



dcs&Tm
Department:
Community Safety & Transport Management

North West Provincial Government
REPUBLIC OF SOUTH AFRICA

SOURCING STRATEGY POLICY

**DEPARTMENT OF PUBLIC COMMUNITY SAFETY AND TRANSPORT
MANAGEMENT**

Compiled by: Supply Chain Management

**SUPPLY CHAIN MANAGEMENT
SOURCING STRATEGY**

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1. PURPOSE

To ensure the sourcing strategy of various commodities that is consistent with the Supply Chain Management processes as outlined in the PFMA and relevant Treasury prescripts within the Department of Community Safety and Transport Management.

2. LEGISLATIVE MANDATE

- The Constitution of the Republic of South Africa Act No. 108 of 1996
- Public Finance Management Act no. 1 of 1999
- Treasury Regulations, 2005
- Public Service Act , 2001
- Public Service Regulations
- SITA Act no 88 of 1998
- PPPFA and its Regulations of 2011

3. DEFINITIONS

ABBREVIATIONS	DEFINITIONS
Department	Community Safety and Transport Management
MEC	Member of the Executive committee
HOD	Head of the Department
Employee	<ul style="list-style-type: none">✓ A person appointed in terms of the Public Service Act, 1992 (Act no103 of 1994).✓ A person appointed on contract to provide specific service to the Department✓ A person appointed as an intern by the Department
Sourcing Methodology	Also referred to as " A range of procurement process" as per National Treasury Practice Note 8 of 2007/2008, which inter alia includes the following <ul style="list-style-type: none">➤ Written Price Quotations (R0 – R 30 000)➤ Formal Written Price Quotations (R 30 001 – R 100 000)➤ Sealed Written Price Quotations (R 100 001 – R 500 000)➤ Competitive bidding (R 500 001 and above)
Commodity	Any goods or services procured by the Department, also referred to as Goods and Services
"Bid" or "Quotation"	Means a written offer in a prescribed or stipulated form in response to an invitation by the Department for the provision of goods, services or works.
"Bid Adjudication Committee / Bid Committee"	Means the committee at head office that adjudicates over bids issued by the Department, adjudicate over the sourcing strategy and award bids as per the recommendation of the Bid Evaluation Committee or reject the recommendations, where the value of the bid is above R500 000.00.
"Bid documentation"	Means the standard documentation utilised by the Department when soliciting a bid or quote.
"Bid Evaluation Committee"	Means the committee that is appointed to evaluate bids
"Bid Specification Committee"	Means the committee that is appointed to develop the sourcing strategy and approve the bid specifications or terms of reference.
"Bidder"	Means a vendor that submits a bid for contracts with a value threshold above R500 000.00.

4. APPLICATION

This strategy applies to all procurement of goods and services within the Department of Community Safety and Transport Management. The sourcing strategy is intended to regulate spending in respect of specified expenditure items with the view of realizing direct savings to critical and core spending programmes of the Department in support of government priorities.

5. SOURCING CRITERIA

All procurement for goods and services will be sourced in line to the Constitution of the Republic of South Africa Section 217, PFMA, PPPFA, CIDBA, related Regulations as well as National and Provincial Treasury prescripts related to SCM.

The principles and practices set out in this policy apply to all officials tasked with the procurement of goods and services.

6. PROCUREMENT PROCESSES IN THE RANGE R0 – R 30 000

6.1. Request Form

The Directorates will:

