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NORTHERN CAPE PROVINCE  
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# DEPARTMENT OF ENVIRONMENT AND NATURE CONSERVATION

## SUPPLY CHAIN MANAGEMENT (SCM) POLICY 21 SEPTEMBER 2011 SUPPLY CHAIN MANAGEMENT POLICY

*A PROSPEROUS AND EQUITABLE SOCIETY LIVING IN HARMONY WITH OUR NATURAL RESOURCES*

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## 1. CONCEPTUAL BACKGROUND

### 1.1 INTRODUCTION

- (a) Provincial Departments and Public Entities must align their SCM policies with the Provincial Policy and submit copies to the Provincial SCM Unit for verification. Accounting Officers must review their Policy and implementation annually and when necessary make amendments and submit such amendments to Provincial SCM for verification. The Accounting Officer must report any deviations from the Provincial Policy to the Provincial SCM Unit.
- (b) The aim of National Treasury and Provincial Treasury is to promote uniformity in SCM practices, procedures and forms and promote accessibility of SCM systems for small businesses, especially affirmative owned enterprises.
- (c) The Accounting Officer of a Department or Public Entity must in terms of Chapter 16A – Treasury Regulations paragraph 16A 3.1 take all reasonable steps to ensure his or her Department / Public Entity implement the Supply Chain Management Policy. Provision must be made for at least the following:-
  - (i) Demand Management
  - (ii) Acquisition Management
  - (iii) Logistics Management
  - (iv) Asset Management
  - (v) Disposal Management
  - (vi) Risk Management
  - (vii) Regular assessment of Supply Chain Performance
  - (viii) Transport Management (optional)

#### IMPORTANT

**THE SUPPLY CHAIN MANAGEMENT (SCM) POLICY OF A PROVINCIAL DEPARTMENT OR ENTITY MUST COMPLY WITH PARAGRAPHS (a) AND (b) OF THIS POLICY, IF NOT, THE PROVINCIAL SUPPLY CHAIN MANAGEMENT (SCM) POLICY UNIT IN PROVINCIAL TREASURY MUST TAKE STEPS TO ENSURE CONSISTENCY.**

### 1.2 DEFINITIONS

- 1.2.1 In this policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the regulations has the same meaning as in the Regulations, and-

**“accounting officer”** means a person mentioned in section 36 of the Public Finance Management Act (29: 1999);

**“accounting authority”** means a body or person mentioned in section 49 of the Public Finance Management Act (29: 1999);

**“competitive bid”** means a bid in terms of a competitive bidding process;

**“competitive bidding process”** means a competitive bidding process referred to in paragraph C(iii) of this policy;

**“Department”** means a national or provincial department;

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

**“formal written price quotations”** means quotations referred to in paragraph C(ii) of this policy;

**“in the service of the state”** means to be-

- (a) a member of-

- (i) any provincial legislature;
- (ii) any municipal council or
- (iii) the National Assembly or the National Council of Provinces;
- (b) a member of the board of directors of a public entity;
- (c) 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);
- (d) a member of the accounting authority of any public entity; or
- (e) an employee of a provincial legislature.

***“list of accredited prospective providers or provincial database of accredited prospective suppliers”*** means the list of accredited prospective providers or suppliers that provincial treasury will keep, update and distribute to all users in terms of paragraph 11 of this policy;

***“long terms contract”*** means a contract with a duration period exceeding one year;

***“MEC for Finance”*** means the member of an Executive Council of a province responsible for finance in the province;

***“National Treasury”*** means the National Treasury established by section 5.

***“other applicable legislation”*** means any other legislation applicable to provincial supply chain management refer to Chapter 1 paragraph 1(a) and (b);

***“prescribe”*** means prescribe by regulation or instruction in terms of section 76;

***“provincial department”*** means-

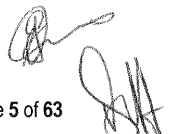
- (a) a provincial administration listed in Schedule 1 of the Public Service Act, 1994; or
- (b) a department within a provincial administration and listed in Schedule 2 of that Act;

***“provincial government business enterprise”*** means a entity which-

- (a) is a juristic person under the ownership control of a provincial executive;
- (b) has been assigned financial and operational authority to carry on a business activity;
- (c) as its principal business, provides goods or services in accordance with ordinary business principles; and
- (d) is financed fully or substantially from sources other than-
  - (i) a Provincial Revenue Fund; or
  - (ii) by way of a tax, levy or other statutory money;

***“provincial public entity”*** means-

- (a) a provincial government business enterprise; or
- (b) a board, commission, company, corporation, fund or other entity (other than a provincial government business enterprise) which is-
  - (i) established in terms of legislation or a provincial constitution;
  - (ii) fully or substantially funded either from a Provincial Revenue Fund or by way of a tax, levy or other money imposed in terms of legislation; and
  - (iii) accountable to a provincial legislature;



**“provincial treasury”** means a treasury established in terms of section 17;

**“public entity”** means a national or provincial public entity;

**“regulation”** means the Regulations published in terms of the Public Finance Management Act, 1999, Gazette Number 25767 dated 05 December 2003;

**“transversal contract”** means a contract arrange for more than one department or for more than one level of government e.g. national as well as provincial government;

**“treasury”** means the National Treasury or a provincial treasury, as may be appropriate in the circumstances;

**“Treasury guidelines”** means any guidelines on supply chain management issued by the Minister in terms of section 76(4)(c) of the Public Finance Management Act, Act 29 of 1999;

**“written or verbal quotations”** means quotations referred to in paragraph G(i) of this policy;

### 1.3 LEGISLATIVE REQUIREMENTS

The Northern Cape Provincial Government (NCPG) resolved in terms of Sections 76 4(c) and 38 (1)(iii) of the Public Finance Management Act (PFMA), 1999 and Chapter 16A of Treasury Regulations, promulgated in Government Gazette Number 27388 on 15 March 2005 and Northern Cape Executive Council Resolution: No. 48/2006(04) dated 5 April 2006, to implement a Supply Chain Management (SCM) Policy that gives effect to:-

- (i) section 217 of the Constitution;
  - (ii) sections 76 4(c) and 38 (1)(iii) of the PFMA;
  - (iii) the Preferential Procurement Policy Framework Act (PPPFA), 05: 2000 and its Regulations; and
  - (iv) Northern Cape Provincial Supply Chain Management Policy as approved per Executive Council Resolution: No. 48/2006(04) dated 5 April 2006.
- (a) that is fair, equitable, transparent, competitive and cost effective and complies with
- (i) Prescripts as per Chapter 16A of Treasury Regulations;
  - (ii) Minimum Norms and Standards prescribed by National Treasury as well as the Northern Cape Provincial Treasury;
  - (iii) Regulatory Framework for Supply Chain Management (SCM) in terms of PFMA, 1999; and
  - (iv) Northern Cape Provincial Supply Chain Management Policy as approved per Executive Council Resolution: No. 48/2006(04) dated 5 April 2006.
- (b) is consistent with other applicable legislation:
- (i) Broad Based Black Economic Empowerment Act (BBBEEA);
  - (ii) Corruption Act, 1998 – anti-corruption measures and practices;
  - (iii) Competition Law and Regulations;
  - (iv) Promotion of Administrative Justice Act, 2000;
  - (v) National Archives of South Africa Act, 1996;
  - (vi) The National Small Business Act
  - (vii) Construction Industry Development Board Act, 2000 (Act no. 38 of 2000)
- (c) is also consistent with other Policy objectives;

- (d) does not undermine the objective of uniformity in Supply Chain Management systems between organs of state in all spheres.

## **2. POLICY STATEMENT AND APPLICATION SCOPE**

### **2.1 POLICY STATEMENT**

- 2.1.1 Provincial Departments and public entities **SHALL NOT** act in contravention with this Supply Chain Management Policy when -
- (a) acquisitioning goods or services;
  - (b) disposing of goods no longer required;
  - (c) the letting of state assets;
  - (d) appointment of consultants as per prescripts and in line with Department of Public Service Administration (DPSA) rates; or other professional bodies e.g. for construction and related services association or valuers etc.
- 2.1.2 The Policy provides for:
- (i) Demand Management
  - (ii) Acquisition Management
  - (i) Logistics Management
  - (ii) Asset Management
  - (iv) Disposal Management
  - (v) Risk Management
  - (vi) Regular assessment of Supply Chain Performance

## **A PART 1: DEMAND MANAGEMENT**

### **SYSTEM OF DEMAND MANAGEMENT**

- (a) The Accounting Officer must establish, through operational procedures, an effective system of demand management in order to ensure that the resources required to support the strategic and operational commitments are delivered at the correct time, at the right price and at the right location, and that the quantity and quality satisfy the needs.
- (b) Further doing a needs assessment dealing with issues such as:
- Understanding future needs;
  - Identifying critical delivery dates;
  - The frequency of needs;
  - Linking the requirement to the budget;
  - Doing an expenditure analysis based on past expenditures;
  - Determining the specifications;
  - Doing a commodity analysis e.g. looking at alternatives; and
  - Doing an industry analysis.

## **B PART 2: ACQUISITION MANAGEMENT**

### **1. SYSTEM OF ACQUISITION MANAGEMENT**

- 1.1 The Accounting Officer must establish, through operational procedures, an effective system of acquisition management in order to ensure-
- 1.1.1 goods and services are acquired by Departments / Public Entities in accordance with authorized procedures only;
  - 1.1.2 expenditure on goods and services is incurred in terms of an approved budget;
  - 1.1.3 the threshold values of the different acquisition processes are complied with;
  - 1.1.4 bid documentation are as per Provincial prescripts (SCM Practice Note 1: 2004);
  - 1.1.5 the point system used are in accordance with Provincial prescripts and Preferential Procurement Policy Framework Act & Regulations and objectives are identified that could be met through the specific contract;
  - 1.1.6 general conditions of contract are adhered to in all respects, and the bid document is compiled according to Policy and prescripts (SCM Practice Note 1: 2004);
  - 1.1.7 ensure evaluation and adjudication criteria are clearly spelled out in bid documents and are in accordance with all applicable legislation and Provincial policies;
  - 1.1.8 Treasury Guidelines on acquisition management are properly taken into account.
  - 1.1.9 strategy of how the market is to be approached is determined;
  - 1.1.10 applicable depreciation rates are determined;
  - 1.1.11 total cost of ownership (TCO) principle is being applied e.g.
    - (a) Life cycle cost;
    - (b) Inventory carrying cost
  - 1.1.12 bids be evaluated by Evaluation Committee and recommendations forwarded to Adjudication Committee or whichever processes of adjudication applicable;
  - 1.1.13 contract documents of successful bidder are properly completed, all documents signed and all required certificates appended;
  - 1.1.14 contract administration is done;
  - 1.1.15 contract information is used to start with the logistics management process; and
  - 1.1.16 if consultants are appointed the prescripts as appended (**Annexure E**) is followed as well as Department of Public Service Administration (DPSA) guidelines on hourly fees structure.
- 1.2 The following information of the successful bid company per bid awarded must be published in the Government Tender Bulletin:
- 1.2.1 Name and price of successful bidder
  - 1.2.2 Brand name and model of product if applicable

### **2. ACQUISITION PROCESSES AND THRESHOLD VALUES**

The acquisition of goods and services through this Policy is provided by way of different delegation levels (updated per SCM Practice Note as and when needed):-



2.1 Telephonic quotations up to R2 000.00 per case inclusive of VAT. At least three (3) quotations must be obtained per case and the accepted quotation is to be confirmed in writing for audit purposes.

2.1.1 Up to R300.00 VAT included per case. Petty cash purchases can be done with same provisions as above.

**NOTE: THE PROVINCIAL DATABASE MUST BE USED FOR ALL PROCUREMENTS, EXCEPT FOR PETTY CASH PURCHASES, QUOTATIONS, URGENT & EMERGENCY CASES AND DEVIATIONS.**

2.2 Formal written quotations (minimum of three [3] per case) for acquisitions of a transaction value over R2000.00 up to R200 000.00 (VAT included) must be invited. If three (3) quotations cannot be obtained reasons must be recorded and the Departmental Adjudication Committee is to approve.

2.2.1 For all acquisitions exceeding R15 000.00 per case, VAT included a valid SARS certificate must be submitted by the successful supplier (The original certificate must be valid at closing date and time of bid or quotation before an order is issued).

2.2.2 For all acquisitions exceeding R30 000.00 per case, VAT included the PPPFA prescripts apply e.g. points system must be used in adjudication process.

2.2.3 The 80/20 principle is applicable; 80 points for price and 20 for RDP principles. The 20 points will be standard as follows:

Historically Disadvantaged Individual (HDI) = 10

Women Equity (W/E) = 6

Disabled Equity (D/E) = 2

Youth = 2

2.3 A competitive bidding process for acquisitions exceeding R500 000.00 per case (VAT included) is applicable.

2.3.1 Bids must at least be advertised in the Government Tender Bulletin, DFA and Die Volksblad and where applicable in the Northern Cape Regional Newspapers.

2.4 Transversal contracts will be arranged either by Provincial Supply Chain Management (SCM) or National Treasury and Departments / Public Entities will be formally requested to indicate whether they want to participate or not.

2.5 Statistics per appended template (**Annexure C**) must be forwarded to Provincial Supply Chain Management (SCM) not later than the 15<sup>th</sup> of every month for the previous month.

2.6 The Accounting Officer may, **in writing lower, BUT NOT increase, the different threshold values specified above.**

2.7 Goods and 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.

### 3. GENERAL PREREQUISITES FOR CONSIDERATION OF WRITTEN QUOTATIONS OR BIDS

3.1 A written quotation or bid must be submitted in prescribe format (**Annexure F**) and may not be considered unless the provider who submitted the quotation or bid provided the following information:

3.1.1 Company's full name, address, contact details and owners details;

3.1.2 Company's identification or registration number;

3.1.3 Tax reference number or VAT registration number, if any; and

3.1.4 Whether the owner, directors, managers or principals or stakeholders are in the service of the state or are a family member or other close relative of any official working in the Department / Public Entity.

#### **4. LISTS OF ACCREDITED PROSPECTIVE SERVICE PROVIDERS**

- 4.1 Provincial Supply Chain Management (SCM) will keep a database of all accredited prospective service providers and update the list on an ongoing basis. The list will be available to all Departments / Public Entities to obtain written and verbal quotations from.
- 4.2 All Supplier / Service Provider appearing on National and/or Provincial Treasury's list as a person or business prohibited from doing business within the public sector will be removed from the database and may not be doing business with.
- 4.3 National and/or Provincial Treasury's list will be compiled per commodity and per type of service.

#### **5. ACQUISITION OF GOODS BY MEANS OF PETTY CASH PURCHASES**

- 5.1 The Accounting Officer of a Department / Public Entity must establish conditions for the acquisition of goods by means of petty cash purchases e.g.
  - 5.1.1 terms must be drawn-up for managers to delegate responsibility to an official reporting to the manager;
  - 5.1.2 limiting the number of petty cash purchases or the maximum amounts per month for each manager; and
  - 5.1.3 exclude any types of expenditure from petty cash purchases, where this is considered necessary.

