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Department:
Public Works and Roads
North West Provincial Government
Republic of South Africa

SUPPLY CHAIN MANAGEMENT POLICY

DEPARTMENT OF PUBLIC WORKS AND ROADS

SUPPLY CHAIN MANAGEMENT POLICY

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PREAMBLE

The Department uses public funds to finance its procurement of goods and services; therefore it is obliged to ensure that the best interests of the public are served when these funds are spent. Best interests include satisfying requirements at the most favourable conditions, including price; ensuring that business and industries are afforded the best possible opportunity to satisfy such requirements on a competitive basis; and adhering to National Government's medium-term policy initiatives, in line with Broad-Based Black Empowerment Act (B-BBEE), Preferential Procurement Policy Framework Act, and other SCM applicable prescripts. The policy covers procedures for Demand Management, Acquisition, Logistics, Disposal and SCM Performance.

Where departmental policy is in conflict with National or Provincial Treasury policies, the latter institution's Acts/Regulations/Guidelines/Practice Notes and Policies shall supersede the departmental policy.

1. DEFINITIONS

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

- 1.1. "competitive bid" means a bid in terms of a competitive bidding process;
- 1.2. "Competitive Bidding Process" is a process of issuing a public bid with the intent that companies will put together their best proposal and compete for a specific project.
- 1.3. "Bid" 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 construction works through price quotations, advertised competitive bidding processes or proposals, or any other proposition for business with the Department whether solicited or not;
- 1.4. "Bidder" means any person submitting a bid.
- 1.5. "Acceptable Bid" means any bid which, in all respects, complies with the specifications and bid conditions. Also referred to as a "Responsive Bid";
- 1.6. "Alternative Bid" means a bid which materially or substantially deviates from the specification and/or bid conditions;
- 1.7. "Alternative Bidder" means a bidder, identified at the time of awarding a bid that will be considered for award should the contract be terminated for any reason whatsoever.

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- 1.8.** “Construction Industry Development Board (CIDB) Act” means the Construction Industry Development Board Act, 2000, (Act 38 of 2000) and includes the regulations pertaining thereto;
- 1.9.** “Construction Works” means any work in connection with the erection, maintenance, alteration, renovation, repair, demolition or dismantling of or addition to a building or any.
- 1.10.** “B-BBEE Status Level of Contributor” means the B-BBEE status of an entity in terms of a code of good practice on black economic empowerment issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act, 2003, (Act 53 of 2003);
- 1.11.** “B-BBEE” means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act, 2003, (Act 53 of 2003);
- 1.12.** “Non-compliant Contributor” means a person who does not meet the minimum score to qualify as a status level 8 B-BBEE Contributor, or a person who is not verified in terms of the applicable codes of good practice;
- 1.13.** “Exempted Micro Enterprise (EME)” means an exempted micro enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
- 1.14.** “Black Designated Groups” has the meaning assigned to it in the codes of good practice issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act, 2003, (Act 53 of 2003);
- 1.15.** “Black People” has the meaning assigned to it in section 1 of the Broad Based Black Economic Empowerment Act; 2003, (Act 53 of 2003);
- 1.16.** “Broad-Based Black Economic Empowerment Act” means the Broad-Based Black Economic Empowerment Act, 2003, (Act 53 of 2003);
- 1.17.** “Designated Group” means black designated groups, black people, women, people with disabilities or small enterprises as defined in section 1 of the National Small Enterprises Act, 1996 (act no. 102 of 1996);
- 1.18.** “Designated sector” means a sector, sub-sector or industry or product that has been designated in terms of any relevant regulation of the Preferential Procurement Regulations, 2017;
- 1.19.** “Contract” means the agreement which is concluded when the Department accepts, in writing, a bid;