- (i) Complete the request form (**See Annexure A**);
 - (ii) Obtain approval from the responsible manager of the Directorate or Chief Directorate as per the approved Financial Delegations; and
 - (iii) Submit it to Acquisition Management forms to obtain quotes.
 - (iv) Submit it to Demand Management to verify the request against the approved demand management plan
 - (v) A checklist is completed and attached starting from demand management and the request will be circulated to all stages of SCM to verify whether every required document is attached for compliance.
- a. Suppliers will be sourced from the CSD (Central Supplier Database) as per commodity In some cases, where it is not practical to apply ISS, for example the purchasing of a cow for an event the (minimum of 3 quotations) will be invited from the surrounding communities. At least a minimum of three quotations.
 - b. Invitation to suppliers is done through the e-mail to many suppliers with indication of closing date with the relevant Standard bidding forms (SBDS)
 - c. All quotations received from suppliers must be accompanied by SBD forms and ID copies of owners for compliance to the Treasury Regulations.
 - d. On the closing date, the official check compliance of completed SBD forms and the quotations
 - e. CSD status report is printed per each quotation to check compliance of status of each supplier
 - f. Quotations are registered and issued to the end-user to proceed with procurement process
- g All quotations received from suppliers must be accompanied by fully completed SBD forms as Follows:
- i. all procurement to the value of R1 – below R30 000.00 - SBD 4 ,8,9
 - ii. All procurement to the value of R30 000.00 and above – SBD 4,8,6.1 & 9 and include a certified copy of BBBEE certificate or Affidavit (Certification stamp not older than 3 months)
 - iii. All procurement of assets and protective clothing to any value – SBD 4, 8,6.1,6.2 (Inc Annexure C) & 9
- iv A checklist from SCM will be completed to verify whether every required document is attached for compliance.
 - v Where the Supply Chain Management Unit obtained quotations they must complete and sign the checklist to confirm that the appropriate processes were followed. If Districts obtain quotations less than R100 000, SCM acquisition unit from head office must sign the checklist to confirm that the appropriate processes were followed.

- a. End-users will collect their Quotations from SCM unit and consult with the budget unit at finance for budget allocation. Programme Managers must approve the MW.M1 form in line with their delegations.
- b. End-users must ensure that they consult with the SCM unit for orders generated.
- c. End-users have to ensure that they collect their orders from SCM and send them to the approved supplier/s before the service is been rendered in order to avoid services being rendered without an order which will result an audit query.
- d. All goods/services must be rendered/delivered only after an official order has been issued (after the service has been rendered), then the pink copy will be signed by the end-user and finance unit
- e. If 3 quotations cannot be obtained the Accounting Officer must approve the deviation with National Treasury Practice Note No. 8 of 2007/08 see Par. 3.3.3 which states "***If it is not possible to obtain at least three (3) written price quotations, the reasons should be recorded and approved by the accounting officer/authority or his / her delegate.***"
- f. Where 3 quotations were obtained but due to unforeseen circumstances you are unable to use the service provider with reasonable price, motivation for deviation should be written and approved by the accounting officer or his/her delegates. ***(e.g After a service provider is recommended it's found to be fully booked, then we opt to utilize the second lowest service provider.)***

7. PROCUREMENT PROCESS BETWEEN R 30 001 TO R 100 000.00

Open written price quotations are required for purchases above R 30 001 and not exceeding R100 000 as per Provincial Treasury Provincial Supply Chain Management Practice Note No. 3 of 2008 /2009: revision of petty cash, quotation and Bid thresholds.

At least three written price quotations must be obtained via the CSD.

If it is not possible to obtain at least three written price quotations, the reasons thereof should be recorded and the Head of Department must approve the NW.M1

The same processes as per 6.1 – 6.2 will apply.

8. PROCUREMENT BETWEEN R100 001 AND NOT EXCEEDING R500 000 (VAT INCLUDING)

If it is not possible to obtain at least three written price quotations, the reasons thereof should be recorded and the Head of Department must approve the NW. M1

The same processes as per 6.1 – 6.2 will apply.

9. ABOVE THE TRANSACTION VALUE OF R 500 000 (VAT INCLUDED)

- a. Accounting Officers should invite competitive bids for all procurement above R 500 000.
- b. Competitive bids should be advertised in at least the Government Tender bulletin and E. Tender portal and in other appropriate media should an accounting officer deem it necessary to ensure greater exposure to potential bidders. The responsibility for advertisement costs will be that of the relevant accounting officer / authority.
- c. Should it be impractical to invite competitive bids for specific procurement, e.g. in urgent or emergency cases or in case of a sole supplier, the accounting officer may procure the required goods or services by other means, such as price quotations or negotiations in accordance with Treasury Regulation 16A6.4.

