICABLE TAXES INCLUDED)	COMPLETION DATE	B-BBEE STATUS OF CONTRIBUTION	MINIMUM THRESHOLD FOR LOCAL PRODUCTION AND CONTENT (if applicable)

4. I confirm that I am duly authorised to sign this contract.

SIGNED AT ON

NAME (PRINT)

SIGNATURE

<p>OFFICIAL STAMP</p>

<p>WITNESSES</p> <p>1</p> <p>2</p> <p>DATE:</p>

CONTRACT FORM - SALE OF GOODS/WORKS

THIS FORM MUST BE FILLED IN DUPLICATE BY BOTH THE SUCCESSFUL BIDDER (PART 1) AND THE SELLER (PART 2). BOTH FORMS MUST BE SIGNED IN THE ORIGINAL SO THAT THE SUCCESSFUL BIDDER AND THE SELLER WOULD BE IN POSSESSION OF ORIGINALLY SIGNED CONTRACTS FOR THEIR RESPECTIVE RECORDS.

PART 1 (TO BE FILLED IN BY THE BIDDER)

1. I hereby undertake to purchase all or any of the goods and/or works described in the attached bidding documents from (name of institution) in accordance with the requirements stipulated in (bid number)..... at the price/s quoted. My offer/s remain binding upon me and open for acceptance by the seller during the validity period indicated and calculated from the closing time of bid.
2. The following documents shall be deemed to form and be read and construed as part of this agreement:
 - (i) Bidding documents, viz
 - Invitation to bid;
 - Tax clearance certificate;
 - Pricing schedule(s);
 - Declaration of interest;
 - Declaration of Bidder's past SCM practices;
 - Special Conditions of Contract;
 - (ii) General Conditions of Contract; and
 - (iii) Other (specify)
3. I confirm that I have satisfied myself as to the correctness and validity of my bid; that the price(s) quoted cover all the goods and/or works specified in the bidding documents; that the price(s) cover all my obligations and I accept that any mistakes regarding price(s) and calculations will be at my own risk.
4. I accept full responsibility for the proper execution and fulfilment of all obligations and conditions devolving on me under this agreement as the principal liable for the due fulfillment of this contract.
5. I undertake to make payment for the goods/works as specified in the bidding documents.
6. I declare that I have no participation in any collusive practices with any bidder or any other person regarding this or any other bid.
7. I confirm that I am duly authorised to sign this contract.

NAME (PRINT)

CAPACITY

SIGNATURE

NAME OF FIRM

DATE

WITNESSES

1

2

DATE:

CONTRACT FORM - SALE OF GOODS/WORKS

PART 2 (TO BE FILLED IN BY THE SELLER)

1. I..... in my capacity as..... accept your bid under reference number dated or the purchase of goods/works indicated hereunder and/or further specified in the annexure(s).
2. I undertake to make the goods/works available in accordance with the terms and conditions of the contract.

ITEM NO.	DESCRIPTION	PRICE (ALL APPLICABLE TAXES INCLUDED)		

3. I confirm that I am duly authorized to sign this contract.

SIGNED ATON.....

NAME (PRINT)

SIGNATURE

OFFICIAL STAMP

WITNESSES
1.
2.
DATE

Annex C

Local Content Declaration - Summary Schedule

(C1) Tender No. _____

(C2) Tender description: _____

(C3) Designated product(s) _____

(C4) Tender Authority: _____

(C5) Tendering Entity name: _____

(C6) Tender Exchange Rate: Pula _____ EU _____ GBP _____

(C7) Specified local content % _____

Note: VAT to be excluded from all calculations

Calculation of local content							
Tender item no's	List of items	Tender price - each (excl VAT)	Exempted imported value	Tender value net of exempted imported content	Imported value	Local value	Local content % (per item)
(C8)	(C9)	(C10)	(C11)	(C12)	(C13)	(C14)	(C15)

Tender summary			
Tender Qty	Total tender value	Total exempted imported content	Total Imported content
(C16)	(C17)	(C18)	(C19)

Signature of tenderer from Annex B

Date: _____

(C20) Total tender value _____

(C21) Total Exempt imported content _____

(C22) Total Tender value net of exempt imported content _____

(C23) Total Imported content _____

(C24) Total local content _____

(C25) Average local content % of tender _____

(D1)	Tender No.	
(D2)	Tender description:	
(D3)	Designated Products:	
(D4)	Tender Authority:	
(D5)	Tendering Entity name:	
(D6)	Tender Exchange Rate:	Pula

Note: VAT to be excluded from all calculations

EU	R 9.00
----	--------

GBP	R 12.00
-----	---------

Calculation of imported content

				Exempted imported content						Summary	
Tender item no's	Description of imported content	Local supplier	Overseas Supplier	Foreign currency value as per Commercial Invoice	Tender Exchange Rate	Local value of imports	Freight costs to port of entry	All locally incurred landing costs & duties	Total landed cost excl VAT	Tender Qty	Exempted imported value
(D7)	(D8)	(D9)	(D10)	(D11)	(D12)	(D13)	(D14)	(D15)	(D16)	(D17)	(D18)
(D19) Total exempt imported value											

(D19) Total exempt imported value

**This total must correspond with
Annex C - C.21**

Calculation of imported content

[illegible]

(D32) Total imported value by tenderer

Calculation of imported content

Imported by 3rd party and supplied to the Vendor:				Calculation of imported content						Summary	
Description of imported content	Unit of measure	Local supplier	Overseas Supplier	Foreign currency value as per Commercial Invoice	Tender Rate of Exchange	Local value of imports	Freight costs to port of entry	All locally incurred landing costs & duties	Total landed cost excl VAT	Quantity imported	Total imported value
(D33)	(D34)	(D35)	(D36)	(D37)	(D38)	(D39)	(D40)	(D41)	(D42)	(D43)	(D44)
(D45) Total imported value by 3rd party											

(D45) Total imported value by 3rd party

Calculation of foreign currency payments

[illegible]

Signature of tenderer from Annex B

(D52) Total of foreign currency payments declared by tenderer and/or 3rd party

(D53) Total of imported content & foreign currency payments - (D32), (D45) & (D52) above

**This total must correspond with
Annex C - C 23**

Date:

Annex E

Local Content Declaration - Supporting Schedule to Annex C

(E1)	Tender No.	
(E2)	Tender description:	
(E3)	Designated products:	
(E4)	Tender Authority:	
(E5)	Tendering Entity name:	

Note: VAT to be excluded from all calculations

Local Products (Goods, Services and Works)	Description of items purchased	Local suppliers	Value
	(E6)	(E7)	(E8)
(E9) Total local products (Goods, Services and Works)			

(E10)	Manpower costs	(Tenderer's manpower cost)	
(E11)	Factory overheads	(Rental, depreciation & amortisation, utility costs, consumables etc.)	
(E12)	Administration overheads and mark-up	(Marketing, insurance, financing, interest etc.)	