#### **6. WRITTEN OR VERBAL QUOTATIONS**

- 6.1 The Accounting Officer of a Department / Public Entity must establish the conditions of the acquisition of goods and services through written and verbal quotations, which must be within threshold values as per paragraph 9 and which must include conditions stating:
  - 6.1.1 that quotations must be obtained from at least three (3) different providers preferably from providers whose names appear on the list of accredited prospective providers supplied by Provincial Supply Chain Management. If quotations are obtained from suppliers / service providers who are not listed on database, such providers must meet the listing criteria of Provincial Supply Chain Management and paragraph 10 (i) of this Policy and that such quotations be submitted in writing. Such suppliers must immediately register on the database.
  - 6.1.2 if it is not possible to obtain at least three (3) quotations, reasons must be recorded and reported to Provincial Supply Chain Management quarterly as well as to the relevant Accounting Officer for information and audit purposes.
  - 6.1.3 if a quotation was submitted telephonically / verbally, the order may be placed only against written confirmation by the selected provider.

#### **7. FORMAL WRITTEN PRICE QUOTATIONS**

- 7.1 The Accounting Officer of a Department / Public Entity must establish the conditions for the acquisition of goods and services through formal written price quotations, which must include conditions stating:-
  - 7.1.1 that quotations must be obtained in writing in the prescribed format from at least three (3) different service providers whose names appear on the list of accredited prospective providers of Provincial Supply Chain Management.
  - 7.1.2 if quotations are obtained from providers who are not listed, such providers must register on the Provincial database immediately and adhere to paragraph 10 (i). Attached format to be used (**Annexure F**).



**Note: The application form to register on the database must be completed to ensure compliance.**

- 7.1.3 if it is not possible to obtain at least three quotations, the reasons must be recorded and approval must be granted either by the Departmental Adjudication Committee or an official delegated in writing by the Accounting Officer to grant approval. A monthly report on all cases refer to above must be send to the Accounting Officer and Provincial Supply Chain Management before the 10<sup>th</sup> of the next month.
- 7.1.4 for all requirements in excess of R30 000.00 (including VAT) per case the accepted written quotation must have a valid original tax clearance certificate.
- 7.1.5 for all requirements in excess of R30 000.00 (including VAT) per case the written quotations must be adjudicated in terms of the preferential point system (80:20 principle). The standard points allocation is as follows:

Price = 80

HDI = 10

Women Equity = 6

Disabled Equity = 2

Youth = 2

- 7.2 When using the Provincial Database list of accredited suppliers ongoing competition amongst suppliers must be promoted, and the principle of a rotation basis will be applicable.
- 7.2.1 the Accounting Officer must take steps to ensure that the acquisition of goods and service through written or verbal quotations is not abused and suppliers not on the Provincial database do declare interest – refer to paragraph 10(i).
- 7.2.2 a list of all written and verbal quotations obtained and successful supplier must be issued monthly to the Accounting Officer and Provincial Supply Chain Management (by the 15<sup>th</sup> of the month) for record purposes and risk management.

## **8. COMPETITIVE BIDDING PROCESS**

- 8.1 Acquisition of goods and service must be within the threshold values as determined by both National and Provincial Treasury's.
- 8.2 The Supply Chain Management system must provide for:-
  - 8.2.1 The establishment in accordance with Provincial Supply Chain Management Policy note of Specification, Evaluation- and Adjudication Committees;
  - 8.2.2 Following of bid procedures in conjunction with General Conditions of contract and practice notes issued both by National and Provincial Treasury;
  - 8.2.3 The approval of bids using both Evaluation- and Adjudication Committees in accordance with delegations and sign of contracts;
  - 8.2.4 Requirement for goods and services above an estimated transaction value of R500 000.00 per case (VAT included) may not deliberately be split into parts or items of lesser value to acquire goods and services using quotations instead of competitive bidding.
- 8.3 The Accounting Officer must ensure that:-

- 8.3.1 Bid documents and General Conditions of contract are in accordance with the instructions of Provincial and National Treasury or the prescripts of the Construction Industry Development Board, in the case of a bid relating to the Construction Industry;
- 8.3.2 Competitive bidding includes the following stages:
- (a) compilation of bid documents
    - (i) Specification Committee inputs on compilation of generic specifications
    - (ii) inclusion of evaluation and adjudication criteria in bid documents, inclusive of the Preferential Procurement Policy Framework Act (5: 2000) and Regulations point system approved in the Province as general guidelines and Broad Based Black Economic Empowerment Act, (Act 53: 2003).
  - (b) Advertisement of bids in the Government Tender Bulletin, Die Volksblad and DFA and if applicable regional newspapers in the Northern Cape Province for a minimum period of 21 days before closure, except in urgent cases when bids may be advertised for 10 working days, authorized by the Accounting Officer.
  - (c) Compel bidders to declare any conflict of interest they may have in the transaction for which the bid is submitted.
  - (d) A bid document is responsive when all documents are duly signed and all required certificates appended to the bid upon closing of bids. If the preference certificate is not signed no preference can be claimed. If document are not signed the bid is non-responsive, the same if certificates are not appended.
  - (e) If the value of the transaction is expected to exceed R10 million (VAT included), bidders are required to furnish in writing:
    - (i) annual financial statements for auditing, their audited annual financial statements for the past three (3) years; or
    - (ii) since their establishment - if established during the past three years;
    - (iii) a certificate signed by the bidder certifying that the bidder has no undisputed commitments towards other service providers in respect of which payment is overdue for more than 30 days e.g. SARS, Department of Labour etc.;
    - (iv) 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;
    - (v) a statement indicating whether any portion of the goods or services are expected to be sourced from outside the Republic and, if so, what portion of the payment is expected to be transferred out of the Republic and informing the Department of Trade and Industry.
    - (vi) 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.
  - (f) Contracts relating to Information Technology are prepared in accordance with the State Information Technology Act, (Act 88 of 1998) and any regulations made in terms of that Act.
  - (g) Treasury Regulations 16 is complied with when goods or services are acquired through public private partnerships or as part of public private partnerships.
  - (h) Instructions issued by National and Provincial Treasury in respect of the appointment of consultants is complied with as well as remuneration in accordance with Department of Public Service Administration (DPSA) guidelines.

- (i) If in a specific case it is impractical to invite competitive bids, the Accounting Officer may acquire the required goods or services by other means. Reasons for deviating from inviting competitive bids must be recorded for audit purposes and approved by the Accounting Officer.
- (j) The Accounting Officer can approve participation in transversal term contracts facilitated by National or Provincial Treasury. Provincial Treasury will manage such contracts. When participating in such contracts the Accounting Officer may not solicit bids for the same or similar product or service during the tenure of the transversal term contract.
- (k) The Accounting Officer can approve participation in any contract arranged by means of a competitive bidding process by any other Organ of State, subject to the written approval of such Organ of State and the relevant contractors.

8.4 All bids must be deposited at closing date and time in a bid box made available and accessible to the public. Bids must be submitted in a sealed envelope as a hard copy with the bid number and description on it. Bids received after closing time will be handled as late. Time for closure will be aligned with official Post Office time.

**NOTE: THE OFFICIAL CLOSING TIME FOR BIDS IN THE NORTHERN CAPE WILL BE 11:00.**

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

- 9.1 Bids must be opened in public directly after closing time.
- 9.2 Names of all bidders must be read out and for construction and related bids the price must be read out as well. For other commodities the price due to practicalities will not be read out.
- 9.3 All bid documents must be stamped, recorded in a register with date and time. The register can be made available for public inspection upon a written request.
- 9.4 Bid results must be published in at least the Government Tender Bulletin.
- 9.5 General Conditions of bid are applicable to all bids.
- 9.6 Negotiations with preferred bidders may only be done through the Accounting Officer, provided that such negotiations do not allow the preferred bidder a second or unfair opportunity, is not detrimental to any other bidder and does not lead to a higher price than the bid as submitted or any other preference. Minutes must be kept of such negotiations and forwarded to Provincial Supply Chain Management by the 15<sup>th</sup> of each month.
- 9.7 Two-stage bidding process: it is allowed for large complex projects, projects where it may be undesirable to prepare complete detailed technical specifications or long term projects with a duration period exceeding three (3) years.
  - 9.7.1 In the first stage technical proposals on conceptual design or performance specifications should be invited, subjected to technical as well as commercial clarifications and adjustments.
  - 9.7.2 In the second stage final technical proposals and priced bids should be invited.

## **10. COMMITTEE SYSTEM FOR ACQUISITION**

### **10.1 Committees to be appointed**

The following Committees have to be appointed in writing by the Accounting Officer for a two-year period initially and thereafter rotated:

- .1.1 Specifications (standing with co-opting of members according to goods, service or commodity needed)
- .1.2 Evaluation (standing)

.1.3 Adjudication (standing)

10.2 **Mandate of Committees**

Sections 44 and 56 of the Public Finance Management Act empower accounting officers/authorities to delegate powers or instruct any official in that department, trading entity, constitutional institution or public entity to perform any of the duties assigned to the accounting officer in terms of the Act.

Sections 38(1)(a)(iii) and 51(1)(a)(iii) of the Act, prescribes that accounting officers / authorities must ensure that the institution has and maintains an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost-effective.

Treasury Regulations 16A6.2 stipulates that an institution's supply chain management system must, *inter alia*, provide for the adjudication of bids through a bid adjudication committee, the establishment, composition and functioning of bid specification, evaluation and adjudication committees and the selection of bid adjudication members.

For the **Roles, compilation and Functionality of committees** refer to **Communications** under **Policy framework**.

11. **ACQUISITION OF BANKING SERVICES**

- 11.1 Departments must liaise with Provincial Treasury prior to the contracting-in of commercial banking services.
- 11.2 Must be acquired through competitive bids. Provincial Treasury must approve specifications and be co-opted on all Committees.
- 11.3 May not be for a period of more than five (5) years at a time.
- 11.4 The process for acquisition of a contract for banking services must commence at least nine (9) months before the end of an existing contract.
- 11.5 Closure date for the submissions of bids may not be less than 60 days from the date on which the advertisement is placed in a newspaper and bids must be restricted to banks registered in terms of the Banks Act (94: 1990). The validity period of bids must be 90 days.

12. **ACQUISITION OF INFORMATION TECHNOLOGY (IT) RELATED GOODS OR SERVICES**

- 12.1 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.
- 12.2 Both parties must enter into a written agreement to regulate the services rendered by, and payments to SITA.
- 12.3 The Accounting Officer must notify SITA together with a motivation of the IT needs if-
  - 12.3.1 transaction value of IT related goods or services required in any financial year will exceed R50 million (VAT included); or
  - 12.3.2 transaction value of a contract to be acquired whether for one or more years exceeds R50 million (VAT included).
- 12.4 If SITA comments on departmental submissions and departments disagree with such comments, the comments and reasons for rejecting or not following such comments must be submitted to the Accounting Officer, Provincial Supply Chain Management, Provincial Treasury as well as the Auditor-General.

### **13. ACQUISITION OF GOODS AND SERVICES UNDER CONTRACTS SECURED BY NATIONAL AND PROVINCIAL TREASURY**

- 13.1 The Accounting Officer may participate in Transversal Contracts concluded by National or Provincial Treasuries.
- 13.2 Written requests to participate in Transversal Contracts must be submitted to Provincial Supply Chain Management and no other contract may be concluded during the period for the acquisition of the same goods / services or similar products.

### **14. ACQUISITION OF GOODS NECESSITATING SPECIAL SAFETY ARRANGEMENTS**

- 14.1 The acquisition and storage of goods in bulk, which necessitate special safety arrangements, including gasses and fuel, should be avoided wherever possible.
- 14.2 Where the storage of goods in bulk is justified, justification must be based on sound reasons, including the total cost of ownership, cost of advantages and environmental impact and must be approved by the Accounting Officer.

### **15. APPOINTMENT OF CONSULTANTS**

- 15.1 The Accounting Officer must adhere to National and Provincial Treasury guidelines (Practice note 2 of 2004 and updates) without exception and Department of Public Service and Administration (DPSA) guidelines on hourly tariffs. Where fees are prescribed by a professional body e.g. The Valuers Association etc., the Accounting Officers must ensure compliance without exception.
- 15.2 Consultancy services must be acquired through competitive bids if the value of the contract exceeds R500 000.00 (VAT included) or the duration period of the contract exceeds one (1) year.
- 15.3 In addition to any requirements by this Policy for competitive bids, bidders must furnish particulars of-
- 15.3.1 All consultancy services provided to an Organ of State in the last five (5) years. An Organ of State is defined as: *(National, Provincial and Local Government as well as Public Entities)*
- 15.4 Copy right of any document produced, also working papers e.g. questionnaires used, research to compile statistics etc., patent rights or ownership in any plant, machinery, system or process designed or devised by a consultant in the course of the consultancy services is vested in the Northern Cape Provincial Administration and will be managed by the Accounting Officer of a specific Department or Public Entity.

### **16. DEVIATION FROM ACQUISITION PROCESSES IN AN URGENT OR EMERGENCY SITUATION**

- 16.1 The Accounting Officer may deviate from the official acquisition processes established by this Policy and acquire any required goods / services through any convenient process, which may include direct negotiations in an extremely urgent or emergency situation. Service providers must be registered on the Provincial database.
- 16.2 Price quotations can be invited verbally, telephonically or per facsimile. The relevant parties in case of a verbal or telephonic quotation must confirm their offers in writing as soon as possible. The Accounting Officer must approve all relevant acquisitions and record reasons for audit purposes. All reasonable steps must be taken to ensure market related prices are obtained.

#### **Other deviations from acquisition processes**

- 16.2.1 If goods and services are produced or available from a single supplier only, the Accounting Officer must request the profit margin of the supplier to determine the reasonability of price quoted and compare the retail price of the goods as well to the quoted price.
- 16.2.2 Acquisition of special works of art or historical objects where specifications are difficult to compile.



- 16.2.3 Acquisition of animals and game. Current market related prices must be acquired to determine whether prices quoted are reasonable and documentation must be kept for audit purposes.
- 16.2.4 Reasons for deviations must be recorded for audit purposes.
- 16.2.5 A quarterly report must be supplied to Provincial Supply Chain Management on all deviations from acquisition processes as per policy.

## **17. UNSOLICITED BIDS**

- 17.1 The Accounting Officer should refrain from considering unsolicited bids received outside a normal bidding process as it eliminates transparent competitive acquisition processes.
- 17.2 If an unsolicited bid is considered due to an exceptional product benefit, or cost advantages or a person or company is the sole provider of a product or service the following procedure must be followed:-
  - 17.2.1 The Adjudication Committee must consider the unsolicited bid, the meeting must take into account any comments submitted by the public and have to acquire written inputs from Provincial Supply Chain Management prior to making a recommendation to the Accounting Officer.
  - 17.2.2 If any recommendations of the Provincial Supply Chain Management Unit are not followed, the Accounting Officer must submit to the Auditor-General and the Provincial Supply Chain Management Unit the reasons for rejecting or not following these recommendations. Such submissions must be made **before** any commitment is made or contract entered into. The Auditor-General and Provincial Supply Chain Management Unit will have 30 days from receiving the submission to provide inputs to the Accounting Officer during which period no contract may be concluded.

## **18. CONTRACTS PROVIDING FOR COMPENSATION BASED ON TURNOVER**

- 18.1 If a service provider acts on behalf of a Department / Public Entity to provide any service or act as a collector of fees, services charges or taxes and the compensation payable to the service provider is fixed as an agreed percentage of turnover for the service or amount collected, the contract between the service provider and Department / Public Entity must stipulate:
  - 18.1.1 a cap on the compensation payable to the service provider; and
  - 18.1.2 that such compensation must be performance based.