The reasons for deviating from inviting competitive bids should be recorded and approved by the accounting officer or his / her delegate. Accounting officers are required to report within ten (10) working days to the relevant treasury and the Auditor-General all cases where goods and services above the value of R1 million (VAT inclusive) were procured in terms of Treasury Regulation 16A6.4. The report must include the description of the goods or services, the name/s of the supplier/s, the amount/s involved and the reasons for dispensing with the prescribed competitive bidding process

10. COMPETITIVE BID PROCESS FLOW

STAGES	PROCESS	TIMEFRAME
1.	Once the procurement plan is approved, programmes must submit the following to specification committee <ul style="list-style-type: none"> ✓ A motivation requesting advertisement of a tender i.e. the motivation must described the nature of the need, duration and budget implication. ✓ A concept document approved by the Head of Department, in case the need was not catered for in the Departmental approved procurement plan. ✓ Draft Specification /Terms of reference of the required service or goods. ✓ Draft tender strategy inclusive of PPPFA NB// NO tenders will be advertised if the above documents are not submitted information SCM to initiate the procurement process	Starting from April
2.	The specification committee will review the terms of reference in case of service required and/or specification in case goods must be procured	Within 7 days
3.	The DBAC shall recommend and the Accounting Officer must approve the Tender documents prior to the advertisement of Bids	Within 3 days
4.	Bids will be advertised through e tender portal : Provincial SCM Tender bulletin and sources of media	Within 21/30 days
5.	The Evaluation Committee will evaluate the tender after the closing date of advertisement and recommendation will be submitted to the Bid Adjudication committee	Within 7 days
6.	The Bid Adjudication committee will adjudicate and submit the recommendation to the Accounting Officer for approval	Within 7 days
7.	The Accounting Officer will sign the Appointment letter and the Service level agreement for the commencement of the service	Within 7 days

11. COMMODITIES

The following commodities should be procured in line with the Cost Containment Policy measures as prescribed in the National Treasury Instruction and its relevant Provincial instruction notes:

- a. Catering and Events Services
- b. Venues and Facilities
- c. Flowers and Décor
- d. Garden Services
- e. SITA related commodities
- f. Accommodation and travelling
- g. Stationary
- h. Groceries and garden services

12. PURPOSE OF THE COST CONTAINMENT POLICY

- a. To reprioritize approach and implementation of cost reduction measures in order to address key service delivery mandates.
- b. To ensure that expenditure of the directorates are managed effectively and efficiently.
- c. To ensure uniformity in the application of the policy in the Department of Culture, Arts and Traditional Affairs.

FOR THE FOLLOWING GOODS AND SERVICES EXPENSES SHOULD BE CURTAILED AS PROVIDED FOR BELOW:

12.1 AIR TRANSPORT COST

Only economy class must be used, approval must be given by the Accounting Officer. International flights should be limited to include only trips approved by the relevant MEC or Premier unless funded by external parties.

Utilization of travel agencies must be limited to foreign trips.

12.2 ACCOMODATION

Directorates must prioritize all travel needs and identify only necessary officials and parties required to travel.

The following new limits on accommodation must be implemented

- ✓ MEC : to be guided by Ministerial Handbook
- ✓ ACCOUNTING OFFICER : 4 star hotels / guesthouse
- ✓ ALL OTHER EMPLOYEES : 3 star hotels / 4 star guesthouses

No accommodation may be booked if the venue of the meeting is less than 200 km one way from the work place, if:

- ✓ The meeting starts at 10h00 or later
- ✓ The meeting ends at 15h00

The agenda of the meeting should be attached to all accommodation requests.

All accommodation requests / submission must be approved by the immediate supervisor.

12.3 FUNCTIONS AND EVENTS

All functions must be relevant to the directorate and departmental programmes and form part of the Annual Performance Plans.