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- 1.20.** "Contractor" means any person or entity whose bid has been accepted by the Department;
- 1.21.** "Contract participation goal" is the value of the participation of specific targeted labour and or enterprises that a contractor must achieve in the performance of a contract, expressed as a percentage of the bid sum less provisional sums contingencies and VAT;
- 1.22.** "Adjudication points" means the points for price and points for B-BBEE contribution referred to in the Preferential Procurement Regulations, 2017 and the Preferential Procurement section of this policy, also referred to as "evaluation points";
- 1.23.** "Evaluation Points" also referred to as "Adjudication Points"
- 1.24.** "Functionality" means the ability of a tenderer to provide goods or services in accordance with specifications as set out in the tender documents. This is determined by the measurement according to predetermined norms, as set out in the bid documents, of the totality of features and characteristics of the goods or services that bears on the ability of thereof to satisfy the stated or implied needs. "Functionality" is also referred to as "Quality";
- 1.25.** "Day(s)" means calendar days unless the context indicates otherwise;
- 1.26.** "Affected person" means a person whose rights may be materially and or adversely affected if the Head of Department takes any of the steps contemplated in this policy in order to combat abuse of the Supply Chain Management System;
- 1.27.** "All applicable taxes" includes value-added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies;
- 1.28.** "Closing Time" means the time and day specified in the bid documents for the receipt of bids; "Final Award" in relation to bids or quotations submitted for a contract, means the final decision on which bid or quote to accept;
- 1.29.** "e-Procurement"; is the electronic implementation of the procurement methodology;
- 1.30.** "Non-firm Prices" means all prices other than "firm" prices;
- 1.31.** "Firm Price" means the price that is only subject to adjustments in accordance with the actual increase or decrease resulting from the change, imposition, or abolition of customs or excise duty and any other duty, levy, or tax, which, in terms of the law or regulation, is binding on the contractor and demonstrably has an influence on the price of any supplies, or the rendering costs of any service, for the execution of the contract;

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- 1.32.** “Competitions Act” means the Competitions Act, 1998, (Act 89 of 1998, and any regulations pertaining thereto; Regulations;
- 1.33.** “A consortium” is an association of two or more individuals, companies, organisations or governments (or any combination of these entities) with the objective of participating in a common activity or pooling their resources for achieving a common goal.
- a) Each participant retains its separate legal status and the consortium's control over each participant is generally limited to activities involving the joint endeavour, particularly the division of profits. A consortium is formed by contract, which delineates the rights and obligations of each member.
- 2.34** “A joint venture (often abbreviated as JV) is an entity formed between two or more parties to undertake economic activity together. The parties agree to create a new entity by both contributing equity, and they then share in the revenues, expenses, and control of the enterprise. The venture can be for one specific project only, involves no equity stake by the participants, and is a much less rigid arrangement.
- 1.34.** “Consultant” means a person or entity providing services requiring knowledge based expertise, and includes professional service providers;
- 1.35.** “Open Written Price Quotation ” means a written or electronic offer to the Department in response to an invitation to submit a quotation as per threshold stipulated in the financial delegations.
- 1.36.** “Sealed Quotation ” means a written offer to the Department in response to an invitation to submit a quotation as per threshold stipulated in the financial delegations.
- 1.37.** “A framework agreement is an agreement with suppliers to establish terms governing contracts that may be awarded during the life of the agreement. In other words, it is a general term for agreements that set out terms and conditions for making specific purchases (call-offs).
- 1.38.** “Fronting (Also referred to as Tokenism or Window dressing) i.e., where preference points are obtained on a fraudulent basis;
- 1.39.** “In the service of the state” means: an official of any municipality or municipal entity; 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 1 of 1999); a member of any provincial legislature; or the National Assembly

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- 1.40.** "Preferred Bidder" means a bidder with whom negotiations may be entered into to conclude the final terms of a contract
- 1.41.** "Preferential Procurement Policy Framework Act" (PPPFA) means the Preferential Procurement Policy Framework Act, 2000, (Act 5 of 2000);
- 1.42.** "Preferential Procurement Regulations" means the regulations pertaining to the PPPFA;
- 1.43.** "Price" refers to the financial offer in the bid or quotation, which includes all applicable taxes less unconditional discounts;
- 1.44.** "Promotion of Access to Information Act (PAIA)" means Promotion of Access to Information Act, 2000 (Act 2 of 2000);
- 1.45.** "Proof of B-BBEE Status Level of Contributor" means the B-BBEE status level certificate issued by an authorised body or person, a sworn affidavit as prescribed by the B-BBEE Codes of good Practice or any other requirement prescribed in terms of the Broad-Based Black Economic Empowerment Act;
- 1.46.** "Policy" means this Supply Chain Management Policy as amended from time to time;
- 1.47.** "National Treasury" has the meaning assigned to it in section 1 of the Public Finance Management Act, 1999 (Act No. 18 of 1999);
- 1.48.** "Goods " means capital and current assets.
- 1.49.** " Services" means professional and specialized services
- 1.50.** "Qualifying Small Enterprise (QSE)" means a qualifying small enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
- 1.51.** "Quality" also referred to as "Functionality"
- 1.52.** "Rand Value" means the total estimated value of a contract in Rand, calculated at the time of bid invitation;
- 1.53.** "Rural Area" means a sparsely populated area in which people farm or depend on natural resources, including villages and small towns that are dispersed through the area or an area including a large settlement which depends on migratory labour and remittances and government social grants for survival, and may have a traditional land tenure system;
- 1.54.** "SARS" means the South African Revenue Services;
- 1.55.** "Stipulated Minimum Threshold" means the minimum threshold stipulated in terms of any relevant regulation of the Preferential Procurement Regulations, 2017;