(E13) Total local content

This total must correspond with Annex C - C24

Signature of tenderer from Annex B

Date: _____

CODE OF CONDUCT FOR SUPPLY CHAIN MANAGEMENT PRACTITIONERS AND OTHER ROLE PLAYERS

The purpose of this Code of Conduct is to promote mutual trust and respect and an environment where business can be conducted with integrity and in fair and reasonable manner.

1. General principles

- 1.1 The Dawid Kruiper Municipality commits itself to a policy of fair dealing and integrity in the conducting of its business. Officials and other role players involved in supply chain management (SCM) are in a position of trust, implying a duty to act in the public interest. Officials and other role players should not perform their duties to unlawfully gain any form of compensation, payment of gratuities from any person, or provider/contractor for themselves, their family or their friends.
- 1.2 Officials and other role players involved in SCM should ensure that they perform their duties efficiently, effectively and with integrity, in accordance with the relevant legislation, policies, and guidelines. They should ensure that public resources are administered responsibly.
- 1.3 Officials and other role players involved in SCM should be fair and impartial in the performance of their functions. They should at no time afford any undue preferential treatment to any group or individual or unfairly discriminate against any group or individual. They should not abuse the power and authority vested in them.

2. Conflict of interest

- 2.1 An official or other role player involved with SCM –
 - (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 R 350;
 - (d) must declare to the accounting officer (in the case of the accounting officer to Council) 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 (in the case of the accounting officer to Council) details of any private business interest which that person, or any close family member, partner or associate, may have in any proposed procurement or disposal process, or in any reward of a contract by the Dawid Kruiper 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 declare any business, commercial and financial interest or activities undertaken for financial gain that may raise a possible conflict of interest;
 - (h) should not place him/herself under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their officials duties; and

- (i) should not take improper advantage of their previous office after leaving their official position.

3. Accountability

- 3.1 Practitioners are accountable for their decisions and actions to the public.
- 3.2 Practitioners should use public property scrupulously.
- 3.3 Only the accounting officer or his/her delegates have the authority to commit the Dawid Kruiper Municipality to any transaction for the procurement of goods and/or services.
- 3.4 All transactions conducted by a practitioner should be recorded and accounted for in an appropriate accounting system. Practitioners should not make any false or misleading entries into such a system for any reason whatsoever.
- 3.5 Practitioners must assist the accounting officer in combating fraud, corruption, favouritism and unfair and irregular practices in the supply chain management system.
- 3.6 Practitioners must report to the accounting officer (in the case of the accounting officer to Council) any irregular conduct in the supply chain management system which that person may become aware of, including –
 - (i) any alleged fraud, corruption, favouritism or unfair conduct;
 - (ii) any alleged contravention of the policy on inducements, rewards, gifts and favours to municipalities, officials or other role players;
 - (iii) any alleged breach of the code of conduct.
- 3.7 Any declarations made must be recorded in a register which the accounting officer must keep for this purpose. Any declaration made by the accounting officer must be made to the mayor who must ensure that such declaration is recorded in the register.

4. Openness

- 4.1 Practitioners should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only if it is in the public interest to do so.

5. Confidentiality

- 5.1 Any information that is the property of the Dawid Kruiper Municipality or its providers should be protected at all times. No information regarding any bid / contract / contractor may be revealed if such an action will infringe on the relevant bidder / contractor personal rights.
- 5.2 Matters of confidential nature in the possession of officials and other role players involved in SCM should be kept confidential unless legislation, the performance of duty or the provisions of law requires otherwise. Such restrictions also apply to officials and other role players involved in SCM after separation from service.

6. Bid specification, evaluation and adjudication committees

- 6.1 Bid specification, evaluation and adjudication committees should implement supply chain management on behalf of the Dawid Kruiper Municipality in an honest, fair, impartial, transparent, cost-effective and accountable manner.
- 6.2 Bid evaluation and adjudication committees should be familiar with and adhere to the prescribed legislation, directives and procedures in respect of supply chain management in order to perform effectively and efficiently.
- 6.3 All members of bid adjudication committees should be cleared by the accounting officer at the level of “CONFIDENTIAL” and should be required to declare their financial interest annually.
- 6.4 No person should –
- (i) interfere with the supply chain management system of the Dawid Kruiper Municipality; or
 - (ii) amend or tamper with any price quotation / bid after its submission.

7. Combative practices

- 7.1 Combative practices are unethical and illegal and should be avoided at all cost. They include but are not limited to -
- (i) suggestions to fictitious quotations;
 - (ii) reference to non-existent competition;
 - (iv) exploiting errors in price quotations / bids; and
 - (v) soliciting price quotations / bids from bidders / contractors whose names appear on the Register of Tender Defaulters.

SUPPLY CHAIN MANAGEMENT DELEGATIONS, PROCEDURES AND SIGNING POWERS

1. LEGISLATIVE BACKGROUND

1.1 Paragraph 4 of the SCM Policy: Delegation of supply chain management powers and duties

- “(1) The Dawid Kruiper Municipal Council hereby delegates all powers and duties to the accounting officer which are necessary to enable the accounting officer –*
- (a) to discharge the supply chain management responsibilities conferred on accounting officers in terms of –*
 - (i) Chapter 8 or 10 of the Act; and*
 - (ii) this Policy;*
 - (b) to maximise administrative and operational efficiency in the implementation of this Policy;*
 - (c) to enforce reasonable cost-effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation of this Policy; and*
 - (d) to comply with his or her responsibilities in terms of section 115 and other applicable provisions of the Act.*
- (2) Sections 79 and 106 of the Act apply to the sub delegation of powers and duties delegated to an accounting officer in terms of sub paragraph (1).*
- (3) The accounting officer may not sub delegate any supply chain management powers or duties to a person who is not an official of the Dawid Kruiper Municipality or to a committee which is not exclusively composed of officials of the Dawid Kruiper Municipality;*
- (4) This paragraph may not be read as permitting an official to whom the power to make final awards has been delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 26 of this Policy.”*

1.2 Paragraph 5 of the SCM Policy: Sub delegations

- “(1) The accounting officer may in terms of section 79 or 106 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 sub paragraph (2) of this paragraph and paragraph 4 of this Policy.*
- (2) The power to make a final award –*
- (a) above R 10 million (VAT included) may not be sub delegated by the accounting*