Donations for functions and events should be in compliance with the PFMA and Treasury regulations

Events must be in line with the departmental Events calendar

Programmes must submit their request for quotations and approved concept documents to Supply Chain Management 21 days prior to the event day

Upon receipt of such documents, SCM will ascertain the appropriate sourcing methodology and submit the quotations to the programme immediately after obtaining them (within 2 days)

Programmes should ensure that for each and every event there is an attendance register signed by clients.

12.4 VENUES AND FACILITIES

The option of using government facilities should always be explored first before considering the use of external facilities

Directorates must define circumstances under which external facilities will be considered and to be approved by the relevant Accounting Officer.

The choice of hiring a venue should NOT be based on what is least expensive or most expensive but on cost efficient.

12.5 CATERING SERVICES

No catering will be provided for normal sectional meetings

- i. Catering for strategic meetings, workshops and interviews needs to be approved by the Accounting Officer.
- ii. If the approval is given the maximum amount for catering should not exceed R100 per person per day including 1 x soft drink per person. If bottled water is needed, it should be charged separately from the lunch to a maximum of 2 bottled water pp per day for full day meeting. If breakfast is required for a particular meeting the maximum amount should not exceed R55 pp per day.

12.6 WORKSHOPS, CONFERENCES, SYMPOSIUMS, SEMINARS AND MEETINGS OUTSIDE THE PROVINCE

All international conferences beyond the borders of South Africa must be approved by the MEC or Premier.

All officials attending workshops, conferences, symposiums, seminars and meetings outside the province should be limited to two or a maximum of three officials per unit.

12.7 GROCERIES

SMS groceries must be limited to the following per Annum:

➤ MEC	:	UNLIMITED
➤ ACCOUNTING OFFICER	:	UNLIMITED
➤ CHIEF DIRECTOR	:	R 3 000.00
➤ DIRECTOR	:	R 3 000.00

Supply Chain Management will not be held responsible for any delay caused by late submission of quotation as a result of late submission of RFQ by any programme, and no irregularity will be entertained by SCM

13. ELEMENTS AND PROCESSES OF SUPPLY CHAIN MANAGEMENT

All procurement of goods and / or services must be done in line with the delegation of authority, elements of Supply Chain Management and its prescribed process,

14. GENERAL RULES FOR PROCUREMENT OF GOODS AND SERVICES LESS THAN R500 000:

- a. Procurement needs identification
- b. Monitoring of procurement
- c. Request for quotation
- d. Approval of the requisition voucher
- e. Approval of the motivation and cost (catering and accommodation)
- f.

15. GENERAL RULES FOR PROCUREMENT OF GOODS AND SERVICES MORE THAN R500 000:

- a. Request for open bids
- b. Development of Spec/ TOR Specification Committee
- c. Evaluation of Bids
- d. Departmental Bid Adjudication Committee

16. IMPLEMENTATION AND REVIEW

The implementation of the sourcing strategy will be effective from the date signed by the Head of Department and reviewed on an annual basis.

ITEM	ACTIVITY	RESPONSIBLE PERSON	TIME-FRAME
1	Inputs into a Procurement Plan	Respective Directorate	One Day
2	Is the need in co-operated in the Strategic Objective of the Department	Respective Directorate	One Day
3	Identification of the required goods and services.	End User from the respective Directorate	One Day
4	Verification of goods/services from the procurement plan	AD: Demand Management	One Day
5	To ensure the availability of budget	End User from the respective Directorate	One Day
6	Preparation of Project Plan with time frames	End User from the respective Directorate	Five Days
7	Approval of Project Plan by HOD	End User from the respective Directorate	One Day
8	Motivation/ submission with specification to DBAC seven days before	End User from the respective Directorate	One Day
9	Interrogation/discussion of submission/ motivation with specification	DBAC	One Day
10	Verification of specification	DBSC	One Day
11	Recommendation of specification to HOD	DBSC	One Day
12	Approval of specification by HOD	HOD	Two Days
13	Preparations of advertisement	DD: Acquisition Management	One Days
14	Submission of Advert to be placed on the Tender Bulletin	DD: Acquisition Management	One Days
16	Briefing session to take place two weeks after	DD: Acquisition Management	One Day