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- 1.56.** "Sub-contract" means the prime contractor's assigning, easing, making out work to, or employing, another person to support such prime contractor in the execution of part of a project in terms of the contract;
- 1.57.** "Sub-contractor" means any person that is assigned, leased, employed or contracted by the prime contractor to carry out work in support of the prime contractor in the execution of a contract;
- 1.58.** "Supplier/Vendor" are generic terms which may include suppliers of goods and services, contractors and/or consultants;
- 1.59.** "Supply Chain Management (SCM) Regulations" means the Supply Chain Management Regulations published in terms of the Finance Management Act, 2003, (Act 56 of 2003);
- 1.60.** "Targeted Labour" means those individuals employed by a contractor, or sub-contractor, in the performance of a contract, who are defined in the contract as the target group, and who permanently reside in the defined target area;
- 1.61.** "Targeted Enterprises" means those enterprises (suppliers, manufacturers, service providers or construction works contractors) that own, operate or maintain premises within the target area defined in the contract, for the purposes of carrying out their normal business operations;
- 1.62.** "Tender/Tenderer" means "bid/bidder";
- 1.63.** Bid validity means "the period of time a bid can be considered valid.
- 1.64.** Bid validity period means "the period within which a bidder's offer is considered legally binding.
- 1.65.** "Transaction Value" means the actual contract value (the bid sum or price) in South African currency, inclusive of all applicable taxes in respect of the goods, services or construction works that are contracted for.
- 1.66.** "Treasury" has the meaning assigned to it in section 1 of the Public Finance Management Act, 1999 (Act No. 1 of 1999 as amended by Act 29 of 1999);
- 1.67.** "Treasury Guidelines" means any guidelines on supply chain management issued by the Minister in terms of the PFMA;
- 1.68.** "Unsolicited Bid" means any proposal received by an institution outside its normal procurement process that is not an unsolicited bid (a submission that must be innovative, unique and provided by a sole supplier.)
- 1.69.** "Long term contract" means a contract with a duration period exceeding one year;

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- 1.70.** "list of accredited prospective providers" means the list of accredited prospective providers which are approved by the department.
- 1.71.** "Head of Department" means the Accounting Officer of the Department as defined in the PFMA;
- 1.72.** "Delegated Authority" means any person or committee delegated with authority by the Department in terms of the provisions of the PFMA;
- 1.73.** "Director" in terms of this policy means a director of a company as defined in the Companies Act, 1973 and 2008 (Act No. 61 of 1973 and Act No. 71 of 2008); a member of a close corporation as defined in the Close Corporations Act, 1984 (Act No. 69 of 1984); a trustee of a trust or a person holding an equivalent position in a firm.
- 1.74.** "CSD" means Central Supplier Database which is a standardised and electronic supplier database administered by the National Treasury which provides information to an organ of state.
- 1.75.** "VTSD" means Villages, Towns and small Dorpies.
- 1.76.** "Person" includes a natural or legal entity;
- 1.77.** "Trust" means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person;
- 1.78.** "Trustee" means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person;
- 1.79.** "Abuse" in terms of the Department's Supply Chain Management System means conduct by an official or person that is tantamount to fraud; corruption; favouritism; unfair, irregular and unlawful practices; misrepresentation on information submitted for the purposes of procuring a contract with the Department; misrepresentation regarding the contractor's expertise and capacity to perform in terms of a contract procured via the supply chain management system; breach of a contract procured via the supply chain management System; failure to comply with the supply chain management system; and any other conduct referred to under the heading of "Combating Abuse of the Supply Chain Management Policy".
- 1.80.** Words importing the singular shall include the plural and vice versa and words importing the masculine gender shall include females and words importing persons shall

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include companies, close corporations and firms, unless the context clearly indicates otherwise.