- officer;
- (b) *above R 2 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 (director of Dawid Kruiper Municipality); or*
- (iii) *a bid adjudication committee of which the chief financial officer or a senior manager is a member.*
- (c) *not exceeding R2 million (VAT included) may be sub delegated but only to –*
- (i) *the chief financial officer;*
- (ii) *a senior manager (director of Dawid Kruiper Municipality);*
- (iii) *a manager directly accountable to the chief financial officer or a senior manager (director of Dawid Kruiper Municipality); 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 (2) must within five days of the end of each month submit to the official referred to in subparagraph (4) a written report containing particulars of each final award made by such official or committee during that month, including–*
- (a) *the amount of the award;*
- (b) *the name of the person to whom the award was made; and*
- (c) *the reason why the award was made to that person.*
- (4) *A written report referred to in subparagraph (3) must be submitted –*
- (a) *to the accounting officer, in the case of an award by –*
- (i) *the chief financial officer;*
- (ii) *a senior manager (director of Dawid Kruiper Municipality); or*
- (iii) *a bid adjudication committee of which the chief financial officer or a senior manager (director of Dawid Kruiper Municipality) is a member; or*
- (b) *to the chief financial officer or the senior manager (director of Dawid Kruiper Municipality) responsible for the relevant bid, in the case of an award by –*
- (i) *a manager referred to in subparagraph (2)(c)(iii); or*
- (ii) *a bid adjudication committee of which the chief financial officer or a senior manager (director of Dawid Kruiper Municipality) is not a member.*
- (5) *Subparagraphs (3) and (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.”*

1.3 Paragraph 12 of the SCM Policy: Range of procurement processes

“(1) Goods and services may only be procured by way of –

- (a) petty cash purchases, up to a transaction value of R 2,000 (VAT included);*
- (b) written or verbal quotations for procurements of a transaction value over R 2,000 up to R 10,000 (VAT included);*
- (c) formal written price quotations for procurements of a transaction value over R 10,000 up to R 200,000 (VAT included); and*
- (d) a competitive bidding process for–*
 - (i) procurements above a transaction value of R 200,000 (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 sub paragraph (1); or*
- (b) direct that –*
 - (i) written or verbal quotations be obtained for any specific procurement of a transaction value lower than R 2,000 (VAT included);*
 - (ii) formal written price quotations be obtained for any specific procurement of a transaction value lower than R 30,000 (VAT included); or*
 - (iii) a competitive bidding process be followed for any specific procurement of a transaction value lower than R 200,000 (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.”

1.4 Paragraph 13 of the SCM Policy: General preconditions for consideration of written quotations or bids

“A written quotation or bid may not be considered unless the provider who submitted the quotation or bid –

(a) has furnished that provider’s –

- (i) full name;*
- (ii) identification number or company or other registration number; and*
- (iii) tax reference number and VAT registration number, if any;*

(b) has authorised the Dawid Kruiper Municipality to obtain a tax clearance from the South African Revenue Services that the provider’s tax matters are in order (the CSD is now able to verify the tax clearance certificate); and

- (c) *has indicated –*
 - (i) *whether he or she is in the service of the state, or has been in the service of the state in the previous twelve months;*
 - (ii) *if the provider is not a natural person, whether any of its directors, managers, principal 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*
 - (iii) *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.”*

1.5 Paragraph 14 of the SCM: Lists of accredited prospective providers

- “(1) The accounting officer must –*
 - (a) *keep a list of accredited prospective providers of goods and services that must be used for the procurement requirements through written or verbal quotations and formal written price quotations; and*
 - (b) *at least once a year through newspapers commonly circulating locally, the website and any other appropriate ways, invite prospective providers of goods or services to apply for evaluation and listing as accredited prospective providers;*
 - (c) *specify the listing criteria for accredited prospective providers; and*
 - (d) *disallow the listing of any prospective provider whose name appears on the National Treasury’s database as a person prohibited from doing business with the public sector.*
- (2) *The list must be updated at least quarterly to include any additional prospective providers and any new commodities or types of services. Prospective providers must be allowed to submit applications for listing at any time.*
- (3) *The list must be compiled per commodity and per type of service.”*

1.6 Paragraph 15 of the SCM Policy: Petty cash purchases

“The accounting officer must establish the conditions for the procurement of goods by means of petty cash purchases referred to in paragraph 12(1)(a) of this Policy, which must include conditions –

- (a) *determining the terms on which a manager may delegate responsibility for petty cash to an official reporting to the manager;*
- (b) *limiting the maximum number of petty cash purchases or the maximum amounts per month for each manager;*
- (c) *excluding any types of expenditure from petty cash purchases, where this is considered necessary; and*
- (d) *requiring a monthly reconciliation report from each manager to the chief financial officer, including –*
 - (i) *the total amount of petty cash purchases for that month;*
 - (ii) *receipts and appropriate documents for each purchase; and*

- (e) any other conditions determined by the Chief Financial Officer.”

1.7 Paragraph 16 of the SCM Policy: Written or verbal quotations

“The conditions for the procurement of goods or services through written or verbal quotations are as follows –

- (a) quotations must be obtained from at least three different providers preferably from, but not limited to, providers whose names appear on the list of accredited prospective providers of the Dawid Kruiper Municipality provided that if quotations are obtained from providers who are not listed, such providers must meet the listing criteria set out in paragraph 14(1)(b) and (c) of this Policy;*
- (b) to the extent feasible, providers must be requested to submit such quotations in writing;*
- (c) if it is not possible to obtain at least three quotations, the reasons must be recorded and reported quarterly to the accounting officer or another official designated by the accounting officer;*
- (d) the accounting officer must record the names of the potential providers requested to provide such quotations with their quoted prices;*
- (e) if a quotation was submitted verbally, the order may be placed only against written confirmation by the selected provider; and*
- (f) any other condition determined by the Dawid Kruiper Municipal Council.”*

1.7 Paragraph 17 of the SCM Policy: Formal written price quotations

“(1) The conditions for the procurement of goods or services through formal written price quotations are as follows –

- (a) quotations must be obtained in writing from at least three different providers whose names appear on the list of accredited prospective providers of the Central Supplier Database (CSD);*
 - (b) quotations may be obtained from providers who are not listed, provided that such providers meet the listing criteria set out in paragraph 14(1)(b) and (c) of this Policy (all quotations will be sourced from the central supplier database);*
 - (c) if it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the chief financial officer or an official designated by the chief financial officer;*
 - (d) the accounting officer must record the names of the potential providers and their written quotations; and*
 - (e) any other condition determined by the Dawid Kruiper Municipal Council.*
- (2) A designated official referred to in subparagraph (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 subparagraph.”*

1.8 Paragraph 18 of the SCM Policy: Procedures for procuring goods or services through written or verbal quotations and formal written price quotations

“The accounting officer must determine the operational procedure for the procurement of goods or services through written or verbal quotations or formal written price quotations, which must stipulate –

- (a) that when using the list of accredited prospective providers, the accounting officer must promote ongoing competition amongst providers by inviting providers to submit*

quotations on a rotation basis; (quotations must be sourced from the central supplier database)