## **19. COMBATING OF ABUSE OF SUPPLY CHAIN MANAGEMENT (SCM) SYSTEM**

The Accounting Officer must establish measures in line with Northern Cape Provincial Supply Chain Management Policy for the combating of abuse of the Supply Chain Management system:

- 19.1 Take all reasonable steps to prevent abuse of the Supply Chain Management system;
- 19.2 Investigate any allegations against an official or other role player of corruption, favouritism, unfair or irregular practices, improper conduct or failure to comply with the Supply Chain Management policy & system, and when justified take steps against such official or other role player and inform Provincial Supply Chain Management of such steps; and
  - 19.2.1 report any alleged criminal conduct that may constitute an offence to the South African Police Services (SAPS).



- 19.3 Check National Treasury's Supplier's Database, available at Provincial Supply Chain Management prior to awarding any contract to ensure that no recommended bidder, nor any of its directors, is listed as companies or persons prohibited from doing business with the public sector.
- 19.4 Reject a proposal for the award of a contract if the recommended bidder or any of its directors have committed a corrupt or fraudulent act in competing for the particular contract.
- 19.5 Reject any bid from a bidder who during the last five (5) years has failed to perform satisfactorily on a previous contract with the NCPG or any other Organ of State after written notice was given to that bidder that performance was unsatisfactory.
- 19.6 Reject the bid of any bidder or any of its directors if it has abused the Supply Chain Management system of the NCPG or has committed any improper conduct in relation to the system and has been convicted for fraud or corruption during the past five (5) years.
- 19.7 Cancel a contract awarded to a supplier of goods or services if the supplier committed any corrupt or fraudulent act during the bidding process or the execution of the contract or 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.
- 19.8 Reject any bid from a supplier who fails to provide a valid original SARS tax clearance certificate as per requirement or proof from the South African Revenue Service that the supplier is registered for tax purposes and has no outstanding tax obligations or has made arrangements to meet outstanding tax obligations.
- 19.9 Accounting Officers must inform Provincial Supply Chain Management of any actions taken in terms of paragraph 26.

## **20. PROVINCIAL SUPPLY CHAIN MANAGEMENT (SCM) NON-COMPLIANCE MECHANISM**

Provincial Supply Chain Management established an institutional mechanism to receive grievances regarding non-compliance with the prescribed Supply Chain processes, procedures and policies. Enquiries will be conducted and recommendations made for remedial actions. Departmental grievances as well as suppliers' grievances will be addressed in line with the Northern Cape Provincial Framework for Non-Compliance and the Provincial Grievance mechanism and Committee.

## **21. COMPLIANCE WITH ETHICAL STANDARDS**

- 21.1 All officials and other role players in the Supply Chain Management (SCM) system must comply with the highest ethical standards in order to promote-
- 21.1.1 mutual trust and respect; and
  - 21.1.2 an environment where business can be conducted with integrity and in a fair and reasonable manner.
- 21.2 The National Treasury's Code of Conduct for Supply Chain Management Practitioners must be adhered to by all officials, Specifications-, Evaluation- and Adjudication Committee members and all other role players involved in Supply Chain Management (Annexure B). All officials must sign a copy of the Code of Conduct and copies thereof must be forwarded to Provincial Supply Chain Management for record purposes. If changes to the SCM organogram of any of the Committees are affected copies must be forwarded to Provincial Supply Chain Management.
- 21.3 A Supply Chain Management official, Committee member or other role player-
- 21.3.1 must recognize and disclose any conflict of interest that may arise;
  - 21.3.2 must treat all suppliers and potential suppliers equitably;
  - 21.3.3 may not use their position for private gain or to improperly benefit another person;

- 21.3.4 must ensure that they do not compromise the credibility or integrity of the supply chain management system through the acceptance of gifts or hospitality or any other act;
- 21.3.5 must be scrupulous in their use of public property; and
- 21.3.6 must assist Accounting Officers in combating corruption and fraud in the Supply Chain Management system.
- 21.4 If a Supply Chain Management official, Committee member or other role player, or any close family member, partner or associate of such official, Committee member or other role player, has any private or business interest in any contract to be awarded, that official, Committee member or other role player must:
  - 21.4.1 disclose that interest; and
  - 21.4.2 withdraw from participating in any manner whatsoever in the process relating to that contract.
- 21.5 An official in the Supply Chain Management Unit who becomes aware of a breach of or failure to comply with any aspect of the Supply Chain Management system must immediately report the breach or failure to the Accounting Officer in writing.

## **22. NATIONAL INDUSTRIAL PARTICIPATION PROGRAM**

An Accounting Officer must obtain clearance for a recommended bidder from the Department of Trade and Industry, in respect of contracts, which are subject to the National Industrial Participation Program of the relevant department.

## **23. REPORTING OF SUPPLY CHAIN MANAGEMENT (SCM) INFORMATION**

- 23.1 The Accounting Officer must submit to Provincial Supply Chain Management such information as indicated in the Policy within the timeframes indicated and in the required format.

## **24. DEBRIEFING OF UNSUCCESSFUL BIDDERS**

- 24.1 After notification of award to the successful bidder a non-compulsory session with unsuccessful bidders can be arranged and broad reasons for awarding the contract discussed.
- 24.2 Unsuccessful bidders can request in writing reasons for the awarding of a bid to a successful bidder. Written answers should be provided within 10 working days. If the explanation is unsatisfactory a request can be directed to Provincial Supply Chain Management compliance unit, the Public Protector and the Access to Information Act can be utilize to obtain a level of information that will not compromise government but encourage transparency.

## **C PART 3: LOGISTICS MANAGEMENT**

### **SYSTEM OF LOGISTICS MANAGEMENT**

- (a) The Accounting Officer must establish an effective system of logistics management in accordance with Provincial Supply Chain Management prescripts to provide for:-
  - 1.1 setting of inventory levels (if a warehouse system is used);
  - 1.2 coding of items;
  - 1.3 placing of orders;
  - 1.4 receiving and distribution of goods;
  - 1.5 ensure goods / services received comply with quality and quantity and other specifications;
  - 1.6 expediting orders;

- 1.7 transport management;
  - 1.8 vendor performance;
  - 1.9 maintenance; and
  - 1.10 contract administration
- (b) For fixed capital items (construction, road projects, immovable property) a similar process, *mutatis mutandis* has to be adopted i.e. appropriate classification, additions to asset and property register, valuation, maintenance, main use, etc. Take note of the Northern Cape Land Administration Act 6: 2002.
- (c) From this process the financial system is activated to generate payments.

***NB. A logistics system is in development process and will be rolled out in conjunction with National Treasury soon.***

#### **D PART 4: DISPOSAL MANAGEMENT AND LETTING OF STATE ASSETS**

- (a) The Accounting Officer must establish an effective system of disposal management for the disposal of unserviceable, redundant or obsolete state assets and take into account the Northern Cape Land Administration Act 6: 2002 when letting assets.
- (b) Obsolescence planning or depreciation rates per item required to be calculated.
- (c) Database of all redundant material and items is kept.
- (d) Material and items is inspected for potential re-use.
- (e) Determine a strategy of how the items are going to be disposed of.
- (f) Disposal of movable assets must be at market-related value utilizing price quotations, competitive bids or auction, whichever is most advantageous to the state, unless determined otherwise by the relevant treasury in conjunction with Provincial Supply Chain Management.
- (g) Any sale of immovable state property must be at market-related value, unless the relevant treasury approves otherwise.
- (h) An Accounting Officers may also:
  - (i) transfer assets to other organs of state at market-related value free of charge by means of formal vouchers or if so determine destroy the asset (e.g. expired medicine).
  - (i) An Accounting Officer must when disposing of computer equipment, firstly approach a state institution involved in education and / or training to determine whether such an institution requires such equipment and if so transfer such equipment free of charge to the identified institution.
  - (ii) An Accounting Officer must, when disposing of firearms, obtain the approval of the National Conventional Arm Control Committee.
  - (iii) The letting of immovable state property must be at market-related tariffs and in accordance with the Northern Cape Land Administration Act 6: 2002 unless Provincial Treasury approves otherwise. No state property may be let free of charge without the prior approval of Provincial Treasury. A register of all properties let must be kept, rental per month, method of collecting rental and rental agreement with occupant, all relevant expenses incurred on the property e.g. rates and taxes and maintenance. Property must be valued every five (5) years by a valuator that is a registered member of the South African Valuers Association.
  - (iv) The Accounting Officer must review, at least annually when finalizing the budget, all fees, charges, rates or scales of fees or other charges relating to the letting of state property to ensure sound financial planning and management.

- (v) Ensure where assets are traded in for other assets (e.g. MEC vehicles), the highest possible trade-in price is negotiated by approaching at least three (3) dealerships. If an acceptable trade-in value can't be negotiated the vehicle can be sold per bid or per auction whichever the most advantageous to NCPG also refer to Treasury Regulations

## **GENERAL**

Departments / Public Entities must ensure in line with Government's empowerment targets that at least seventy percent (70%) of the rand value of acquisitions is awarded to Black Empowerment Entities per financial year.

## **RISK MANAGEMENT**

- (a) 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.
- (b) Risk management must include-
  - (i) identification of risks on a case-by-case basis;
  - (ii) allocation of risks to the party best suited to manage such risks;
  - (iii) acceptance of the cost of the risk where the cost of transferring the risk is greater than that of retaining it;
  - (iv) management of risks in a pro-active manner and the provision of adequate cover for residual risks;
  - (v) assignment of relative risks to the contracting parties through clear and unambiguous contract documentation; and
  - (vi) risk management must form part of the business plan for the acquisition of all goods and services.

## **PERFORMANCE MANAGEMENT**

- (a) The Accounting Officer must establish an effective internal monitoring system in order to determine, on the basis of retrospective analysis, whether the prescribed and authorized Supply Chain Management process were followed and whether the desired objectives were achieved.
- (b) Some of the issues that must be reviewed are:
  - (i) achievement of goals;
  - (ii) compliance to norms and standards;
  - (iii) savings generated;
  - (iv) if a warehousing system is used, the stores efficiency;
  - (v) cost variance per item acquired over a financial year;
  - (vi) breach of contract;
  - (vii) vendor performance;
  - (viii) cost efficiency of acquisition process (i.e. the cost of the process itself);
  - (ix) whether departmental / public entity supply chain objectives are consistent with government's broader Policy focus;
  - (x) material construction standards become increasingly aligned with those standards that support international best practice;
  - (xi) the principle of co-operative governance as expounded in the Constitution are observed; and
  - (xii) reductions of regional economic disparities are promoted.

## **SPONSORSHIPS**

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

## **TIMEOUS PAYMENT OF ACCOUNTS**

It is deemed necessary to reiterate the timeous payment of accounts for goods, works and/or services delivered or partially delivered. The General Conditions of Contract prescribes that accounts must be paid within thirty-days (30) after delivery of goods and/or services. Concerns were raised that institutions are not fulfilling their obligations in this regard. Non-payment within the prescribed contractual limit may be regarded as breach of contract. Accounting officers/authorities are, therefore, urged to have the necessary measures in place to ensure that accounts are paid within the contractual time limit.

## **2.2 APPLICATION SCOPE**

This policy will apply to all officials of the Department of Environment and Nature Conservation.

## **3. POLICY FRAMEWORK**

### **3.1 IDENTIFICATION AND CONSULTATION OF STAKEHOLDERS**

Senior Management, Provincial Treasury

### **3.2 TIMEFRAMES**

The first analysis and alignment of the SCM policy was conducted and submitted to the Finance unit on April 16, 2010. The second draft which incorporated the inputs from the 1<sup>st</sup> Draft was submitted to the Finance unit on June 14, 2010. The third draft was submitted to the CFO's office on September 23, 2010. The Finance unit submitted the 3rd draft to Provincial Treasury for comments, and a response was received on November 09, 2010. The analysis and alignment of those inputs were finalized on February 16, 2011.

### **3.3 IMPLEMENTATION STRATEGY**

#### **ROLES, COMPILATION AND FUNCTIONALITY**

#### **3.3.1 ROLES**

##### **3.3.1.1 Specifications Committees**

- (i) The bid specifications committee must ensure that proper and unbiased (not brand specific) specification is compiled for the specific requirement.
- (ii) Proper terms of reference (TOR) are drawn-up for the service required that clearly indicate the scope of the requirement, the ratio between price and functionality, evaluation criteria as well as weights and values.
- (iii) Strategic sourcing principles were applied and that the market was properly researched and analyzed.
- (iv) The necessary funds are available.



- (v) If and when applicable, in addition to the General Conditions of Contract, appropriate Special Requirements and Conditions of Contract are specified.
- (vi) The preference point system prescribed and that appropriate goals are identified and points allocated for these goals are consistent with the requirements of the Preferential Procurement Regulations.
- (vii) Where appropriate, ranges have been set (indicating breakdown of the points / percentages as provided for in the relevant sliding scales for the selected specified goals)
- (viii) The specifications committee will annually approve and revise generic specifications e.g. stationery, general requisites but for other quotations and bids compile specifications per case.

#### **3.3.1.2 Bid Evaluation Committee**

- (i) To ensure compliance in line with policy e.g. Preferential Procurement Policy Framework Act and Regulations (point system, responsiveness of bids), Treasury Regulations Chapter 16A, SCM procedures, practice notes and the Northern Cape Provincial SCM Policy.
- (ii) Bids may only be evaluated in accordance with the evaluation criteria stipulated in the bid documentation. When any bid is passed over or regarded as non-responsive, the reasons for passing over such bid must be defensible in any court of law. Examples in this regard may include negative banking reports, non-submission of tax clearance certificates, not having the necessary capacity and/or capability, being listed on the Register for Tender Defaulters, etc. Deviation by more than a predetermined percentage from the cost estimate of the project/commodity cannot be regarded as a justifiable reason for the rejection of a bid and has, therefore, not been approved as an evaluation norm by the Provincial and National Treasury.

#### **3.3.1.3 Calculation of points**

- (i) The price submitted by the lowest acceptable bidder must be used in the formula as the basis (Pmin) when calculating the points for price. The Preferential Procurement Regulations, 2001, provides for the calculation of points for price and functionality when functionality is regarded as an important evaluation criterion. In such case the bidder who scored the highest points for price and functionality must score 80 or 90 points, while other bidders should score lower points out of 80 or 90 on a pro-rata basis. Preference points for HDI involvement may not be included as part of functionality, but should be provided for separately as part of the 10 or 20 points allocated for specific goals.
- (ii) Should, during any stage of the evaluation / or adjudication process, it becomes evident that the bidder who scored the highest number of points is an unacceptable or non-responsive bidder and this bidder also scored the highest points for price, the points scored by each bidder must be recalculated using the new lowest acceptable bidder's price as the basis (Pmin) for calculation purposes. Accounting officers / authorities are not allowed to award the bid to the bidder next-in-line as this may lead to an incorrect award of the bid. Recalculation of the points may result in a different bidder, other than the one who was next-in-line, scoring the highest number of points.
- (iii) Make recommendations to the bid adjudication committee. All recommendations must be signed by all committee members.
- (iv) Disputes must be referred to the Accounting Officer.