1.81. Unless otherwise indicated, all amounts/limits stated in this document shall be deemed to be inclusive of all applicable taxes.

2. SCM DICTIONARY

In this SCM System, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the PFMA, Treasury Regulations, PPPFA and CIDBA has the same meaning as in that prescript, and for **ACRONYMS**:

ACRONYM		DESCRIPTION
1.	AC	Audit Committee
2.	AGSA	Auditor General of South Africa
3.	AO	Accounting Officer
4.	BAC	Bid Adjudication Committee
5.	BEC	Bid Evaluation Committee
6.	BEE	Black Economic Empowerment
7.	BSC	Bid Specification Committee Board
8.	CFO	Chief Financial Officer
9.	CIDB	Construction and Infrastructure
10	CIPRO	Companies and Intellectual Properties Registration Office
11	DTI	Department of Trade and Industry
12	EA	Executive Authority
13	FG	Financial Governance
14	FIU	Fraud Investigative Unit
15	FM	Financial Manager
16	GCC	General Conditions of Contract
17	HDI	Historically Disadvantaged Individual

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ACRONYMN	DESCRIPTION
18 IA	Internal Audit
19 IE	Irregular Expenditure
20 IFW&U	Irregular, Fruitless & Wasteful and Unauthorised expenditure
21 MFMA	Municipal Finance Management Act (Act 56 of 2003)
22 MTEF	Medium Term Expenditure Framework
23 DEPARTMENT	Department of Transport and Public Works
24 NT	National Treasury
25 NTR	National Treasury Regulations
26 PCPO	Provincial Chief Procurement Office
27 PFMA	Public Finance Management Act of 1999 (Act 1 of 1999)
28 PPP	Public Private Partnership
29 PPPFA	Preferential Procurement Policy Framework Act (Act 5 of 2000)
30 PT	Provincial Treasury
31 PTI	Provincial Treasury Instructions
32 RDP	Reconstruction and Development Programme
33 RFI	Request for Information
34 RFP	Request for Proposal
35 RFQ	Request for Quotation
36 s	Section
37 SAPS	South African Police Services
38 SARS	South African Revenue Services
39 SBD	Standard Bidding Documents
40 SCM	Supply Chain Management

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ACRONYM		DESCRIPTION
41	SCMU	SCM Unit
42	SITA	State Information Technology Agency
43	SLA	Service Level Agreement
44	SMME	Small Medium and Micro Enterprise
45	SP	Service Provider
46	TCO	Total Cost of Ownership
47	TOR	Terms of Reference
48	UE	Unauthorised Expenditure
49	WE	Wasteful Expenditure

3. LEGISLATIVE FRAMEWORK

3.1. Regulatory Context

The objectives of this Policy are:

- a) to give effect to section 217 of the Constitution of the Republic of South Africa by implementing a system that is fair, equitable, transparent, competitive and cost effective;
- b) to comply with all applicable provisions of the PFMA including the Supply Chain Management Regulations published under regulations in terms of the Public Finance Management Act, 1999: Framework for Supply Chain Management as published in gazette no. 25767 dated 5 December 2003 and to comply with any National Treasury Circulars/Guidelines;
- c) to ensure consistency with all other applicable legislation and any regulations pertaining thereto, including:
 - 3.1.c.1. Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999)
 - 3.1.c.2. Treasury Regulation 16 A (Government Gazette 27388 dated 15 March 2005)
 - 3.1.c.3. Preferential Procurement Policy Framework, 2000 (Act 5 of 2000)
 - 3.1.c.4. The Broad-Based Black Economic Empowerment Act 53 of 2003