- (b) that all requirements in excess of R 30,000 (VAT included) that are to be procured by means of formal written price quotations must, in addition to the requirements of paragraph 17, be advertised for at least seven days on the website and an official notice board of the Dawid Kruiper Municipality;*
- (c) that offers received must be evaluated on a comparative basis taking into account unconditional discounts;*
- (d) that the accounting officer or chief financial officer must on a monthly basis be notified in writing of all written or verbal quotations and formal written price quotations accepted by an official acting in terms of a sub delegation;*
- (e) that offers below R 30,000 (VAT included) must be awarded based on compliance to specifications and conditions of contract, ability and capability to deliver the goods and services and lowest price;*
- (f) acceptable offers, which are subject to the preference points system (PPFA and associated regulations), must be awarded to the bidder who's offer is according to specifications, has the ability to deliver and is compliant with all the other requirements and scored the highest points. and*
- (g) requirements for proper record keeping according to acceptable standards."*

1.9 Paragraph 19 of the SCM Policy: Competitive bids process

- "(1) Goods or services above a transaction value of R 200,000 (VAT included) and long term contracts may only be procured through a competitive bidding process, subject to paragraph 11(2) of this Policy.*
- (2) No requirement for goods or services above an estimated transaction value of R 200,000 (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) 80/20 preference point system for acquisition of goods or services for Rand value equal to or above R30 000 and up to R50 million and 90/10 above R50 million*

1.10 Paragraph 20 of the SCM Policy: Process for competitive bidding

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

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

1.11 Paragraph 26 of the SCM Policy: Committee system for competitive bids

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

1.12 Paragraph 27 of the SCM Policy: Bid specification committees

- “(1) A bid specification committee must compile the specifications for the procurement of goods or services by the Dawid Kruiper 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) may not create trade barriers in contract requirements in the form of specifications, plans, drawings, designs, testing and test methods, packaging, marking or labelling of conformity certification;*
 - (e) may not make reference to any particular trade mark, name, patent, design, type, specific origin or producer unless there is no other sufficiently precise or intelligible way of describing the characteristics of the work, in which case such reference must be accompanied by the word “equivalent”;*
 - (f) must indicate each specific goal for which points may be awarded in terms of the points system set out in the Preferential Procurement Regulations 2001 and as set out in Appendix A of this Policy; and*
 - (g) must be approved by the accounting officer prior to publication of the invitation for bids in terms of paragraph 22 of this Policy.*

- (3) *A bid specification committee must be composed of one or more officials of the Dawid Kruiper 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 director of such a corporate entity, may bid for any resulting contracts.”*

1.13 Paragraph 28 of the SCM Policy: Bid evaluation committees

- “(1) A bid evaluation committee must –*
- (a) evaluate bids in accordance with –*
 - (i) the specifications for a specific procurement; and*
 - (ii) the points system set out in terms of paragraph 27(2)(f);*
 - (b) evaluate each bidder’s ability 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) A 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 Dawid Kruiper Municipality.”*

1.14 Paragraph 29 of the SCM Policy: Bid adjudication committees

- “(1) A bid adjudication committee must –*
- (a) consider the report and recommendations of the bid evaluation committee; and*
 - (b) either –*
 - (i) depending on its delegations, make a final award or a recommendation to the accounting officer to make the final award; or*
 - (ii) make another recommendation to the accounting officer how to proceed with the relevant procurement.*
- (2) A bid adjudication committee must consist of at least four senior managers (directors of Dawid Kruiper Municipality) of the Dawid Kruiper Municipality which 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; and*
 - (b) at least one senior supply chain management practitioner who is an official of the Dawid Kruiper Municipality; and*
 - (c) a technical expert in the relevant field who is an official, if such an expert exists.*

- (3) *The accounting officer must appoint the chairperson of the committee. If the chairperson is absent from a meeting, the members of the committee who are present must elect one of them to preside at the meeting.*
- (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) (a) *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 –*
 - (i) *check in respect of the preferred bidder whether that bidder's municipal rates and taxes and municipal service charges are not in arrears, and;*
 - (ii) *notify the accounting officer in writing.*
- (5) (b) *The accounting officer may –*
 - (i) *after due consideration of the reasons for the deviation, ratify or reject the decision of the bid adjudication committee referred to in paragraph (a); and*
 - (ii) *if the decision of the bid adjudication committee is rejected, refer the decision of the adjudication committee 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) *The accounting officer must comply with section 114 of the Act within 10 working days."*

1.15 Paragraph 34 of the SCM Policy: Proudly SA Campaign

"The Dawid Kruiper Municipality supports the Proudly SA Campaign to the extent that, all things being equal, preference is given to procuring local goods and services from:

- (a) *Firstly – suppliers and businesses within the municipality or district;*
- (b) *Secondly – suppliers and businesses within the relevant province;*
- (c) *Thirdly – suppliers and businesses within the Republic."*

1.16 Paragraph 35 of the SCM Policy: Appointment of consultants

"(1) The accounting officer may procure consulting services provided that any Treasury guidelines in respect of consulting services are taken into account when such procurements are made.

- (2) *Consultancy services must be procured through competitive bids if –*
 - (a) *the value of the contract exceeds R 200,000 (VAT included); or*

- (b) *the duration period of the contract exceeds one year.*
- (3) *In addition to any requirements prescribed by this policy for competitive bids, bidders must furnish particulars of–*
 - (a) *all consultancy services provided to an organ of state in the last five years; and*
 - (b) *any similar consultancy services provided to an organ of state in the last five years.*
- (4) *The accounting officer 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 Dawid Kruiper Municipality.”*

1.17 Paragraph 36 of the SCM Policy: Deviation from, and ratification of minor breaches of, procurement processes

- “(1) *The accounting officer may –*
 - (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;*
 - (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) *in any other exceptional case where it is impractical or impossible to follow the official procurement processes; and*
 - (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 (1)(a) and (b) of this policy and report them to the next meeting of the Dawid Kruiper Municipal Council and include it as a note to the annual financial statements.*
- (3) *Subparagraph (2) does not apply to the procurement of goods and services contemplated in paragraph 11(2) of this policy.”*

1.18 Paragraph 40 of the SCM Policy: 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, favouritism, unfair or irregular practices or failure to comply with this 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 Dawid Kruiper 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 Dawid Kruiper 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 abused the supply chain management system of the Dawid Kruiper 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 relevant provincial treasury in writing of any actions taken in terms of subparagraphs (1)(b)(ii), (e) or (f) of this policy."*

1.19 Paragraph 45 of the SCM Policy: Prohibition on awards to persons whose tax matters are not in order

- “(1) No award above R 10,000 may be made in terms of this Policy to a person whose tax matters have not been declared by the South African Revenue Service to be in order.*
- (2) Before making an award to a person the accounting officer must first check with SARS whether that person’s tax matters are in order.*
- (3) If SARS does not respond within 7 days such person’s tax matters may for purposes of subparagraph (1) be presumed to be in order.”*