#### **3.3.1.4 Bid Adjudication Committee**

- (i) The Bid Adjudication Committee must consider the recommendations/reports of the Bid Evaluation Committee and depending on the delegated powers make;

- a final award; or
  - a recommendation to the accounting officer/authority to make a final award; or
  - make another recommendation to the accounting officer/authority on how to proceed with the relevant procurement.
- (ii) The Bid Adjudication Committee must ensure that:
- all necessary bid documents have been submitted;
  - disqualifications are justified and that valid and accountable reasons / motivations were furnished for passing over of bids;
  - scoring has been fair, consistent and correctly calculated and applied; and
  - bidders declarations of interest have been taken cognizance of.
- (a) If a bid other than the one recommended by the Bid Evaluation Committee is approved by the Bid Adjudication Committee, the accounting officer/authority or a senior official delegated by the accounting officer, must first be notified. The accounting officer/authority or the delegated official may after consideration of the reasons for the deviation, ratify or reject the decision of the Bid Adjudication Committee. If the decision of the Bid Adjudication Committee to approve a bid other than the one recommended by the Bid Evaluation Committee is ratified, the Auditor-General, the relevant Provincial Treasury must be notified of the reasons for deviating from such recommendation.
- The accounting officer/authority or his/her delegate may at any state refer any recommendation made by the Bid Evaluation Committee or the Bid Adjudication Committee back to that committee for reconsideration.
- (iii) The Bid Adjudication Committee must also consider and rule on all recommendations/reports regarding the amendment, variation, extension, cancellation or transfer of contracts awarded. Shortened advertising periods, deviations from procedures must be properly motivated and reflected in minutes.
- (iv) The Bid Adjudication Committee may also, if and when required to do so, consider for approval the recommendations of the Bid Specification Committee in order to ensure that:
- a proper and unbiased specification is compiled for the specific requirement;
  - proper Terms of Reference are drawn up for the service required clearly indicating the scope of the requirement, the ratio between price and functionality, the evaluation criteria as well as their weights and values;
  - strategic sourcing principles were applied and that the market was properly researched and analyzed;
  - the necessary funds are available;
  - if and when applicable, in addition to the General Conditions of Contract, appropriate Special Requirements and Conditions of Contract are specified;
  - the preference point system prescribed and that appropriate goals are identified and points allocated for these goals are consistent with the requirements of the Preferential Procurement Regulations; and
  - where appropriate, ranges have been set (indicating breakdown of the points / percentages as provided for in the relevant sliding scales for the selected specified goals).

### **3.3.2 COMPILATION AND FUNCTIONALITY**

#### **3.3.2.1 Membership in general and important procedural matters**



- In order to meet their obligations, committee members must be familiar with and adhere to all relevant SCM legislation, policy, guides, practice notes and circulars. All committee members must sign the SCM Code of Conduct and record must be kept.
- The integrity of supply chain practitioners must never be compromised and the highest level of professional competence must be maintained. Furthermore, courteous conduct is expected of all committee members.
- All members as well as the secretary of the Evaluation and Bid Adjudication Committees should be cleared at the level of "Confidential" by the accounting officer/authority and should be required to declare their business and financial interest annually.
- Each member as well as all officials rendering administrative support must sign a declaration form at each Evaluation and Bid Adjudication Committee meeting. Members are to declare that they will:
  - accept the confidentiality of the meeting;
  - not make known anything regarding the meeting, unless officially authorized; and
  - not purposefully favour or prejudice anybody.

**An example of such a declaration is attached as Annexure I**

- Members of all committees must be appointed in writing by the Accounting Officer, preferably for a period of two-years.
- Members of one committee may not serve on another committee or be co-opted on another committee.
- Any gifts must be declared or invitations by suppliers in a register kept by Departmental SCM.

**NOTE: NEITHER A MEMBER OF A BID EVALUATION COMMITTEE, NOR A CONSULTANT OR ADVISOR OR A PERSON ASSISTING THE EVALUATION COMMITTEE, MAY BE A MEMBER OF A BID ADJUDICATION COMMITTEE. ONLY APPOINTED GOVERNMENT OFFICIALS MAY SERVE ON ANY OF THE COMMITTEES NOT ADVISORS OR CONSULTANTS OR SHORT TERM CONTRACT WORKERS.**

- All committees must have an appointed chairperson and the evaluation and adjudication committee must have a vice chairperson appointed.
- Membership should be composed of cross-functional teams but on each committee at least one member must be a supply chain practitioner.
- As and when the need arises, additional officials or advisors can be co-opted on account of the specialized knowledge.

### **3.3.2.2 Specifications Committee**

- Two permanent members – one a Supply Chain Management practitioner.
- Co-opt three (3) to five (5) members depending on goods / services / commodities required.
- The Specifications Committee must compile specifications for goods / services / commodities to be acquired. Specifications must be generic no brand name, trademark or exclusive design may be used. (SABS specifications to be utilized when available or an accredited recognized South African institute).
- For consultancy services technical specifications and functionality must be taken into account.
- Performance requirements are preferred.
- Annually general specifications for stationery and other general requisites used continuously must be revised and approve to allow flow of work. For all other requirements (quotations or bids) specific specifications must be draft upon request.



- Specific goals for which points may be awarded in terms of the point system of Preferential Procurement Policy Framework Act Regulations of 2001 and in line with Provincial Policy Guidelines must be set out in bid documents. If a different preferential point system than the approved is used; the Accounting Officer must approve it as well as the final specifications or be delegated to the Adjudication Committee.
- External specialist advisors may be used – if so - they and their companies will however be prohibited from bidding.
- Minutes of each meeting according to format (**Annexure G**) must be kept and copies forwarded to Provincial Supply Chain Management monthly.

#### 3.3.3.3 Bid Evaluation Committee

- Seven (6) permanent members (**NOTE THEY MAY NOT BE MEMBERS OF THE SPECIFICATION COMMITTEE**) one Supply Chain Practitioner, a Finance Practitioner and three knowledgeable members in line with the line function of the relevant department.
- Members can be co-opted e.g. technical personnel per need.
- All permanent members are well versed with Supply Chain Management procedures, policy guidelines and practice notes.
- Minutes be kept according to template (Annexure G) and copies forwarded to Provincial Supply Chain Management monthly, not later than the 15<sup>th</sup> of the month. Members must declare interest in any bid to be evaluated before discussion of bid and excuse themselves from discussions.
- Evaluation must be done in accordance with specifications and evaluation criteria (points and other) set out in bid documents.
- Evaluate bidders' ability to execute the contract and ensure all forms are duly completed, declaration of interest completed and valid original SARS certificate attached.
- A report with recommendations properly motivated must be compiled, signed by all members and forwarded to the Head of Supply Chain Management for submission to the Adjudication Committee.
- Any disputes must be referred to the Accounting Officer.

#### 3.3.3.4 Bid Adjudication Committee

- 16 Six (7) permanent members inclusive of the Head of Supply Chain Management and the Chief Financial Officer who should preferably be the chairperson. The other four members should preferably be senior officials.
- 17 Members can be co-opted (only government officials) e.g. technical personnel to clarify technical or other related matters. If outside consultants are needed to provide inputs due to specialize knowledge **they can be co-opted for the purpose only** and inputs must be provided in writing and appended to the minutes of the meeting. Once they have provided their inputs, they must leave the meeting.
- 18 All permanent members are well versed with Supply Chain Management procedures, policies, guidelines and practice notes.
- 19 Minutes must be kept according to the template (Annexure G) and copies forwarded to Provincial Supply Chain Management monthly, not later than the 15<sup>th</sup> of the month.
- 20 Members must declare interest in any bid to be evaluated before discussion of the bid and excuse themselves from discussions – it must be recorded in the minutes.
- 21 Depending on the Committee's written delegations, make a final award or a recommendation to the Accounting Officer for the final award or how to proceed with the relevant acquisition.



- 22 If the chairperson and vice chairperson are absent from a meeting, the members of the Committee present must elect a chairperson to preside at the meeting.
- 23 **NOTE: NEITHER A MEMBER OF A BID EVALUATION COMMITTEE, NOR A CONSULTANT OR ADVISOR OR A PERSON ASSISTING THE EVALUATION COMMITTEE, MAY BE A MEMBER OF A BID ADJUDICATION COMMITTEE. ONLY APPOINTED GOVERNMENT OFFICIALS MAY SERVE ON ANY OF THE COMMITTEES NOT ADVISORS OR CONSULTANTS OR SHORT TERM CONTRACT WORKERS.**
- 24 If the Adjudication Committee deviates from the recommendations of the Evaluation Committee within their delegated authority to directly award bids it must be fully motivated and the Accounting Officer notified to ratify the decision, Provincial Treasury must be informed as well as the Auditor-General.
- 25 The Accounting Officer may at any stage of the bidding process refer any recommendation made by either the Evaluation- or Adjudication Committee back to that Committee for reconsideration.

The implementation date for this policy is \_\_\_\_\_

### 3.4 FINANCIAL IMPLICATIONS

Implementation of the Supply Chain Management policy rests with the financial management (SCM) unit, with the cooperation of other line functions (programmes)

### 3.5 COMMUNICATION

#### OVERSIGHT ROLE OF PROVINCIAL SUPPLY CHAIN MANAGEMENT (SCM) UNIT IN PROVINCIAL TREASURY

- 3.5.1 The Provincial Supply Chain Management Unit must maintain oversight over the implementation of this Policy within the Province.
- 3.5.2 For the purpose of oversight the Accounting Officer of each Department / Public Entity must:
- (i) Within 15 days of each month submit a report on progress made with the implementation of Supply Chain Management of the Department / Public Entity as well as the monthly questionnaire on all acquisitions awarded exceeding R100 000.00 per case VAT included on prescribed formats **(Annexure C)** as well as reports and minutes of bid Adjudication Committee meetings referred to in paragraph 4.2 (d) of the Policy.
- 3.5.3 A Supply Chain Management mechanism for dealing with non-compliance by service providers has been established in the Provincial Supply Chain Management Unit in Provincial Treasury in accordance with the Framework for Supply Chain Management, section 76 (4)(c) of the PFMA. The aim is to:
- (i) receive and consider complaints regarding alleged non-compliance with the present minimum norms and standards;
  - (ii) make recommendations for remedial actions to be taken if non-compliance of any norms and standards is established, including recommendations of criminal steps to be taken in the case of corruption, fraud or other criminal offences. **(Annexure D – Policy Guidelines in Detail).**
  - (iii) Departments / Public Entities must maintain a complaints register – minimum information; date complaint is received, complainant details, actions taken and conclusion.
- 3.5.4 Provincial Supply Chain Management will maintain a provincial database of all suppliers for the delivering of goods and services, update the database continuously and made it available to all departments / public entities. It is compulsory to utilize the Provincial Supply Chain Management database for all procurements; (i.e. petty cash purchases, quotations, urgent & emergency cases and deviations) except when bid procedures are followed.

### 3.6 COMPLIANCE, MONITORING AND EVALUATION (M&E)

#### 3.6.1 COMPLIANCE

The Provincial SCM Unit will review the Policy continuously according to National Treasury's prescripts, Provincial needs and applicable legislation. Practice notes will be issued to communicate changes.

Establishment of Supply Chain Management Units within the Office of the Chief Financial Officers and implement at least the generic organogram appended as **Annexure A**.

Training of Supply Chain Management Practitioners must be done in accordance with programmes made available by accredited suppliers in consultation with the Provincial Supply Chain Management Unit in the Provincial Treasury. This is aligned with the framework for Minimum Training and Deployment issued by National Treasury:

- (a) In order to develop officials for a career in Supply Chain Management, provision should be made for the following types of training:
  - (i) Introduction to supply chain management.
  - (ii) Intermediate training with the focus on intensive training in all the elements of supply Chain Management.
  - (iii) Advanced training that includes specialist skills within each element of Supply Chain Management.
  - (iv) Special training courses for Senior Management (Director's upwards).
- (b) Target audience:
  - (i) Practitioners who are involved with the day-to-day operations of Supply Chain Management.
  - (ii) New entrants irrespective of level at which they are appointed.
  - (iii) Senior Management (SMS).

#### 3.6.2 DELEGATION OF SUPPLY CHAIN MANAGEMENT (SCM) POWERS AND DUTIES

The Accounting Officer must delegate appropriate powers and duties to the Chief Financial Officer to enable the Chief Financial Officer to re-delegate appropriate powers and duties to the Head of Supply Chain Management to enable the Head of Supply Chain Management to:

- (a) Discharge the Supply Chain Management responsibilities conferred to him/her in terms of-
  - (i) PFMA, sections 76 4(c) and 38 (1)(iii);
  - (ii) Regulations in terms of the Public Finance Management Act, 1999 and Framework for Supply Chain Management;
  - (iii) Chapter 16A of the Treasury Regulations;
  - (iv) Preferential Procurement Policy Framework Act (5: 2000) and Regulations;
  - (v) Provincial Supply Chain Management Policy;
  - (vi) Practice Notes issued by Provincial Treasury; and
  - (vii) All other applicable legislation.
- (b) To maximize administrative and operational efficiency in the implementation and execution of the Supply Chain Management Policy.
- (c) To enforce cost-effective measures, and transparency for the prevention of fraud, corruption, favouritism and unfair and irregular practices in implementing and executing Supply Chain Management Policies.
- (d) To ensure all Supply Chain Management practitioners as well as Specification, Evaluation and Adjudication Committee members agree in writing to adhere to the published Code of Conduct (**Annexure B**) in all respects.

- (e) All delegations must be done in writing and revised annually by the Accounting Officer, Chief Financial Officer and Head of Supply Chain Management.
- (f) Accounting Officer to annually certify that all Supply Chain Management practitioners are appropriately trained and to forward the certificate to Provincial Supply Chain Management and Provincial Treasury.

**NOTE THAT ACCOUNTING OFFICERS SHALL NOT DELEGATE OR SUB-DELEGATE ANY SUPPLY CHAIN MANAGEMENT (SCM) POWERS OR DUTIES TO A PERSON WHO IS NOT AN OFFICIAL OF THE DEPARTMENT / PUBLIC ENTITY OR TO A COMMITTEE WHICH IS NOT EXCLUSIVELY COMPOSED OF OFFICIALS OF THE DEPARTMENT / PUBLIC ENTITY.**

**THE ONLY OFFICIALS WHO WILL ATTEND ALL COMMITTEE MEETINGS IN AN ADVISORY CAPACITY IS FROM THE PROVINCIAL SUPPLY CHAIN MANAGEMENT (SCM) UNIT IN PROVINCIAL TREASURY. SPECIALIST TECHNICAL ADVISORS CAN BE CO-OPTED TO ADVISE COMMITTEES ON RELEVANT MATTERS ONLY. NO SUPPLY CHAIN DECISION-MAKING POWERS MAY BE DELEGATED TO AN ADVISOR OR CONSULTANT.**

### 3.6.3 SUB-DELEGATIONS

- (a) The power to make a final award for any acquisition exceeding R10 million (VAT included) [total cost e.g. equipment life cycle cost] may not be sub-delegated by the Accounting Officer; or
  - (b) Above R2 million (VAT included), but not exceeding R10 million (VAT included), may be sub-delegated only to-
    - (i) a bid Adjudication Committee of which the Chief Financial Officer or a senior manager is a member; **or**
  - (c) Not exceeding R2 million (VAT included) **may be sub-delegated** but only to-
    - (i) the Chief Financial Officer;
    - (ii) a Senior Manager;
    - (iii) a manager directly accountable to the Chief Financial Officer (e.g. Head of Supply Chain Management); or
    - (iv) Preferably to a bid Adjudication Committee.
- 19 An official or bid Adjudication Committee to which the power to make final awards has been sub-delegated in accordance with paragraph 4.2 (b) and 4.2 (c) of this Policy must forward a written report or minutes of the bid Committee meeting containing particulars of each final award made during that month to the Accounting Officer and or Chief Financial Officer if applicable and Provincial Supply Chain Management (SCM) in Provincial Treasury not later than the 15<sup>th</sup> of the following month. The reports / minutes must include:
- (i) the amount of each award;
  - (ii) the name of the company, person, partnerships, close corporation to whom the award was made; and
  - (iii) the reason why the award was made to the specific company, person, partnership, close corporation etc. or
  - (iv) the minutes of the bid Committee meetings must include the above [paragraph 4.2 (d) (i), (ii) & (iii)] as well as attendance, quorum, disclosure of interest of any member if applicable in any bid presented for discussion.