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- 3.1.c.5. Regulation in terms of Section 76 (4) of the Public Finance Management Act, 1999 (Act no 1 of 1999 as amended by Act 29 of 1999: Framework for Supply Chain Management)
- 3.1.c.6. Promotion of Access to Information Act, 2000 (Act 2 of 2000)
- 3.1.c.7. Promotion of Administrative Justice Act. (Act 3 of 2000)
- 3.1.c.8. Competition's Act as amended by Competition amendment Act no 35 of 1999, Act no 15 of 2000 and no 39 of 2000.
- 3.1.c.9. Construction Industry Development Board Act; 9CIDB) Standard of Uniformity
- 3.1.c.10. National Treasury Supply Chain Management Guidelines
- 3.1.c.11. Government Immovable Assets Management Act, 19 of 2007

4. DEPARTMENTAL

- 4.1. Financial Management Delegations of Authority
- 4.2. Supply Chain Management Delegations of Authority

5. GENERAL PROVISIONS AND APPLICATION OF POLICY

Commencement and Review

This Policy is effective from the date on which it is adopted by the Department. Should any Legislation be enacted or be amended that conflicts with any part of this Policy, such Legislation will take precedence and will be implemented by the Department without amending this Policy. Such amendment of the Policy as may be required would be done as expeditiously as possible.

The Head of Department or delegated authority must annually review the implementation of this Policy and if she/he considers it necessary, submit proposals for the amendment of the Policy to the Head of Department for approval.

6. PURPOSE AND OBJECTIVES OF POLICY

The purpose and objective of this policy is to guide and regulate the procurement processes of the Department.

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This Policy applies to:

- 6.1.** The procuring of goods or services and consultant services, and excluding construction procurement.
- 6.2.** the procurement of goods and services under a current contract secured by another organ of state, provided that prescribed processes are followed.
- 6.3.** The policy aims to ensure that the manner in which the Department procures goods, services and assets, meets the following key objectives:
 - a) To provide the Department with the best value for money whilst improving service delivery, thus moving away from the “lowest price” scenario to a “best value for money” scenario.

7. PRINCIPLES OF FAIR DEALING

To implement efficient and effective procurement practices in an integrated manner across all elements of the supply chain and develop appropriate systems that would give effect to the principles of fair dealing;

- 7.1.** To **eliminate** fraud or any other irregularities;
- 7.2.** To adopt a uniform procurement and information system, and provide Leadership across the Department of Public Works and Roads.
- 7.3.** To provide a Departmental Framework for issuing the Supply Chain Management Delegations and Standard Operating Procedures that will separately clarify in detail the roles and responsibilities of officials in Procurement matters from this Policy Document.
- 7.4.** And to ensure an intervening and retrospective analysis to determine whether the proper process has been followed, objectives are being achieved and to initiate any necessary corrective steps. The performance of both the Supply Chain Management Directorate and the suppliers shall be measured through this analysis.

8. CODE OF CONDUCT

- 8.1.** All **officials** shall adhere to the Code of Conduct for SCM practitioners as contained in Chapter 2 of the Public Service Regulations, 2001 to ensure fair dealing and integrity in conducting the departmental business.

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8.2. All SCM officials are obliged to deal fairly in any procurement related negotiations or evaluations, refuse gifts, hospitality, favors, monetary compensation or any other act that would materially compromise the credibility and integrity of the SCM system. Where gifts, hospitality, favors, monetary compensation or any other act that would materially are accepted, reference should be made to Departmental policies and circulars issued in this regard.

9. FRAMEWORK FOR SUPPLY CHAIN MANAGEMENT

This is the basic structure underlying SCM systems and concepts.

9.1. FORMAT OF SUPPLY CHAIN MANAGEMENT

The Policy provides for the following supply chain management elements:

- a) Demand management system;
- b) Acquisition management system;
- c) Logistics management system;
- d) Disposal Management
- e) Risk Management
- f) Performance management system.

These systems must be adhered to in all supply chain management activities undertaken by the Department.

10. DELEGATIONS

The Head of Department has the statutory power to delegate or sub-delegate to a staff member any power conferred on the Head of Department in terms of the PFMA and the Supply Chain Management Regulations relating to supply chain management.