1.20 Paragraph 46 of the SCM Policy: Prohibition on awards to persons in the service of the state

“Irrespective of the procurement process followed, no award may be made to a person in terms of this Policy –

- (a) who is in the service of the state;*
- (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) a person who is an advisor or consultant contracted with the Dawid Kruiper Municipality.”*

1.21 Paragraph 47 of the SCM Policy: Awards to close family members of persons in the service of the state

“The accounting officer must ensure that the notes to the annual financial statements disclose particulars of any award of more than R 2,000 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.”*

1.22 Paragraph 48 of the SCM Policy: Ethical standards

“(1) A code of ethical standards as set out in Appendix B to this Policy is hereby established for officials and other role players in the supply chain management system of the Dawid Kruiper Municipality 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) A breach of the code of ethics must be dealt with as follows -*
- (a) in the case of an employee, in terms of the disciplinary procedures of the Dawid Kruiper Municipality envisaged in section 67(1)(h) of the Municipal Systems Act;*

- (b) *in the case of a role player who is not an employee, through other appropriate means in recognition of the severity of the breach.*
- (c) *In all cases, financial misconduct must be dealt with in terms of chapter 15 of the Act."*

1.23 Paragraph 49 of the SCM Policy: 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 a 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 Dawid Kruiper 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 this Policy.*
- (2) The accounting officer must promptly report any alleged contravention of subparagraph (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 (1) does not apply to gifts."*

1.24 Paragraph 50 of the SCM Policy: Sponsorships

- "The accounting officer must promptly disclose to the National Treasury and the relevant 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."*

1.25 Section 15 of the MFMA: Appropriation of funds for expenditure

- "A municipality may, except where otherwise provided in this Act, incur expenditure only –*
- (a) in terms of an approved budget; and*
 - (b) within the limits of the amounts appropriated for the different votes in an approved budget."*

1.26 Section 77 of the MFMA: Top management of municipalities

- "(1) The top management of a municipality's administration consists of –*
- (a) the accounting officer;*

- (b) *the chief financial officer;*
 - (c) *all senior managers who are responsible for managing the respective votes of the municipality and to whom powers and duties for this purpose have been delegated in terms of section 79; and*
 - (d) *any other senior officials designated by the accounting officer.*
- (2) *The top management must assist the accounting officer in managing and co-ordinating the financial administration of the municipality."*

1.27 Section 78 of the MFMA: Senior managers and other officials of municipalities

- (1) *Each senior manager of a municipality and each official of a municipality exercising financial management responsibilities must take all reasonable steps within their respective areas of responsibility to ensure –*
- (a) *that the system of financial management and internal control established for the municipality is carried out diligently;*
 - (b) *that the financial and other resources of the municipality are utilized effectively, efficiently, economically and transparently;*
 - (c) *that any unauthorised, irregular or fruitless and wasteful expenditure and any other losses are prevented;*
 - (d) *that all revenue due to the municipality is collected;*
 - (e) *that the assets and liabilities of the municipality are managed effectively and that assets are safeguarded and maintained to the extent necessary;*
 - (f) *that all information required by the accounting officer for compliance with the provisions of this Act is timeously submitted to the accounting officer; and*
 - (g) *that the provisions of this Act, to the extent applicable to that senior manager or official, including any delegations in terms of section 79, are complied with.*
- (2) *A senior manager or such official must perform the functions referred to in subsection (1) subject to the directions of the accounting officer of the municipality."*

1.28 Section 1 of the MFMA: Definitions

““senior manager” means –

- (a) *in relation to a municipality, means a manager referred to in section 56 of the Municipal Systems Act; or*
- (b) *in relation to a municipal entity, means a manager directly accountable to the chief executive officer of the entity;*

“vote” means –

- (a) *one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and*
- (b) *which specifies the total amount that is appropriated for the purposes of the department or functional area concerned."*

1.29 Section 1 of the SCM Regulations: Definitions

“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 directors of any municipal entity;*
- (c) *an official of any municipality or municipal entity;*
- (d) *any 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) *a member of the accounting authority of any national or provincial public entity; or*
- (f) *an employee of Parliament of provincial legislature.”*

2. DELEGATIONS WITH REGARD TO THE PROCUREMENT OF GOODS AND SERVICES AND AUTHORISATION OF INVOICES FOR PAYMENT

- 2.1 In terms of Paragraph 5(1) of the SCM Policy I, the Accounting Officer, herewith **sub delegate the following powers and duties** with regard to the procurement of goods and services needed for service delivery towards the budget vote for which each of the senior managers are responsible, **to the senior managers** (Director: Corporate Services, Chief Financial Officer, Director: Community Services, Director Civil Engineering Services, Director Electro Mechanical Services and Director: Development and Planning) –
- 2.2 Senior managers may in writing further sub delegate any of the powers and functions mentioned in paragraphs 2.1, up to a value of R 20,000 (VAT included) to an official (position) within his or her directorate exercising financial management responsibilities of a function (cost centre).
- 2.3 Any person who is acting in a position mentioned within paragraphs 2.1 and 2.2 above will have the authority to exercise the delegated powers and duties unless it has specifically been withdrawn in writing by the delegator.

3. PROCEDURES AND SIGNING POWERS WITH REGARD TO THE PROCUREMENT OF GOODS AND SERVICES UP TO R 200,000 (VAT INCLUDED)

- 3.1 Paragraph 12(1)(a) and 15 of the SCM Policy: The procurement of goods and services by way of petty cash purchases up to a transaction value of R 2000 (VAT included).
 - 3.1.1 The official who is requesting the petty cash purchases shall complete and sign as the requestor the handwritten requisition.
 - 3.1.2 The relevant senior manager or delegate shall sign as the authoriser the handwritten requisition provided there are funds available on a budget vote.
 - 3.1.3 The cash slip as proof of petty cash purchases shall be attached to the handwritten authorised requisition before or immediately after the petty cash purchases took place.