NOTE: SUB PARAGRAPH 4.2 (d) DOES NOT APPLY TO ACQUISITIONS OUT OF PETTY CASH.

### 3.7 POLICY REVIEW

The Provincial SCM Unit will review the Policy continuously according to National Treasury's prescripts, Provincial needs and applicable legislation. Practice notes will be issued to communicate changes. The contact person for this policy will be required to submit all relevant information pertaining to this policy in

conjunction with a signed memo with all amendments (addition or omission) during the third quarter annually.

**The exception**, the Policy development unit will be conducting all extenuating reviews throughout the year, therefore it is paramount that any new information received be submitted to this unit, in order to coordinate the review process of this policy.

### 3.8 POLICY IMPACT

The desire of this document is to ensure that the Accounting Officer takes all reasonable steps to ensure his or her Department implements the Supply Chain Management Policy. This policy aspires that provision be made for Demand Management, Acquisition Management, Logistics Management, Asset Management, Disposal Management, Risk Management, Regular assessment of Supply Chain Performance and Transport Management (optional).

This document aspires to outlines the procedures to be followed in handling grievances and to avoid corrupt practices/ mismanagement of the Departments finances. The desire of this policy is to conform to Provincial legislation by enforcing Treasury regulations which guard against corruption and mismanagement of Departmental funds.

### 3.9 INTERIM MEASURES

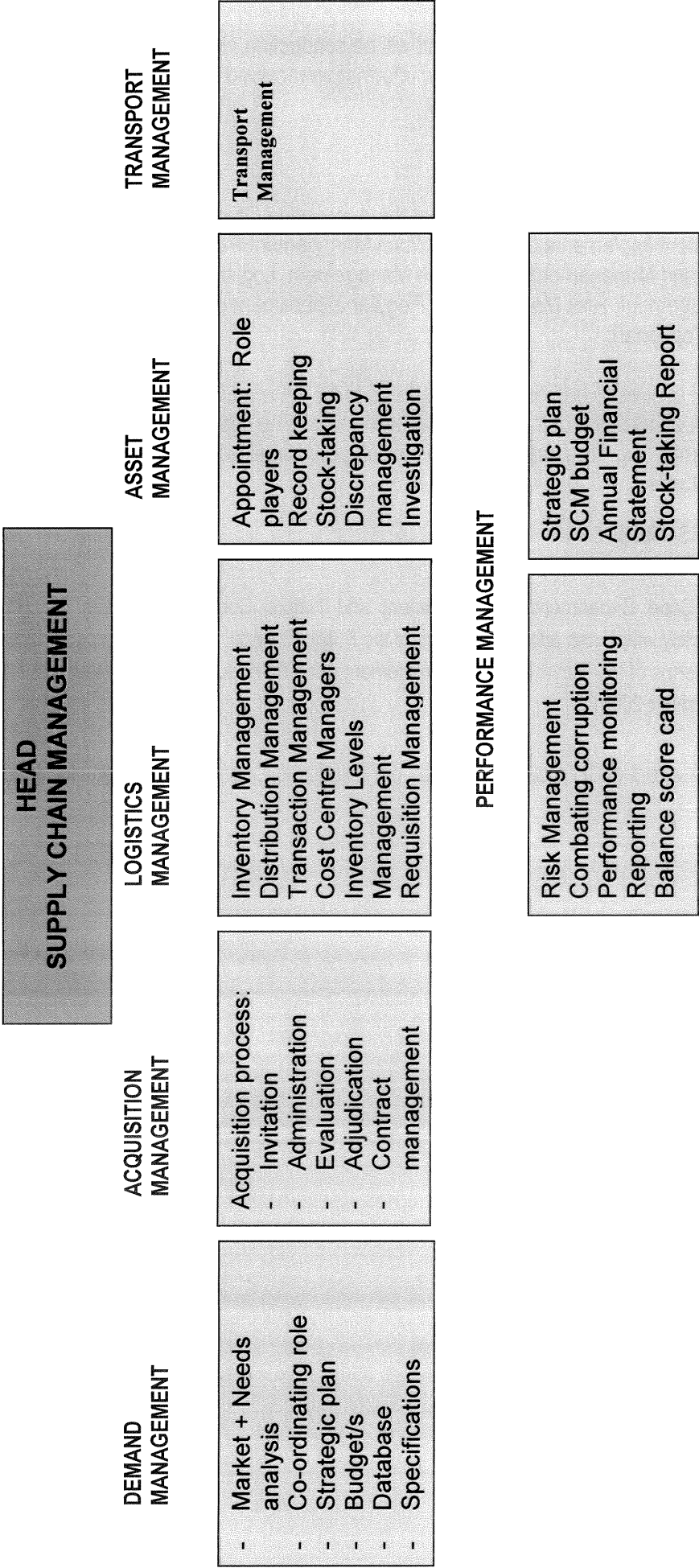
The Northern Cape Department of Environment and Nature Conservation uses the Provincial Supply Chain Management policy which was adopted in terms of the Public Finance Management Act, 1999 (Act 29 of 1999) and Regulations in terms of the Public Finance Management Act (1999), published in Government Gazette No. 25767, vol. 462 on 05 December 2003.

The policy took effect on 01 October 2008 as per Executive Council Resolution No. 48/2006(4).



SUPPLY CHAIN MANAGEMENT UNIT

(GENERIC ORGANOGAM TO BE IMPLEMENTED)



**CODE OF CONDUCT  
FOR SUPPLY CHAIN MANAGEMENT  
PRACTITIONERS**

In accordance with the Framework for Supply Chain Management (Section 76(4)(c) of the PFMA) that was promulgated in Government Gazette Number 25767 on 05 December 2003 as Treasury Regulations, National Treasury is required to issue a Code of Conduct for Supply Chain Management Practitioners that should be adhered to by all officials and other role players involved in supply chain management.

**1. General Principles**

- 1.1 The Government of South Africa commits itself to a policy of fair dealing and integrity in the conducting of its business. The position of a supply chain management (SCM) practitioner is, therefore, a position of trust, implying a duty to act in the public interest. Practitioners should not perform their duties to unlawfully gain any form of compensation, payment or gratuities from any person, or supplier/contractor for themselves, their family or their friends.
- 1.2 Practitioners should ensure that they perform their duties efficiently, effectively and with integrity, in accordance with the relevant legislation and regulations including the Public Service Regulations issued by the Department of Public Service and Administration, National Treasury Regulations and Practice Notes and directives issued by accounting officers/authorities. They should ensure that public resources are administered responsibly.
- 1.3 Practitioners 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.
- 1.4 Practitioners should comply with the Code of Conduct for the Public Service as contained in Chapter 2 of the Public Service Regulations, 2001 especially items C4.5 to C4.12 and C5.3 to C5.4 thereof.

**2. Conflict of interest**

- 2.1 SCM practitioners, to the extent required by their position, should declare any business, commercial and financial interests or activities undertaken for financial gain that may raise a possible conflict of interest.
- 2.2 They should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.
- 2.3 Practitioners 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 accounting officers/authorities or their delegates have the authority to commit the government 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.

#### **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 government or its suppliers should be protected at all times. No information regarding any bid/contract/bidder/contractor may be revealed if such an action will infringe on the relevant bidder's/contractor's personal rights.
- 5.2 Matters of confidential nature in the possession of supply chain practitioners should be kept confidential unless legislation, the performance of duty or the provisions of law requires otherwise. Such restrictions should also apply after separation from service.

#### **6. Bid Evaluation / Adjudication Teams**

- 6.1 Bid evaluation/adjudication teams should regulate supply chain management on behalf of the institution in an honest, fair, impartial, transparent, cost-effective and accountable manner in accordance with the accounting officer's/authority's directives/delegated powers.
- 6.2 The evaluation/adjudication team may be authorized to deal with all supply chain management matters and finalise bids/price quotations in accordance with the directives/delegated powers of the accounting officer/authority.
- 6.3 Bid evaluation/adjudication teams 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.
- 6.4 All members of bid adjudication teams should be cleared at the level of "CONFIDENTIAL" and should be required to declare their financial interest annually.
- 6.5 No person should-
- 6.5.1 interfere with the supply chain management system on an institution; or
- 6.5.2 amend or tamper with any 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 lower quotations;
- (ii) Reference to non-existent competition;
- (iii) Exploiting errors in bids;
- (iv) Soliciting bids from bidders whose names appear on the list of restricted bidders/suppliers/persons.



## REPORTING OF SUPPLY CHAIN MANAGEMENT INFORMATION

## MONTHLY REPORTING QUESTIONNAIRE

(To be completed for each contract awarded **EXCEEDING R100 000** including VAT)

NB: Reports in respect of each contract awarded during the month must be submitted within 15 days of the end of each month

1	Name of Department	
2	Contract Number	
3	Contract Date	
4	Contract Description / Commodity	
5	Name of Contractor	
5.1	Contact number of contractor:	
5.2	Company Registration number:	
5.3	Personal Identification number (ID):	
5.4	Tax number:	
6	Percentage equity ownership by black persons (no franchise prior to elections) based on information furnished on Standing Bidding Document (NCP) 6.1	
7	Percentage equity ownership by black women based on information furnished on NCP 6.1	
8	Percentage equity ownership by white women based on information furnished on NCP 6.1	
9	Outsourced / subcontracted business to small businesses as a percentage of annual turnover based on information furnished on NCP 6.1, if applicable	
10	% local content of final product in relation to the bid price based on the information furnished on NCP 6.4, if applicable	
11	Total contract price [A]	R
12	Total price of lowest acceptable bid (price of bid scoring the highest points for price) [B]	R
13	Premium paid to promote specified goals [C = (A-B)]	R
14	Percentage premium paid (C/B x 100)	%

INFORMATION FURNISHED BY: \_\_\_\_\_

DATE: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

DESIGNATION: \_\_\_\_\_

## PROVINCIAL SUPPLY CHAIN MECHANISM FOR DEALING WITH NON-COMPLIANCE

### 1. DEFINITIONS AND APPLICATION

#### 1.1 Definitions

The words and expressions set out below should have the meanings assigned to them, unless the context indicates a different intention-

**"ACT"** means the Public Finance Management Act, (PFMA) 1999 (Act No. 1 of 1999)

**"Aggrieved party"** means any potential bidder whose interests is injuriously affected and can demonstrate direct loss as a result of the relevant institution's non-compliance with Supply Chain Management norms and standards.

**"Business days"** means Monday through to Friday, excluding weekends and public holidays.

**"GRC"** means the Grievance Review Committee, appointed by the relevant Treasury's Accounting Officer.

**"Grievance"** means a dissatisfaction regarding non-compliance with the prescribed Supply Chain Management process

**"Head of Treasury"** means the Minister of Finance in the case of National Government and the MEC of Finance: Northern Cape Provincial Government.

**"Institution"** means a department, constitutional institution or public entity listed in Schedule 3A and 3C of the PFMA.

**"Mechanism"** means a system for dealing with grievances arising from Non-Compliance to Supply Chain Management prescribed norms and standards

**"Norms and standards"** means all Supply Chain Management (SCM) prescripts, practice notes, circulars and directives issued by the Provincial Treasury

**"Northern Cape Provincial Treasury"** means the Northern Cape Provincial Treasury established in terms of the PFMA

**"Resolve"** means to settle a grievance by a party in accordance with the grievance mechanism. **[NOTE: It doesn't necessarily mean the settlement will be favourable to the aggrieved party.]**

#### 1.2 Application

This mechanism applies to all-

- (a) Provincial departments;
- (b) Constitutional institutions; and
- (c) Public Entities listed in Schedules 3A and 3C to the Act

### 2. PROVINCIAL DEPARTMENTAL GRIEVANCE REVIEW COMMITTEE (DGRC) FRAMEWORK

In accordance with the framework for Supply Chain Management (SCM) sections 76 4 (c) and 38 (1)(iii) of the Public Finance Management Act (PFMA) that was promulgated in Government Gazette Number 25767 on the 05 December 2003 included as Chapter 16A in the Treasury Regulations published in conjunction with the PFMA, states that:

9(3) *The Provincial Supply Chain Management Unit must establish a mechanism:*

- (a) *to receive and consider complaints regarding alleged non-compliance with the presented minimum norms and standards; and*
- (b) *to make recommendations for remedial actions to be taken if non-compliance of any norms and standards is established, including recommendations of criminal steps to be taken in the case of corruption, fraud or other criminal offences.*

### **3. NON-COMPLIANCE MECHANISM**

- (a) The framework for Supply Chain Management mandates the establishment of an institutional mechanism to receive grievances regarding non-compliance to the prescribed supply chain process, conduct enquiries and to make recommendations for remedial action.
- (b) In dealing with a grievance, the established mechanism should determine whether government departments responsible for the supply chain management process under review has complied with the supply chain management procedural requirements.

#### **3.1 Grievances regarding alleged non-compliance with minimum SCM norms and standards**

- (a) An aggrieved party who considers that:
  - (i) The solicitation of expression of interest through quotations was in breach of minimum Supply Chain Management norms and standards;
  - (ii) The advertisements of bids and expression of interests were not made in accordance with Provincial Treasury Supply Chain Management directives;
  - (iii) The awarding of a government contract was made in breach of the Supply Chain Management procurement policy and processes;
  - (iv) The Department is in breach of the terms and conditions of the existing contract.
- (c) Aggrieved department / institution who consider that a service provider is in breach of the terms and conditions of the existing contract.

#### **3.2. Scope of the Mechanism**

##### **3.2.1 Demand / Acquisition Management**

- (i) Grievances relating to the management of departmental demand / acquisition planning regarding the timing and specifications of the solicitation of expression of interest through quotations, advertisements of bids and expressions of interests restrict potential bidders from reasonable business planning and application of interest.
- (ii) Grievances relating to the minimum norms and standards in the awarding process of Supply Chain contracts.

##### **3.2.2 Logistics Management**

Grievances relating to the contractual logistics process in the coding of items, setting of inventory levels, placing of orders, receiving and distribution, stores / warehouse management, expediting orders, transport management and supplier performance.

##### **3.2.3 Disposal Management**

Grievances relating to quotation, bidding processes and contractual practices regarding disposal and letting of assets.