	the Advert date and two weeks prior the closing period of the Bid		
17	Closing and Opening of Bid Box and registering of Bid documents in Public	DD: Acquisition Management	One Day
18	Names of Bidders to be published in the Departmental Website within 10 Days of the closing of the Bid	DD: Acquisition Management	Two Days
19	Capturing and Verification of Legal requirements of the Bids received	DD: Acquisition Management	Five Days
22	Evaluation based on Functionality	DD: Acquisition Management	10 days
23	Pre-evaluation of the Bids	DD: Acquisition Management	5 days
24	Conducting of site inspection	DBEC	10 Days
25	Evaluation based on Price and BBBEE points	DBEC	Three Days
26	Preparation of recommendation to DBAC	DBEC	One Day
27	Recommendation to be submitted to Risk for compliance verification	DBEC	One Day
28	Compliance verification	Risk Management	Three Days
29	Recommendation submitted to DBAC	DBEC	One Day
30	Interrogation or discussion of recommendation made by DBEC	DBAC	One Day
31	Recommendation submitted to HOD for	DBAC	One Day

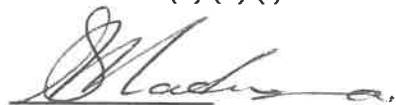
	approval		
32	Approval of the recommendation made by DBAC	HOD	Three Days
33	Informing the End User of the approval of the Bid	DD: Acquisition Management	One Day
34	SCM informing Legal Services to prepare the SLA	DD: Acquisition Management	One Day
35	End User together with Legal Services prepare a draft SLA	Legal Services	Three Days
36	Submission of the SLA to the Service Provider	Legal Services	Five Days
37	Signing of SLA by HOD	Legal Services	Three Days
38	End User prepare a VA 2 for SCM to generate an order	End User	One Day
39	Generation of an order	SCM	One Day
40	Rendering of service required	Service Provider	30 Days
41	Submission of invoice for payment	Service Provider	Within Three Days
42	Payment to be effected within 30 Days	Finance	Five Days
43	Bar-coding of Asset after confirmation of payments	Asset Management	Within two Days
44	Preparation of motivation/ submission for HOD's approval	End User	One Day
45	Submissions of quotations to SCM five days prior	End User	One Days
46	Requesting of quotations	Acquisition Management	Five to seven days
47	Collection of quotations from SCM	End User	One Day
48	Preparation of VA2	End User	One Day

49	Verification of budget	End User	One Day
50	Approval of VA 2	Dir: SCM	One Day
51	Generation of an order	Logistics Management	One Day
52	Rendering of service required	Service Provider	30 Days
53	Submission of invoice for payment to Logistics Management	Service Provider	Within Three Days
54	Facilitation of invoice for payment	Logistics Management	One Day
55	Payment to be effected within 30 Days	Finance	Five Days

The procurement of goods and services is compulsory to be sourced from the suppliers registered on a database.

No any official will be allowed to invite the suppliers to render services or deliver any goods without an official order generated from SCM.

Please be advised that any official who contravenes or fails to complies with the abovementioned procedures, the Department of Public Safety will have no option but to apply disciplinary action in terms of Section 38 (1) (h) (i) of Public Finance Management Act, Act 1 of 1999.



MR S. MADUMA
DIRECTOR SUPPLY CHAIN MANAGEMENT

15/12/2020
DATE

SUPPORTED / ~~NOT SUPPORTED~~



MS K. PHATUDI
CHIEF FINANCIAL OFFICER

21/12/2020
DATE

SOURCING STRATEGY POLICY

~~RECOMMENDED / NOT RECOMMENDED~~

We had agreed that the department should have a direct contract with specific hotels for cost containment but its not mentioned in this policy.



MS B. MOFOKENG
HEAD OF DEPARTMENT

07/01/2021
DATE

APPROVED / NOT APPROVED



MR M. MOKONYAMA
ADMINISTRATOR in terms of Section 100 (1) (b) Constitution of South Africa Department of Community Safety and Transport Management

19/01/2021
DATE