- 3.1.4 The petty cash officer captures the request, and the official signs for receipt of the petty cash.
 - 3.1.5 The issue of the petty cash, invoice and change received must be attach to the handwritten requisition.
 - 3.1.6 The official/s in control of petty cash will atleast weekly update the petty cash by summarising petty cash issued. This report will be transacted at the Expenses unit, and authorised by the CFO or delegated official.
- 3.2 Paragraph 12(1)(b) and (c) and 16 of the SCM Policy: The procurement of goods and services by way of written or verbal quotations of a transaction value over R 2000 up to R 30,000 (VAT included).
- 3.2.1 The official exercising financial management responsibilities of a function (cost centre) shall register the required goods or service on the financial system, by means of a request for goods or services(RFQ/S).
 - 3.2.2 The designated official from the Budget & Treasury Office shall approve the RFQ/S on the financial system, after confirming the availability of budget exercising financial management responsibilities of a function (cost centre) shall approve the RFQ/S on the financial system.
 - 3.2.3 The assistant accountant: supply chain will distribute the approved RFQ/S among the buyers.
 - 3.2.5 The buyer on receipt of his/her allocation of RFQ shall obtain at least three written quotations for the goods or services needed from suppliers registered on the Central Supplier database (CSD).
 - 3.2.7 The buyer shall on receipt of the quotations complete the RFQ/S.
 - 3.2.8 A Senior Accountant will give 3rd approval to ensure all SCM compliance matters has been adhered to and that all required documentation is attached to the requisition.
 - 3.2.9 The Chief Financial Officer or delegate shall then give the requisition 4rd approval on the financial system, that shall lead to the printing of the required order provided that there are funds available on a budget vote.
 - 3.2.10 If it is not possible to obtain at least three quotations, the reasons must be recorded and reported quarterly to the accounting officer or another official designated by the accounting officer as set out in paragraph 16 (d) of the SCM policy;
 - 3.2.11 The printed order shall then be signed by the Manager: Supply Chain Management or his or her delegate only if all other requirements of the SCM Policy and any other legislative requirements (MFMA & PPPFA) have been adhered to.
 - 3.2.12 The official receiving goods or services on behalf of the municipality must sign for receipt thereof.
 - 3.2.13 The manager of the unit receiving the goods or services in terms of paragraph 3.2.13, must certify the invoice for payment.
- 3.3 Paragraph 12(1)(c), 17 and 18 of the SCM Policy: The procurement of goods and services by way of formal written price quotations of a transaction value over R 30,000 up to R 200,000 (VAT included).
- 3.3.1 The official exercising financial management responsibilities of a function (cost centre) shall provide the senior accountant: contract management with a detailed specification of the required goods or services.

- 3.3.2 The Senior Accountant: Tender Management with the assistance of the end-user, will prepare the bid document that will appear before the tender specifications committee.
- 3.3.3 On approval of the specification by the tender specifications committee, the;
- (a) Formal quotations will be advertised on the website and the official notice board for at least seven days (Paragraph 18(a) of the SCM Policy);
 - (b) Formal quotations will be opened on the closing date of the advert and opened in the council chambers.
 - (c) The preference points system (PPPFA and associated regulations) as set out in Appendix A of the SCM Policy has been used to calculate the selected supplier with the highest points;
 - (d) The tender evaluation committee will evaluate all formal quotations based on the calculation made in paragraph (c).
 - (e) The tender evaluation committee will in turn make a recommendation to the tender adjudication committee who select the preferred supplier.
 - (f) An award to a selected supplier may only be made who's tax matters are in order (Paragraph 43 of the SCM Policy); and
 - (g) That any other requirements of the SCM Policy have been adhered to.
- 3.3.4 The formal quotations and preference point's calculations shall then be submitted to the Senior Account: Supply Chain that will open the formal quotation as a contract on the financial system.
- 3.3.5 All payments will be made against the contract.

4. ESTABLISHMENT OF BID COMMITTEES

- 4.1 In terms of Paragraph 26(1) of the SCM Policy Council has established the following bid committees –
- 4.1.1 Bid Specification Committee;
 - 4.1.2 Bid Evaluation Committee; and
 - 4.1.3 Bid Adjudication Committee.
- 4.2 In terms of Paragraph 26(2) of the SCM Policy the Accounting Officer, appoints officials of Council as members of the bid committees –
- 4.3 The chairperson of each bid committee is as set out in Paragraph 5.2.1 to 5.2.3 above. The members present shall elect a chairperson if the appointed chairperson is not available.
- 4.4 The quorum for each of the above-mentioned committees shall be three of the five appointed members or delegates.
- 4.5 Any person acting in a position of an appointed member shall have the right to represent him or her on the relevant bid committee.
- 4.6 Final decision making by a bid committee shall be based on a unanimous decision of members present at a meeting. Where no consensus can be reached, each member present will cast their vote (the Chairperson shall have no casting vote); the result shall be minuted as such; and, the result shall be referred to the Accounting Officer for a final decision in the case of the Bid Specification Committee and the Bid Adjudication Committee. In the case of the Bid Evaluation

Committee, the result will be submitted to the Bid Adjudication Committee who shall make a recommendation to the Accounting Officer.

- 4.8 An official submitting an item to any of the established bid committees shall have the right to attend the relevant bid committee meeting and to take part in the discussion of the submitted item. However, he or she shall have no voting powers.
- 4.9 The Director: Corporate Services shall manage the administration of all bid committee meetings held, by providing the following support –
 - 4.9.1 Compiling the agendas of all bid committee meetings;
 - 4.9.2 Notifying appointed members of all bid committee meetings to be held;
 - 4.9.3 Compiling the minutes of all bid committee meetings; and
 - 4.9.4 Safe guarding all agendas and minutes for audit purposes.
- 4.10 The applicable bid committee shall ratify the minutes of that specific committee.

5. DELEGATIONS TO BID COMMITTEES

5.1 Bid Specification Committee:

- 5.1.1 In terms of Paragraph 5(1) of the SCM Policy I, the Accounting Officer, herewith sub delegate to the Bid Specification Committee the following powers and duties –
 - (a) To consider and approve all competitive bid (including the appointment of consultants and the procurement of long-term contracts) specifications as set out in Paragraph 27(2) of the SCM Policy; and, to authorise the publication of competitive bids.
 - (b) To approve the bid specifications for the disposal process of all movable and all immovable assets irrespective of the amount involved; provided that the Municipal Council has resolved in terms of Section 14(2)(a) of the Municipal Finance Management Act that the capital asset is not needed to provide the minimum level of basic municipal services.
- 5.1.2 The delegations in paragraph 5.1.1 above is further subject thereto that any other requirement of the SCM Policy have been adhered to.
- 5.1.3 The powers and functions contained in these delegations may not be sub-delegated and shall endure until subsequently revoked in writing by the Accounting Officer.

5.2 Bid Evaluation Committee

- 5.2.1 In terms of Paragraph 5(1) of the SCM Policy I, the Accounting Officer, herewith sub delegate to the Bid Evaluation Committee the following powers and duties –
 - (a) To consider all competitive bids (including the appointment of consultants and the procurement of long-term contracts) based on the specifications of the Bid Specifications Committee as set out in Paragraph 28(1) of the SCM Policy; and
 - (b) To recommend to the Bid Adjudication Committee the preferred bidder to be appointed.

- 5.2.2 The delegations in paragraph 5.2.1 above is further subject thereto that any other requirement of the SCM Policy has been adhered to.
- 5.2.3 The powers and functions contained in these delegations may not be sub-delegated and shall endure until subsequently revoked in writing by the Accounting Officer.