### 3.2.4 Code of conduct for Officials of a Department

Grievances relating to the conduct of Supply Chain Management officials regarding:

- (i) The acceptance of gifts or hospitality or any act liable for the preferential treatment of a potential or current service provider within the supply chain management process;
- (ii) Unfairness and partiality in the performance of duties;
- (iii) Affording of undue preferential treatment to any group or individual or unfairly discriminating against any group or individual.

## 4. RESPONSIBILITIES OF ACCOUNTING OFFICERS

The Public Finance Management Act bestows the implementation responsibility of the Supply Chain function to Accounting Officers or accounting authorities, which includes the cooperation with Provincial Treasury's supply chain management unit to institute a grievance mechanism (grievance review committee) within the supply chain management system.

Accounting Officers or accounting authorities must institute a mechanism for the management of non-compliance with the Supply Chain Management system or the procedures associated with the procurement system, and when justified:

- (i) Take steps against such business entity, official or other role player, and inform the Provincial Treasury's Supply Chain Management Unit of such steps;
- (ii) Report any conduct that may constitute an offence to the South African Police Services; and
- (iii) Maintain a register of all grievances received, outcomes of investigations, and remedial actions taken relating thereto.

## 5. INSTITUTIONAL MECHANISM IN DEALING WITH SUPPLY CHAIN NON-COMPLIANCE

### 5.1 Grievances Resolution Process Management

**For grievances arising from the Supply Chain Management process within a department, the following institutional process is to be followed:**

#### **Phase 1: Inquiry**

Grievances relating to any aspect of the Supply Chain process need to be directed to the relevant Supply Chain Officer of the relevant Department. The aggrieved party will register its concern on the standard grievance registration form (See Annexure D).

The parties shall make every effort to resolve amicably such inquiry by mutual consultation within five (5) working days.

#### **Phase 2: Request for Mediation**

If the 'Inquiry' in Phase 1 failed to resolve the grievance by mutual consultation, a mediation process will be instituted. The aggrieved party will note its concern in writing to the Supply Chain Management Unit of the relevant Department and Accounting Officer.

On receipt of the grievances, its Office will institute a Supply Chain Management grievance review committee, consisting of cross-functional senior and supply chain officials not involved in the grievance within the department as committee members. The departmental grievance review committee will identify the relevant role-players in the grievance, to review and mediate all grievances as per case within the Supply Chain Management system.



The Supply Chain Management departmental grievance review committee will resolve the dispute within ten (10) working days of it having been referred to the committee.

Where the dispute involves a current service provider, notwithstanding any reference to mediation / arbitration, and/or court proceedings herein, the parties shall continue to perform their respective obligations under the contract unless otherwise decided in terms of the provisions of the 'Government Procurement General Conditions of Contract'.

### *Phase 3: Utilization of the Northern Cape Provincial Grievance Review Committee*

Utilization of the formal Grievance Mechanism issued in terms of Treasury Regulations 16A9.3

If the department cannot resolve the grievance then the supplier/department must refer the grievance to Provincial Supply Chain Management who instituted a formal provincial grievance mechanism in terms of Treasury Regulations 16A9.3

## **6. ROLE OF THE TREASURIES IN MANAGING THE OUTCOMES OF THE SUPPLY CHAIN MANAGEMENT NON-COMPLIANCE MECHANISM**

- (i) Accounting Officers will report all filed grievances / mediation / arbitration process outcomes and court verdicts relating to the Supply Chain Non-compliance Management Mechanism as and when to the Provincial Treasury Supply Chain Management Compliance Unit (Norms and Standards) for policy control measure purposes; or to utilize the Northern Cape Provincial Grievance Review Committee to preside over a grievance lodged.
- (ii) Service providers found guilty of corruption, fraud or other criminal offences through the Supply Chain Non-compliance Management Mechanism, and thereafter convicted by a court of law, will be restricted from government contracting in terms of "The Prevention and Combating of Corrupt Activities Act", No. 12 of 2004. Registrar for Tender Defaulters, at National Treasury and Provincial Treasury and will be accessible to the public.

## **7. PROVINCIAL GRIEVANCE REVIEW COMMITTEE (PGRC) FRAMEWORK**

### **7.1 ROLES AND RESPONSIBILITIES**

#### **7.1.1 Northern Cape Provincial Treasury**

The Provincial Treasury shall-

- (a) institute grievance mechanism within National Treasury's prescripts and may issue further practice notes to provincial institutions;
- (b) review grievances, conduct inquiries and make recommendations on remedial action with respect to provincial institutions and where the grievance is in respect of provincial transversal contracts;
- (c) maintain a record of all grievances and the outcomes thereof within their jurisdiction;
- (d) report all grievances and outcomes to the National Treasury;
- (e) provide administrative function to the grievance review committee; and
- (f) report all deviations to the National Treasury and the Auditor-General within twenty (20) business days of notification by the accounting officer concerned.

### 7.1.2 Accounting Officers or Authorities

The PFMA bestows the implementation responsibility of the Supply Chain Management function to Accounting Officers or Authorities, which would necessitate co-operation with the Northern Cape Provincial Treasury to institute a grievance mechanism within the Supply Chain Management system. Accounting Officers or Authorities shall-

- (a) receive grievances and submit to the Northern Cape Provincial Treasury for review;
- (b) implement remedial action as recommended by the Northern Cape Provincial Treasury;
- (c) notify the relevant treasury of the steps taken regarding the recommendation.;
- (d) where there is deviation from the recommendation, provide substantial motivation within ten (10) business days to the Northern Cape Provincial Treasury; and
- (e) report any conduct that may constitute a criminal offence to the South African Police Services.

## 8. COMPOSITION AND POWERS OF THE GRIEVANCE REVIEW COMMITTEES

### 8.1 Grievance Review Committee (GRC)

- (a) The committee shall be a cross-functional team consisting of public servants with Legal, Financial and Supply Chain Management expertise at senior management level.
- (b) The GRC shall consist of at least five (5) members to be appointed by the Head of the Northern Cape Provincial Treasury or his or her delegate.
- (c) The members of the committee should not be members of any bid committees.
- (d) The Head of the Northern Cape Provincial Treasury or his or her delegate shall appoint the chairperson and deputy chairperson from the members of the committee.
- (e) The members appointed shall serve for a minimum period of two (2) years but not exceeding three (3) years.
- (f) The committee should be established within the existing Supply Chain Management compliance structure in the Northern Cape Provincial Treasury.
- (g) The chairperson of the committee may co-opt advisors from within or outside the Public Service where necessary.

### 8.2 Advisors

- (a) Any person co-opted, as an advisor may not be involved in decision-making
- (b) A person co-opted as an advisor who is not an employee in the public service may be remunerated at the rate prescribed by the Minister of Public Service Administration in consultation with the Northern Cape MEC of Finance.
- (c) An advisor must declare to the Committee any conflict of interest, including amongst others-
  - (i) his or her status as an interested or affected party to the grievance; or
  - (ii) the fact that he or she provided advice to the aggrieved party in respect of the matter in discussion

### 8.3 Powers of the Grievance Review Committees

- (a) The GRC may, amongst others, recommend the following remedies to the grievances:



- (i) issuance of a new solicitation;
  - (ii) the re-evaluation of a bid;
  - (iii) the termination of a contract; and
  - (iv) the re-award of a contract to the aggrieved party.
- (b) Where a notice is received prior to the contract award, the relevant committee may postpone any award until the resolution of the grievance.
  - (c) Where delaying the award would be contrary to the public interest, the review should continue without delaying the performance of a contract.
  - (d) Where there is deviation from the recommendation of the GRC, the matter should be reported to the Auditor-General.
  - (e) Where the aggrieved party decides to approach the court for the grievance under review, the GRC shall terminate the review process with immediate effect.

## **9. BASIS FOR FILING GRIEVANCES REGARDING NON-COMPLIANCE**

The following shall constitute, amongst others, the basis for filing grievances in relation to non-compliance with Supply Chain Management norms and standards.

- 9.1 An aggrieved party who considers that the drawn specification and the solicitation of expression of interest through quotation and bids, is in breach of the prescribed minimum norms and standards.
- 9.2 The advertisements of bids and the expression of interests were not made in accordance with prescribed minimum norms and standards.
- 9.3 The award of a government contract was not conducted in accordance with the prescribed minimum norms and standards.
- 9.4 The institution has not acted in accordance with the terms and conditions agreed upon in the existing contract.
- 9.5 The disposal of redundant or obsolete goods was not conducted in terms of the prescribed minimum norms
- 9.6 A public official has not acted in accordance with the Code of Conduct for Supply Chain Management Practitioners.

## **10. GRIEVANCE FORMAT**

- 10.1 The standard format for filing of a grievance should be in writing and should at least contain the following information:
  - (a) The identity of the aggrieved party that filed the objection;
  - (b) The bid or contract concerned;
  - (c) The institution responsible for the requirements or awarding of the contract;
  - (d) A clear and detailed statement of the grounds of the grievance and nature of interest of the bid;
  - (e) The events surrounding the grievance; and
  - (f) The address, telephone numbers, faxes numbers and the contact person to which all the correspondence regarding the grievance may be sent.
- 10.2 The aggrieved party should also make available all information and documents applicable to the grievance.
- 10.3 The grievance may be submitted by registered mail, electronically or courier, or may be delivered in person.



## **11. GRIEVANCE RESOLUTION PROCESS**

The following process should be followed in the event of a grievance arising from non-compliance with the Supply Chain Management process within an institution:

### **11.1 Grievance Review Process**

- (a) Grievances relating to any aspect of the supply chain process shall be directed to the relevant treasury;
- (b) The aggrieved party may submit its grievance in writing or make use of the available grievance form;
- (c) The aggrieved party should also make available all the relevant supporting information and documents relating to the grievance;
- (d) On receipt of the grievance, the relevant treasury should acknowledge receipt and assign a file number for future reference;
- (e) The Northern Cape Provincial Treasury should evaluate, within five (5) business days, the grievances received to determine the merit of the grievance;
- (f) Where it is determined that the grievance is trivial, frivolous, vexatious or without merit, the Northern Cape Provincial Treasury may dismiss the grievance and notify the aggrieved party in writing together with reasons thereof;
- (g) Should treasury decide to conduct the review, the Northern Cape Provincial Treasury should notify the Accounting Officer or Authority of the institution concerned that the aggrieved party has referred the matter at issue for review;
- (h) On receipt of the notification from the Treasury, the Accounting Officer or Authority should respond within five (5) days with a statement that fully answers to all the issues that form the basis for the grievance;
- (i) The Treasury may obtain legal or technical advice or assistance when necessary;
- (j) In conducting the review, the GRC may reach its decision on remedial action to be taken through the consideration of the written submissions;
- (k) The GRC should then notify the Accounting Officer or Authority of its findings and recommendations.
- (l) On receipt of the Accounting Officer or Authority's response to the recommendations, the treasury may inform the aggrieved party.

### **11.2 Grievance Recourse**

Nothing herein contained shall exclude the aggrieved party's rights from applying to the competent court for urgent relief.

### **11.3 Time Frames for Filing and Reviewing Grievances**

The process of resolving grievances may delay the acquisition or delivery of goods and services required by the Government. Thus it is essential that time limits for filing and reviewing grievances should be set to avoid the adverse impact of delays.

These time limits provide anyone wishing to express a grievance with a reasonable opportunity to make a submission.

- (a) For grievances relating to the pre-award process, the aggrieved party may file a grievance within ten (10) business days after he or she became aware of the basis of the grievance but it should be done within the stipulated validity period of the bid.



- (b) For grievances relating to the post-award process, the aggrieved party may file a grievance within ten (10) business days after he or she became aware of the basis of the grievance, but it should preferably be done before the commencement of the contract.
- (c) Where possible treasury should complete the review process within ten (10) business days.
- (d) Treasury may extend any time period set out herein where there exist exceptional circumstances and consideration of fairness is required but not exceeding thirty (30) business days.

#### 11.4 **Withdrawal of grievance**

Should the parties resolve the grievance at any time during the process or an aggrieved party decides not to pursue the grievance any further, the grievance may be withdrawn.

#### 11.5 **Dismissal of grievance**

The grievance may be dismissed where, after consideration, it is determined that -

- (a) The grievance has no valid basis;
- (b) The grievance is not in respect of an acquisition by a government institution;
- (c) The grievance is not filed within the time limits set in this mechanism; and
- (d) The aggrieved party has failed to provide information required by Treasury.



## NORTHERN CAPE PROVINCIAL GOVERNMENT

## PROVINCIAL SUPPLY CHAIN MANAGEMENT

## APPLICATION FOR FILING A GRIEVANCE

Registration No.: Bid/Contract No.; Grievance No.; Day/Month/Year: .....

<b>Aggrieved Party</b>	Name	
	Address	
	Name of Representative	(If the aggrieved party is a company, please give the name of its representative)
	Tel / Fax	
<b>SCM Official</b>	Name	
	SCM Unit Address	
	Tel / Fax	
<b>SCM matter of issue</b>	Bid/Contract Number	
	Name of SCM Department	
<b>Description of grievance</b>		(To ensure prompt handling, please provide as much detail and supporting documentation as possible)
<b>SCM Official: Outcome of grievance</b>		
<div style="display: flex; justify-content: space-between;"> <div> .....  <b>SCM Official</b>  Date: ..... </div> <div> .....  <b>Aggrieved Party</b>  Date: ..... </div> </div>		



## NORTHERN CAPE PROVINCIAL GOVERNMENT

## PROVINCIAL SUPPLY CHAIN MANAGEMENT

## APPLICATION FOR REQUEST FOR MEDIATION

Registration No.: Bid/Contract No.; Grievance No.; Day/Month/Year: .....