5.3 Bid Adjudication Committee

5.3.1 In terms of Paragraph 5(1) of the SCM Policy I, the Accounting Officer, herewith sub delegate to the Bid Adjudication Committee the power and duties to make a final award above R 200,000 up to R 500,000 (VAT included) in terms of Paragraph 5(2)(c)(iv) of the SCM Policy for the procurement of goods and services, provided –

- (a) That the competitive bidding processes have been followed in terms of Paragraph 20 of the SCM Policy;
- (b) That no final awards be made to persons whose tax matters are not in order (Paragraph 43 of the SCM Policy);
- (c) That no final awards be made to persons in service of the state;
- (d) That final awards have been evaluated according to the preference points system.
- (e) That no final award be made to a person whose municipal rates and taxes and municipal service charges are in arrears;
- (f) That funds are available on a budget vote; and
- (g) That no final award be made to any other bidder who was not recommended by the Bid Evaluation Committee. If the Bid Adjudication Committee wants to award a bid to any other bidder that was not recommended by the Bid Evaluation Committee, their resolution will only be a recommendation with accompanying reasons to the Accounting officer who shall make the final award.

5.3.2 In terms of Paragraph 5(1) of the SCM Policy I, the Accounting Officer, herewith sub delegate to the Bid Adjudication Committee the power and duties to make a final award above R 200,000 up to R 500,000 (VAT included) in terms of Paragraph 5(2)(c)(iv) of the SCM Policy for the procurement of long term contracts with an estimated contract value above R 200,000 up to R 500,000 (VAT included) over the term of the long term contract, provided –

- (a) That the competitive bidding processes have been followed in terms of Paragraph 20 of the SCM Policy;
- (b) That no final awards be made to persons whose tax matters are not in order (Paragraph 43 of the SCM Policy);
- (c) That no final awards be made to persons in service of the state;
- (d) That final awards have been evaluated according to the preference points system.
- (e) That no final award be made to a person whose municipal rates and taxes and municipal service charges are in arrears;
- (f) That funds are available on a budget vote; and
- (g) That no final award be made to any other bidder who was not recommended by the Bid Evaluation Committee. If the Bid Adjudication Committee wants to award a bid to any other bidder that was not recommended by the Bid

Evaluation Committee, their resolution will only be a recommendation with accompanying reasons to the Accounting officer who shall make the final award.

- 5.3.3 The Bid Adjudication Committee will only resolve to make recommendations to the Accounting Officer on any final awards to be made for the procurement of goods and services above R 500,000 (VAT included).
- 5.3.4 The Bid Adjudication Committee will only resolve to make recommendations to the Accounting Officer on any final awards to be made for the procurement of long term contracts with an estimated contract value above R 500,000 (VAT included) over the term of the long term contract.
- 5.3.5 The delegations and recommendations to be made in Paragraph 5.3.1 to 5.3.4 above is further subject thereto that any other requirement of the SCM Policy has been adhered to.
- 5.3.6 The powers and functions contained in these delegations may not be sub-delegated and shall endure until subsequently revoked in writing by the Accounting Officer.

6. PROCEDURES AND SIGNING POWERS WITH REGARD TO THE PROCUREMENT OF GOODS AND SERVICES ABOVE R 200,000 (VAT INCLUDED) THROUGH THE BIDDING PROCESS

6.1 Opening of competitive bids received

- 6.1.1 The competitive bids received shall in public in the committee room be opened immediately after the closing date by the Director: Corporate Services and the Manager: Supply Chain Management or their delegates.
- 6.1.2 The competitive bids received in time shall be recorded in a register kept by the Director: Corporate Services. Competitive bids received late shall be dealt with in terms of Paragraph 23(a)(iii) of the SCM Policy.
- 6.1.3 The original competitive bids received shall in terms of the Archives Act be kept at the archives by the Director: Corporate Services.
- 6.1.4 Copies of the competitive bids received shall be made by the Director: Corporate Services to be submitted to the relevant senior manager who is responsible for preparing an item to the Bid Evaluation Committee.

6.2 General procedures

- 6.2.1 The procedures to be followed with regard to the bidding process shall be as set out in Paragraph 20 of the SCM Policy.
- 6.2.2 No bid may be evaluated by the Bid Evaluation Committee or a final award may be made by the Bid Adjudication Committee if all bid documentation required to be completed in terms of the SCM Policy and any other legislation have not been adhered to.

6.3 Final awards by the Bid Adjudication Committee

- 6.3.1 The appointed chairperson of the Bid Adjudication Committee has the authority to appoint a service provider in writing to whom a final award has been made by the Bid Adjudication Committee in terms of their delegated powers.

- 6.3.2 The Manager: Supply Chain Management shall submit a report to the Accounting Officer of the Bid Adjudication Committee's recommended bidder to be appointed by the Accounting Officer where the Bid Adjudication Committee have no delegated powers to make a final award.

6.4 Contract administration

- 6.4.1 The Manager: Supply Chain Management, the Head: Legal Services and the relevant senior manager shall assist with the compilation of the written agreement between the municipality and the selected supplier.
- 6.4.2 The Manager: Supply Chain Management shall keep record of all final awards made to selected suppliers in a contract awarded register.
- 6.4.3 The Director: Corporate Services will be responsible for the safekeeping of the original signed written agreement referred to in Paragraph 6.4.1 above that was recorded in the register referred to in Paragraph 6.4.2 above.

6.5 Signing powers on the financial system

- 6.5.1 The procurement, authorisation and signing powers process through the financial system will be the same as set out in Paragraph 3.3.1 up to 3.3.7 in this document. However, where there is a reference to written quotations in these paragraphs, it shall be replaced with the information obtained through the competitive bidding process.

6.6 Reporting

The Manager: Supply Chain Management shall on behalf of the Accounting Officer report as follows –

- 6.6.1 Submit a report (with the particulars in terms of Paragraph 5(3) of the SCM Policy required) to the Accounting Officer of any final award made by the Bid Adjudication Committee, in terms of their delegated powers, within 5 days of the end of each month;
- 6.6.2 Submit a report to the Mayor of any final award made by the Accounting Officer or the Bid Adjudication Committee, in terms of their delegated powers, within 10 days of the end of each quarter to enable the Mayor to perform his or her oversight role; and
- 6.6.3 Submit a report to Municipal Council of any final award made by the Accounting Officer or the Bid Adjudication Committee, in terms of their delegated powers, within 30 days of the end of each financial year to enable the Municipal Council to perform their oversight role; and

7. ETHICAL STANDARDS

- 7.1 All supply chain management practitioners shall adhere to the ethical standards referred to in Paragraph 46 and Appendix B of the SCM Policy.
- 7.2 All supply chain management practitioners shall declare any conflict of interests on the form attached to this document as Appendix A.
- 7.3 The completed form must be submitted to the Municipal Manager and the Chairperson of each bid committee for their attention and to the Director: Corporate Services who must keep record

of all conflict of interests.