<b>Aggrieved Party</b>	Name	
	Address	
	Name of Representative	(If the aggrieved party is a company, please give the name of its representative)
	Tel / Fax	
<b>SCM Official</b>	Head of SCM Unit	
	SCM Unit Address	
	Tel / Fax	
<b>SCM matter of issue</b>	Bid/Contract Number	
	Name of SCM Department	
<b>Description of grievance</b>		(To ensure prompt handling, please provide as much detail and supporting documentation as possible)
<b>Head of SCM: Outcome of mediation</b>		
<div style="display: flex; justify-content: space-between;"> <div> .....  <b>SCM Official</b>  <b>Date:</b> ..... </div> <div> .....  <b>Aggrieved Party</b>  <b>Date:</b> ..... </div> </div>		



## NORTHERN CAPE PROVINCIAL GOVERNMENT

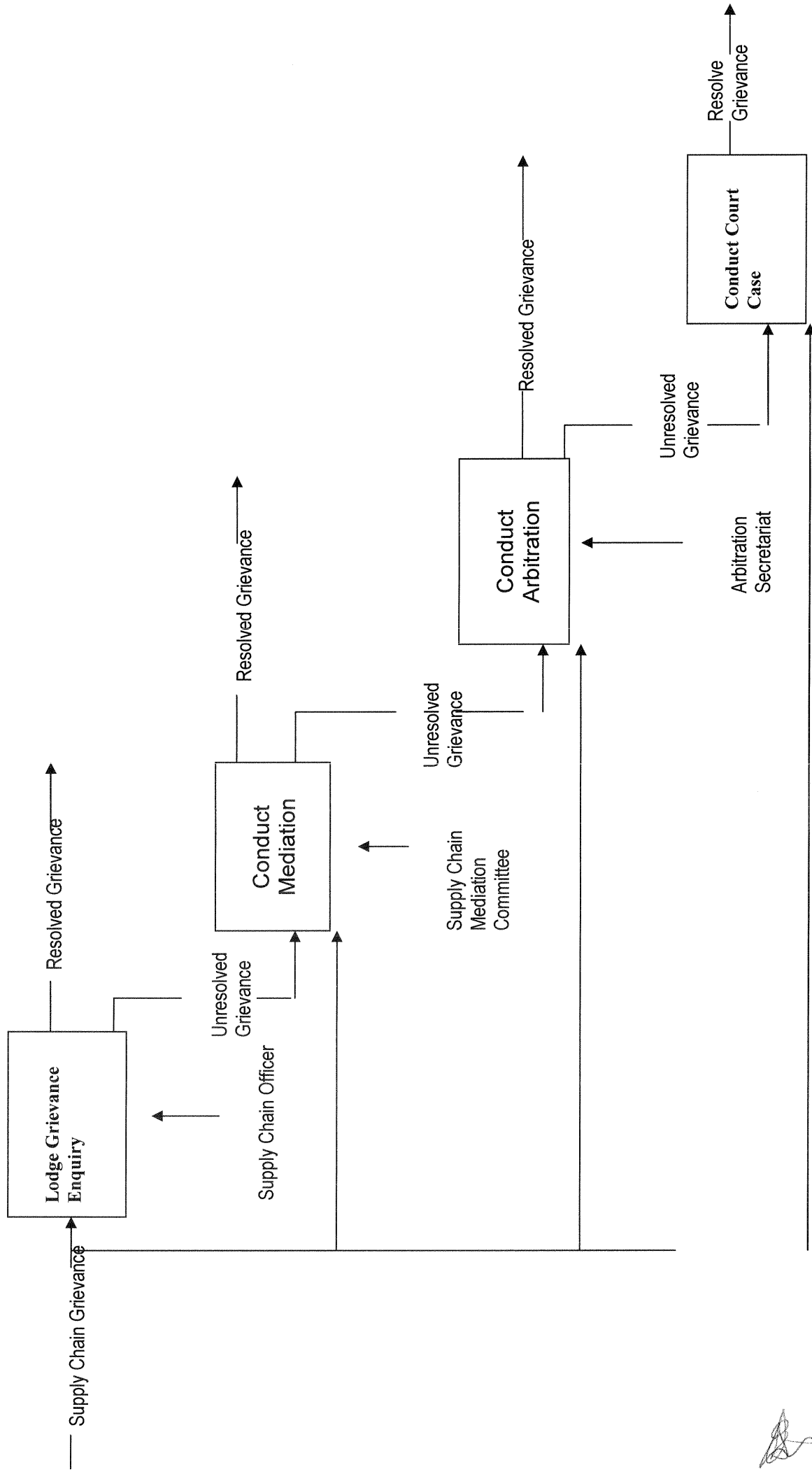
## PROVINCIAL SUPPLY CHAIN MANAGEMENT

## APPLICATION FOR REQUEST FOR ARBITRATION

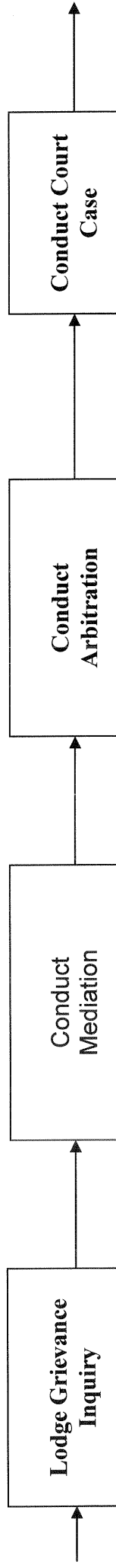
Registration No.: Bid/Contract No.; Grievance No.; Day/Month/Year: .....

<b>Aggrieved Party</b>	Name	
	Address	
	Name of Representative	(If the aggrieved party is a company, please give the name of its representative)
	Tel / Fax	
<b>SCM Official</b>	Head of SCM Unit	
	SCM Unit Address	
	Tel / Fax	
<b>SCM matter of issue</b>	Bid/Contract Number	
	Name of SCM Department	
<b>Description of grievance</b>		(To ensure prompt handling, please provide as much detail and supporting documentation as possible)
<b>Head of SCM Compliance Unit: Outcome of arbitration</b>		
<div style="display: flex; justify-content: space-between;"> <div> .....  <b>SCM Official</b>  <b>Date:</b> ..... </div> <div> .....  <b>Aggrieved Party</b>  <b>Date:</b> ..... </div> </div>		

SUPPLY CHAIN GRIEVANCE PROCESS

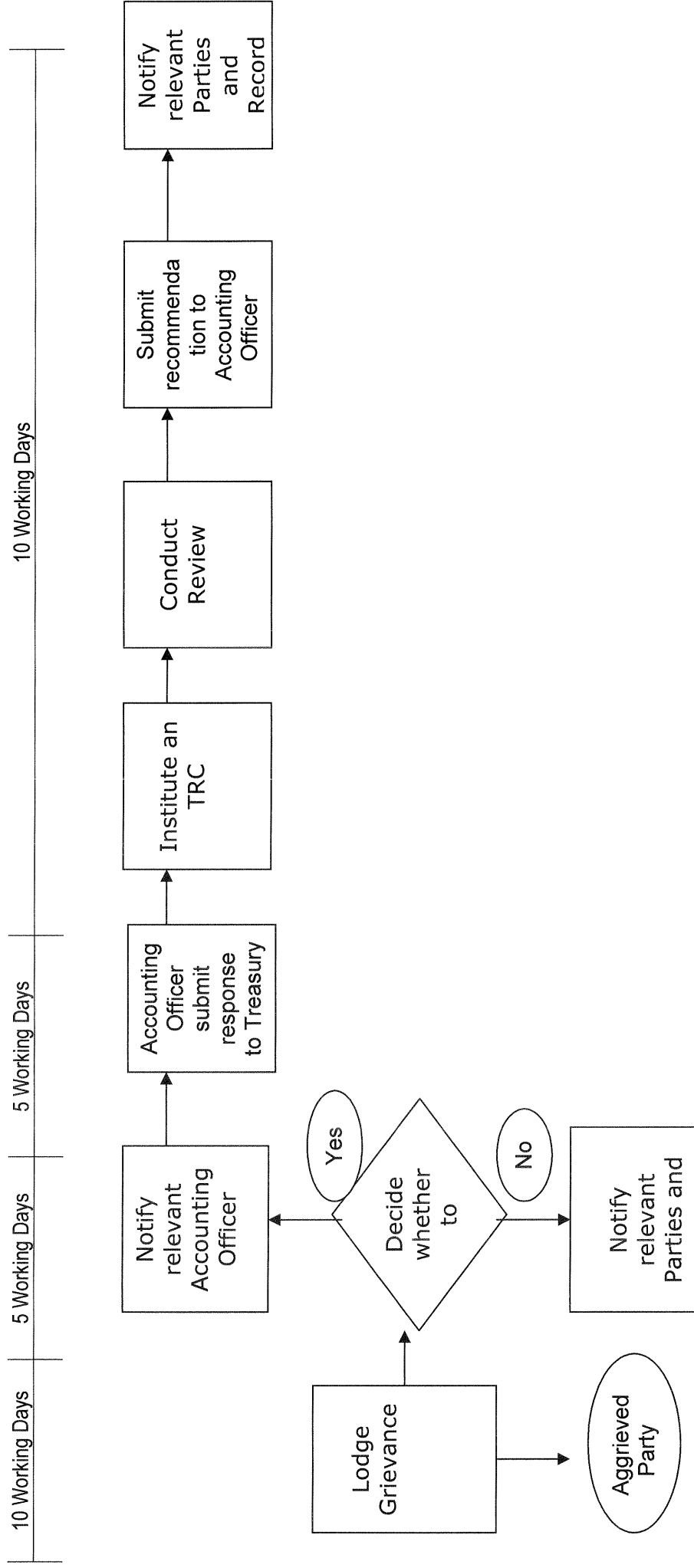


## SUPPLY CHAIN MANAGEMENT GRIEVANCE RESOLUTION PROCESS



- SCM related grievances is to be directed to the relevant Departmental Supply Chain Officer
- Aggrieved party registers concern using the standard grievance registration form
- Supply Chain Officer and aggrieved party meet to clarify queries
- If unsatisfactory outcome, the mediation process can be instituted
- Aggrieved party notes concern using the relevant grievance registration form (mediation)
- The relevant Departmental Head of the Supply Chain Unit receives grievance
- The Office of the SCM unit institutes a SCM mediation review committee consisting of cross-functional supply chain officers not involved in the grievance
- The mediation review committee reviews and mediate grievances on a case-by-case basis
- If the mediation outcome is unsatisfactory, the arbitration process can be instituted
- Submit written notice to the Provincial Treasury Supply Chain Management Unit requiring that the matter be referred for arbitration
- The aggrieved party notes its concern on the relevant grievance registration form (arbitration)
- The Provincial SCM Unit will institute an arbitration secretariat within the SCM Compliance Unit
- The arbitration secretariat is to recommend remedial action to the relevant Accounting Officer
- The arbitration secretariat shall notify the aggrieved party and the relevant Accounting Officer of its findings and recommendations
- If the outcome of the arbitration is unsatisfactory, legal proceedings can be instituted
- Pursue grievance through legal remedy of court if:
  - Result of arbitration was unsatisfactory
  - Relevant Accounting Officer has not implemented an accepted recommendation from arbitration secretariat
  - Implement court verdict

GRIEVANCE REVIEW PROCESS FLOW DIAGRAM



*[Handwritten signature]*



## TERMS OF REFERENCE FOR COMMITTEES

### Secretariat

- An official from the Department's SCM section must be made available to act as secretary.

### Quorum

- The quorum for all committee meetings is 50% of its appointed members **plus one (1)**

### Secundi

- To ensure continuity and not to delay meetings, the accounting officer can appoint secundi to temporarily replace members that are absent from meetings due to illness, leave, etc. and decide on the powers of secundi e.g. will it be the same as members.

### Duties of the Chairperson

- has a casting vote as well as a deliberate vote;
- retains all his/her rights as a member;
- may adjourn a meeting;
- may rule on points of order which will be final;
- may withdraw any proposal or other matters under discussion before it is put to the vote; and
- convene extraordinary committee meetings on request.

#### *The chairperson shall-*

- maintain order during a meeting and ensure that business is conducted in an orderly manner;
- before opening a meeting, ensure that it is properly constituted;
- protect the rights of every member;
- vacate his/her seat to the vice chairperson, should he/she wish to partake in a discussion in a partial manner;
- regulate participation in discussions;
- deal with items in sequence of the agenda;
- ensure that members know exactly what they are required to vote on;
- ensure that only one member holds the floor at any one time;
- provide guidance by directing the meeting, but shall not dominate;
- conduct meetings in a formal manner; and



- formulate clearly the decisions to be minuted and sign and approve the minutes after they have been verified for correctness.

#### **Duties of the Vice-chairperson**

The vice-chairperson has the same powers and duties as those of members and in addition, where necessary, shall-

- in the absence of the chairperson, preside as chairperson; and
- take the seat of and act as chairperson, should the chairperson wish to partake in partial discussions.

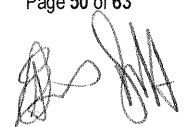
In the event that both the chairperson and vice-chairperson are absent from a meeting, the members present may elect one of their members to preside at such meeting.

#### **The Secretary Shall-**

- in conjunction with the chairperson / vice chairperson compile an agenda and determine dates of meetings;
- give notice of proposed meetings to committee members;
- process and distribute all submissions/reports together with the agenda to committee members at least three working days before the actual meeting takes place;
- minute all decisions taken at meetings;
- adhere strictly to the stipulations of the National Archives of South Africa Act, No. 43 of 1996 and accompanying directives;
- ensure that the proceedings at meetings are recorded mechanically;
- give written feedback of all decisions taken by the committee; and
- be responsible for all the administrative tasks of the Committee.

#### **Members of the Committee shall-**

- be fully conversant with the powers and limitations of the committee as well as all directives pertaining to Supply Chain Management, including the relevant sections of the Constitution, Public Finance Management Act and accompanying Treasury Regulations, Preferential Procurement Policy Framework Act, Northern cape Provincial Supply Chain Management Policy, Broad Based Black Economic Empowerment Act and accompanying regulations, all directives issued by National Treasury / relevant provincial treasury as well as the delegated powers issued by the accounting officer/authority and at all times act in accordance with above-mentioned legislation, regulations and procedures;
- apply their minds to matters at hand in order to take meaningful and accountable decisions and in the event of doubt or uncertainty, to propose that matters be referred back for clarification;
- in advance, furnish a written apology should he/she not be able to attend a meeting;



- strive to be punctual for meetings and to stay for the duration of a meeting;
- prepare properly for each meeting by studying the agenda and submissions/reports;
- be familiar with meeting procedures in order to make a contribution in the correct manner; and
- refrain from repetition and duplication of contributions by other members.

**Members have the right to-**

- have advance knowledge of the agenda;
- submit proposals and participate in proceedings;
- vote; and
- have a dissenting voice and have the reasons therefore recorded

**Co-opted members/advisors**

- Co-opted members/advisors have the same powers and duties as members but excluding the right to vote on any matter under discussion. They must sign and abide by the declaration of confidentiality.
- Members of the Bid Evaluation Committee may present their recommendations / reports to the Bid Adjudication Committee and clarify any issues but shall not have any voting powers.

**Observers**

The chairperson may, on request, allow officials to attend a meeting as observers. Observers have no participation in the proceedings, except to advise the representative (member) or the committee if permitted by the chairperson. Observers should be cautioned to maintain the confidentiality of the discussions.

**Meeting procedures:**

**Notice of meetings**

The agenda of a meeting serves as the program of the meeting and unless the Committee decides otherwise, the items and sequence may not be changed during the meeting.

In order to afford members the opportunity to prepare for the meeting, the agenda shall be made available to members, as well as Provincial Supply Chain Management at least three working days before the actual meeting.

***NB. A member of the Provincial Supply Chain Management unit in Provincial Treasury must attend all committee meetings as observer.***

**Submissions / reports to the Committee**

All submissions / reports to the Committee must be in writing, substantiated and channeled through the Bid Specification Committee or Bid Evaluation Committee.

### **Minutes**

The minutes will be the written record reflecting in a brief, clear and impartial manner the decisions of the Committee. The signed minutes will serve as proof of the decisions of the Committee.

Should a member wish to have a specific matter other than a decision recorded, it must be specifically requested. A member's reasons for a dissenting voice must also be recorded.

Proceedings are also recorded mechanically to enable the secretary to prepare verbatim reports when required by a court of law.

### **Register**

Members shall sign a register at each meeting, serving as attendance register as well as an undertaking to confidentiality of that meeting.

This register will also provide for the declaration of interest.

Members must declare all gifts and invitations accepted to social events received from suppliers or potential suppliers, irrespective of the value of such a gift. Such declarations must be captured in the minutes of the meeting and must be reported to the chief financial officer. Any such gifts and/or invitations accepted by the chief financial officer must be reported to the accounting officer.

### **Chairperson**

Each meeting will be presided by the chairperson. In the absence of the chairperson, the vice-chairperson will preside as chairperson, in which case he/she will occupy the chair for the duration of the meeting, even if the chairperson should arrive during the course of the meeting.

Every member attending the meeting owes deference to the chairperson and may be removed if that person does not respect the authority of the chair.

### **Points of order**

A member may speak on a point of order only if he/she is of the opinion that there has been a departure from the rules or order, e.g. an objection against improper language used, that a speaker has transgressed, etc.

### **Conduct of Committee Members**

Rights and responsibilities of committee members

### **MATTERS OF IMPORTANCE**

A person as a member of the Committee obtains certain rights such as a share in the control of the matter for which the meeting is constituted and the member may exercise this right by making proposals, voting, etc. A member's conduct at the meeting must however not infringe on the rights



of others. The rules of conduct are based on mutual respect for the rights of each other and respect for the purpose of the meeting.

**Members must accept that-**

- the chairperson must be respected;
- the chairperson has the right to interrupt and ask a member to stop speaking if the address is repetitive or irrelevant to the matter under discussion;
- a member must stop speaking if ruled out of order by the chairperson;
- decisions are taken by general consensus or by a show of hands when a matter is decided upon by voting;
- once a decision has been taken it is final and not open for discussion unless additional information which was not available at the time of decision making can be produced;
- information and documentation are confidential;
- a member (including the chairperson or vice-chairperson) shall beforehand declare his/her interest regarding any matter serving before the Committee and the member will then excuse her/himself during the discussion of that matter. No discussion by the member concerned will be allowed prior to the serving of that submission/report and such a member may not retain that specific submission/report.

Any personal interest that may infringe, or might reasonably be deemed to infringe on a member's impartiality in any matter relevant to their duties must be recorded;

- outvoted members must abide by the majority decision of the Committee; and
- no communication should be made with a bidder/contractor by any member prior to or after any meeting.

Two handwritten signatures in black ink, one appearing to be a stylized 'B' and the other a more complex signature.

## ANNEXURE F

# REGISTRATION ON PROVINCIAL DATABASE AND FREE COURSE IN BID PROCEDURE

In compliance with the provisions of the Preferential Procurement Policy Framework Act No. 5 of 2000 - 54 -and relevant regulations as well as the supply Chain Management system, the Office of the Provincial Supply Chain Management call on Companies / Firms / Enterprises to apply for listing as accredited prospective service providers on the Provincial Database of the Northern Cape.

Companies / Firms / Enterprises who have previously registered with the Office of the Provincial Tender Board are hereby requested to re-register. Once in the database, providers will be required to update their profiles on quarterly basis to remain accredited. Registration forms are available at the Office of the Provincial Supply Chain Management and are to be accompanied by the following documents:

**Company Profile; Original Tax Clearance Certificate [ indicate obtained from which SARS office - for clearance purposes]; a certified copy of Identity Document of owner and shareholder/s**

The Office of the Provincial Supply Chain Management is also offering a free course in bid and bid procedure. Contact the Office of the Provincial Supply Chain Management in order to register:

- ***For a free course in bid procedure;***
- ***As a supplier to our database;***

at the following address:

### Street Address

Office of the Supply Chain Management  
Metlife Towers Building  
C/o Knight and Stead Street  
**KIMBERLEY**  
5<sup>TH</sup> Floor, Room 505 & 506

### Box Address

The Supply Chain Manager  
Private Bag X5054  
**KIMBERLEY**  
8300

Telephone Number: [053] 8308230/227

[053] 8308219

Fax Number : [053] 8322959

*Mr H Knoke*

*Bid - Course*

*Ms B Jacobs Registration to Database*

**NB: Companies who have already registered are requested to re-register again. If you are not registered on the database, the Province will not buy from you or use your services as from 1 April 2007.**





NORTHERN CAPE PROVINCIAL ADMINISTRATION  
PROVINCIAL SUPPLY CHAIN MANAGEMENT

QUESTIONNAIRE FOR REGISTRATION ON DATABASE OF SUPPLIERS

NAME OF FIRM .....

POSTAL ADDRESS .....

.....

.....

PHYSICAL ADDRESS .....

.....

.....

TELEPHONE .....

FAX .....

E-MAIL .....

CONTACT PERSON .....

COMPANY REGISTRATION  
NUMBER AND DATE .....

COMPANY/ENTERPRISE  
INCOME TAX REF. NO. ....

VAT REGISTRATION NO. ....

NAME THE OFFICE THAT ISSUED  
TAX CLEARANCE CERTIFICATE .....

**1. LEGAL STATUS**

(tick one box)

- ☐ PARTNERSHIP
- ☐ ONE PERSON BUSINESS / SOLE TRADER
- ☐ CLOSE CORPORATION
- ☐ PUBLIC COMPANY
- ☐ PRIVATE COMPANY
- ☐ SECTION 21 COMPANY
- ☐ TRUST
- ☐ PARASTATAL
- ☐ NGO
- ☐ OTHER (PLEASE SPECIFY) .....

**2. PRINCIPAL BUSINESS ACTIVITIES**

(Tick per box applicable)

- ☐ COMMUNITY SERVICES
- ☐ FINANCIAL SERVICES

- 
- ☐ HUMAN RESOURCES MANAGEMENT
  - ☐ INFORMATION TECHNOLOGY
  - ☐ ORGANISATIONAL DEVELOPMENT
  - ☐ LEGAL SERVICES
  - ☐ CONSTRUCTION INDUSTRY
  - ☐ ROAD WORKS
  - ☐ TRAFFIC RELATED MANUFACTURING
  - ☐ STEEL WORKS
  - ☐ PLUMBING
  - ☐ ELECTRICAL WORKS
  - ☐ HEALTH INDUSTRY .....
  - ☐ GENERAL MANUFACTURING .....
  - ☐ STRATEGIC DEVELOPMENT
  - ☐ ENGINEERING .....
  - ☐ PROJECT MANAGEMENT
  - ☐ TRAINING AND DEVELOPMENT
  - ☐ GENERAL RETAILER
  - ☐ OFFICE AUTOMATIZATION
  - ☐ STATIONERY / BOOKSHOP
  - ☐ WHOLESALE
  - ☐ CATERING
  - ☐ SECURITY SERVICES
  - ☐ GARDENING / CLEANING
  - ☐ OTHER TRADES .....
  - ☐ OTHER (SPECIFY) .....

**ATTACHED A SHORT COMPANY PROFILE (2 PAGES)**

**LIST IN YOUR COMPANY PROFILE AT LEAST TWO COMPANIES / CLIENTS PER BUSINESS ACTIVITY THAT WOULD BE ABLE TO SERVE AS REFERENCES AS FOLLOWS:-**

COMPANY NAME	BUSINESS ACTIVITY	CONTACT PERSON	TELEPHONE NUMBER	POSITION IN COMPANY





3. STREET ADDRESS OF ALL FACILITIES USED BY THE FIRM (e.g. warehouses, storage space, offices, etc)

ADDRESS

FACILITY

.....  
 .....  
 .....  
 .....

.....  
 .....  
 .....  
 .....

4. DO YOU SHARE ANY FACILITIES?

☐ YES

☐ NO

IF YES, WHICH FACILITIES ARE SHARED?

.....

5. DETAIL ALL TRADE ASSOCIATIONS / PROFESSIONAL BODIES / BUSINESS ASSOCIATIONS IN WHICH YOU HAVE MEMBERSHIP

.....  
 .....

6. Complete the following information for each partner, proprietor, shareholder, director and officer of the firm (viz, chairman, secretary, director, etc.)

TITLE	NAME	PDI STATUS	% TIME DEVOTED TO FIRM

7. LIST THE MAJOR ITEMS OF EQUIPMENT, PLANT AND VEHICLES OWNED BY THE FIRM.

ITEM	QUANTITY	PRESENT FINANCIAL LIABILITY

8. **FINANCIAL DECISIONS**

<b>FINANCING DECISIONS</b>	<b>NAME</b>	<b>PDI STATUS (yes/no)</b>	<b>LENGTH OF SERVICE</b>
Cheque signing			
Signing & co-signing for loans			
Acquisitioning of lines of credit			
Sureties			
Major purchases or acquisitions			
Signing contracts			

9. **MANAGEMENT DECISIONS**

<b>MANAGEMENT DECISIONS</b>	<b>NAME</b>	<b>PDI STATUS (yes/no)</b>	<b>LENGTH OF SERVICE</b>
Estimating			
Marketing and sales operations			
Hiring and firing of management personnel			
Hiring and firing of non-management personnel			
Supervision of office personnel			
Supervision of field/production activities			

10. **LIST THE FOLLOWING PERSONNEL OR FIRMS WHO PROVIDE THE FOLLOWING SERVICES:**

<b>SERVICE</b>	<b>NAME</b>	<b>CONTACT PERSON</b>	<b>TELEPHONE</b>
ACCOUNTING			
LEGAL			
AUDITING			
BANKING			
INSURANCE			



11. LIST ALL PARTNERS, PROPRIETORS AND SHAREHOLDERS BY NAME, ID NUMBER, CITIZENSHIP, PDI STATUS AND OWNERSHIP, AS RELEVANT

NAME	ID NUMBER	CITIZENSHIP	MALE / FEMALE	PDI STATUS (YES/NO)	DATE OF OWNER-SHIP	% OWNER-SHIP	VOTING POWER%

12. NAMES OF EXECUTIVE MANAGEMENT TEAM

SURNAME	INITIAL	MALE / FEMALE	POSITION	PDI STATUS	YEARS IN SERVICE	CITIZENSHIP	ACTIVE IN DAILY RUNNING

13. INTEREST OF SHAREHOLDERS IN OTHER FIRMS

SURNAME	INITIAL	NAME OF OTHER FIRM	TYPE OF BUSINESS	NATURE OF INTEREST	% OWNERSHIP



14. EMPLOYMENT PROFILE / EQUITY AND SKILLS DEVELOPMENT

NUMBER OF EMPLOYEES	PROFESSIONAL		TECHNICAL		ADMIN		GENERAL WORKERS	
	PDI	NON-PDI	PDI	NON-PDI	PDI	NON-PDI	PDI	NON-PDI
FULL-TIME								
PART-TIME								
FEMALE								
MALE								
DISABLED								

❖ Is your firm subjected to the Employment Equity Act in terms of the number of employees and turnover  
Yes No ☐ ☐

❖ If yes, please append a summary of your employment equity plan.

❖ Percentage of payroll currently being spend on training and development .....%

❖ Append a summary of training and development programmes being undertaken by your firm in the last 3-years.

15. FIRMS WITH WHICH YOU HAVE CONDUCTED JOINT VENTURE PROJECTS (ALSO CONSULTING PROJECTS) OR WITH WHICH YOU HAVE A CLOSE ASSOCIATION

	FIRM 1	FIRM 2	FIRM 3
NAME OF FIRM			
PARTNER-BASED			
LOCAL / INTERNATIONAL			
NAME OF PROJECT			
LOCATION OF PROJECT			
PARTNER SPECIALISATION			
% OF WORK TO PARTNER			

16. ANNUAL TURNOVER OF OWN WORK

- ☐ UP TO R300 000  
☐ UP TO R1 MILLION  
☐ BETWEEN R1 MILLION AND R5 MILLION  
☐ BETWEEN R5 MILLION AND R15 MILLION  
☐ ABOVE R15 MILLION

**17. EXPERIENCE AND COMPETENCY  
PROJECTS UNDERTAKEN DURING THE LAST 3-YEARS**

DESCRIPTION	CLIENT	START	FINISH	VALUE

**18. FINANCIAL INSTITUTION DETAILS**

NAME OF BANK : .....

BRANCH : .....

BRANCH CODE : .....

NAME OF ACCOUNT HOLDER : .....

ACCOUNT NUMBER : .....

ACCOUNT TYPE : .....

**19.** Is any of your Partners / Shareholders / Proprietors employed by either National, Provincial or Local Government? **Yes** **No**

☐
☐

**DECLARATION**

The firm agrees to abide by any reasonable and acceptable code of conduct published by the Northern Cape Provincial Administration (NCPA). All the information supplied in this application is true and correct. The firm will, without protest, submit to all reasonable & acceptable procedures instituted by the NCPA. The firm will, if requested to do so, supply further information and documentary evidence for scrutiny. The firm will update the registration particulars whenever a significant change in details occurs and, in any event, at intervals of two years. The undersigned, who warrants that he/she is duly authorised to do so on behalf of the firm, confirms that the contents of this Affidavit are within their personal knowledge and, save where otherwise stated, to the best of their knowledge, both true and correct.

**Signed:** ..... **duly authorised to sign on behalf of**

.....

**signed at:** ..... **on this the** ..... **day of** .....  
(month) ..... (year) by the Deponent, who has acknowledged that he/she knows and understands the contents of this affidavit, that it is true and correct to the best of his/her knowledge and that

he/she has no objection to taking the prescribed oath, and that the prescribed oath will be binding on his/her conscience.



Commissioner of Oaths: .....

**Declaration of PDI professional service provider status**

The undersigned, who warrants that he/she is duly authorised to do so on behalf of the firm, confirms that the firm complies with the requirements for registration as a PDI professional service provider as defined, and the contents of this Affidavit are within their personal knowledge and, save where otherwise stated, to the best of their knowledge, both true and correct.

**Signed:** ..... duly authorised to sign on behalf of .....

**signed at:** ..... **on this the** ..... **day of** .....  
(month) ..... (year) by the Deponent, who has acknowledged that he/she knows and understands the contents of this affidavit, that it is true and correct to the best of his/her knowledge and that he/she has no objection to taking the prescribed oath, and that the prescribed oath will be binding on his/her conscience.

Commissioner of Oaths: .....

**PLEASE FORWARD COMPLETED FORM; ATTACHING THE FOLLOWING DOCUMENTS: COMPANY PROFILE, COMPANY REGISTRATION CERTIFICATE, TAX CERTIFICATE AND COPY OF I.D. TO;**

THE HEAD: PROCUREMENT  
PRIVATE BAG X5054  
KIMBERLEY  
8301

OR

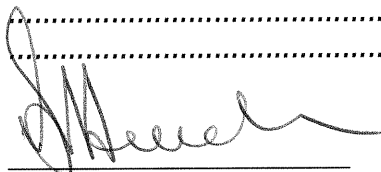
5<sup>th</sup> FLOOR  
METLIFE TOWERS  
(POST OFFICE BLDG)  
CNR KNIGHT & STEAD

**ATTENTION: Brenda Jacobs**  
**TEL:** (053) 830-8219  
**FAX:** (053) 832 2959  
**E-mail:** bjacobs@met.ncape.gov.za



4. **ADOPTION OF POLICY**

*Recommended / Not Recommended*  
Comments:


.....  
.....  
.....  


**D VAN HEERDEN**  
**HEAD OF DEPARTMENT**

2011/10/7  
**DATE**

*Approved / Not Approved*  
Comments:

.....  
.....  
.....

  
**MEC: S LUCAS**  
**MEMBER OF THE EXECUTIVE COUNCIL**  
**DEPARTMENT OF ENVIRONMENT AND**  
**NATURE CONSERVATION.**

7/11/2011  
**DATE**