8. OTHER MATTERS

- 8.1 All previous delegations pertaining to supply chain matters and the procurement of goods and services are hereby rescinded.
- 8.2 Delegations and signing powers on the financial system shall be adjusted according to the contents of this document by the IT Manager.
- 8.3 The IT Manager will also take into consideration any sub-delegations by a senior manager to an official exercising a financial management responsibility of a function (cost centre) and shall adjust the financial system as such.
- 8.4 The IT Manager will also take into consideration any official acting in a position with delegations and signing powers referred to in Paragraph 9.2 and 9.3 above, and shall adjust the financial system as such.
- 8.5 The IT Manager shall adjust the signing powers on the financial system with regard to Paragraph 9.2 to 9.4 only after the Head: Internal Audit has informed him or her on the prescribed format – Appendix B attached hereto.

APPENDIX H

Dawid Kruiper MUNICIPALITY

**SUB-DELEGATIONS IN TERMS OF SECTION 2.3 OF THE
SUPPLY CHAIN MANAGEMENT DELEGATIONS, PROCEDURES AND SIGNING POWERS MANUAL**

DIRECTORATE: _____

Post Description	Occupier	Specimen Signature	Functions/ Cost Centres	Procurements Maximum Amount (R 30,000)	Mandate
					1 = Requisitions 2 = Cheques (Direct purchases) 3 = Capital Assets Purchases 4 = Inter Departmental Requisitions

SENIOR MANAGER (DIRECTOR): _____ **NAME:** _____

SIGNATURE OF DIRECTOR: _____ DATE: _____

APPENDIX I

CONFIDENTIAL

FINANCIAL DISCLOSURE FORM

I, the undersigned (surname and initials) _____

(Postal address) _____

(Residential address) _____

(Position held) _____

(Name of Municipality) _____

Tel: _____ Fax: _____

Hereby certify that the following information is complete and correct to the best of my knowledge:

1. Shares and other financial interests (not bank accounts with financial institutions)

Number of shares/ Extent of financial interests	Nature	Nominal Value	Name of Company/Entity

See information sheet: Note 1

2. Directorships and partnerships

Name of corporate entity, partnership or firm	Type of business	Amount of Remuneration/ Income

See information sheet: Note 2

CONFIDENTIAL

3. Remunerated work outside the Municipality

Name of Employer	Type of Work	Amount of Remuneration/ Income

Must be sanctioned by Council. See information sheet: Note 3

Council _____

Signature by Council _____ Date _____

4. Consultancies and retainerships

Name of client	Nature	Type of Business activity	Value of any benefits received

See information sheet: Note 4

5. Sponsorships

Source of assistance/sponsorship	Description of assistance/sponsorship	Value of assistance/sponsorship

See information sheet: Note 5

6. Gifts and hospitality from a source other than a family member

Description	Source	Value

See information sheet: Note 6

CONFIDENTIAL

7. Land and property

Description	Extent	Area	Value

See information sheet: Note 7

SIGNATURE OF EMPLOYEE

DATE

PLACE

OATH/AFFIRMATION

1. I certify that before administering the oath/affirmation I asked the deponent the following questions and wrote down her/his answers in his/her presence:
 - (i) Do you know and understand the contents of the declaration?
Answer _____
 - (ii) Do you have any objection to taking the prescribed oath or affirmation?
Answer _____
 - (iii) Do you consider the prescribed oath or affirmation to be binding on your conscience?
Answer _____
2. I certify that the deponent has acknowledged that she/he knows and understands the contents of this declaration. The deponent uttered the following words: "I swear that the contents of this declaration are true, so help me God." / "I truly affirm that the contents of the declaration are true". The signature/mark of the deponent is affixed to the declaration in my presence.

COMMISSIONER OF OATH /JUSTICE OF THE PEACE

CONFIDENTIAL

Full first names and surname:

_____ (Block letters)

Designation (rank) _____ Ex Officio Republic of South Africa

Street address of institution _____

Date _____ Place _____

CONTENTS NOTED: ACTING MUNICIPAL MANAGER

DATE: _____

CONFIDENTIAL

INFORMATION SHEET FOR THE FINANCIAL DISCLOSURE FORM

The following notes are a guide to assist with completing the Financial Disclosure form (Appendix C):

Note 1: Shares and other financial interests

Designated employees are required to disclose the following details with regard to shares and other financial interests held in any private or public company or any other corporate entity recognized by law:

- The number, nature and nominal value of shares of any type;
- The nature and value of any other financial interests held in any private or public company or any other corporate entity; and
- The name of that entity.

Note 2: Directorships and partnerships

Designated employees are required to disclose the following details with regard to directorships and partnerships:

- The name and type of business activity of the corporate entity or partnership/s; and
- The amount of any remuneration received for such directorship or partnership/s.

Directorship includes any occupied position of director or alternative director, or by whatever name the position is designated.

Partnership is a legal relationship arising out of a contract between two or more persons with the object of making and sharing profits.

Note 3: Remunerated work outside the public service (All remunerated employment must be sanctioned prior to the work being done)

Designated employees are required to disclose the following details with regard to remunerated work outside the public service.

- The type of work;
- The name and type of business activity of the employer; and
- The amount of the remuneration received for such work.

Remuneration means the receipt of benefits in cash or kind.

Work means rendering a service for which the person receives remuneration.

CONFIDENTIAL

Note 4: Consultancies and retainerships

Designated employees are required to disclose the following details with regard to consultancies and retainerships:

- The nature of the consultancy or retainership of any kind;
- The name and type of business activity, of the client concerned; and
- The value of any benefits received for such consultancy or retainerships.

Note 5: Sponsorships

Designated employees are required to disclose the following details with regard to sponsorships:

- The source and description of direct financial sponsorship or assistance; and
- The value of the sponsorship or assistance.

Note 6: Gifts and hospitality from a source other than a family member

Designated employees are required to disclose the following details with regard to gifts and hospitality:

- A description and the value and source of a gift with a value in excess of R350;
- A description and the value of gifts from a single source which cumulatively exceed the value of R350 in the relevant 12 month period; and
- Hospitality intended as a gift in kind.

Designated employees must disclose any material advantage that they received from any source e.g. any discount prices or rates that are not available to the general public.

All personal gifts within the family and hospitality of a traditional or cultural nature need not be disclosed.

Note 7: Land and Property

Designated employees are required to disclose the following details with regard to their ownership and other interests in land and property (residential or otherwise both inside and outside the Republic):

- A description and extent of the land or property;
- The area in which it is situated; and
- The value of the interest.