- 10.1.** No decision-making in terms of any supply chain management powers and duties may be delegated to an advisor or consultant who is not a departmental official.
- 10.2.** Any activity to be executed must be done in accordance with a delegation according to the Delegation System as approved by the AO. These delegations must indicate a person and/or a rank/designation, in writing together with relevant limitations and conditions.

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10.3. A SCM Delegation System aligned with the AO Finance Delegations must be developed and maintained by the SCMU in the Office of the CFO.

10.4. Failure to comply with the requirements of the SCM delegations and this resulted in an irregular, unauthorised and / or fruitless and wasteful expenditure, the following punitive action can be instituted against the delegatee/body (refer to Section 86 of PFMA):

- (a) Recover from the delegatee all expenses the Department has suffered/lost through the exercise of the delegations.
- (b) Institute the necessary steps in terms of misconduct.

11. DEMAND MANAGEMENT

11.1. Demand management provides for an effective system to ensure that the resources required to support the strategic operational commitments of the Department are delivered at the correct time, at the right price and at the right location, and that the quantity and quality satisfy the needs of the Department.

11.2. Demand Management is intended to build and promote effective planning, timeously acquisition of goods and services, according to the Departmental Procurement Plan.

11.3. The Department's annual performance plan (APP) is a comprehensive strategy document setting out how the Department intends to achieve its targets in a financial year. It is on the basis of the APP that the resources of the department will be allocated and on which the budget is based.

11.4. In order to achieve effective demand management, the Director: Supply Chain Management shall continuously ensure:

- a) That efficient and effective Supply Chain Management systems and practices are implemented to enable the Department to deliver the required quantity and quality of services to the public.
- b) The establishment of uniformity in policies, procedures, documents and contract options and the implementation of sound systems of control and accountability.
- c) The development of a professional supply chain management system which results in continuing improvement in affordability and value for money, based on

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total cost of ownership and quality of procurement as competition amongst suppliers is enhanced.

- d) In dealing with suppliers and potential suppliers, the Department shall respond promptly, courteously and efficiently to enquiries, suggestions and complaints.
- e) The Director Supply Chain Management or delegated official shall annually compile the Department's Procurement and Demand Management Plan and to ensure that the plans are approved and submitted to Provincial Treasury.

11.5. Demand Management is the beginning of the supply chain management process and the major activities associated with identifying demand are:

- a) establishing requirements;
- b) determining needs; and
- c) deciding on appropriate procurement strategies.
- d) Demand management accordingly shall involve the following activities:
 - e) understanding the future needs;
 - f) identifying critical delivery dates;
 - g) identifying the frequency of the need;
 - h) linking the requirement to the budget;
 - i) conducting expenditure analyses based on past expenditure;
 - j) determining requirements (including the internal capacity to implement),
 - k) conducting commodity analyses in order to check for alternatives; and conducting industry analyses.

11.6. The Demand Manager shall consider the following alternative strategies prior to the acquisition process:-

- a) Acquisition of redundant / obsolete material, goods and assets from other institutions;
- b) Leasing/rental/hiring from other institutions
- c) Sourcing of expertise from other institutions;
- d) Utilization of transversal contracts administered by other institutions;
- e) Local versus international sourcing; or
- f) Public Private Partnerships.

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11.7. The AO must have an annual operational plan, which must be consistent with the Annual Performance Plan of the department, for his/her SCM Unit.

a) This operational plan (procurement plan) must at least contain the following information:

- (a) Goods and services to be procured;
- (b) Method of Procurement;
- (c) Timelines to execute the procurement action;
- (d) Estimated value including all applicable taxes;
- (e) Confirmation that funds are available; and
- (f) The responsible office or regional office.

12. PROCUREMENT PLANNING:

12.1. Procurement Planning is one of the important processes within Demand Management. This will ensure that service delivery commences immediately and that there is no delay in expenditure. Procurement planning should take place during the beginning of the financial year when the institution's strategic plan and budget have been approved. Procurement plans cannot be developed in isolation. The SCM directorate must perform hand-in-hand with user departments/directorates in the formulation of procurement plans. Procurement Planning must be aligned with the budget and therefore programme managers become key drivers in the development of these plans.

12.2. The Procurement Plan shall be submitted to the relevant Provincial Treasury on the date set by the duly delegated authority.

12.3. The procurement plan shall be signed by the Accounting Officer and the Chief Financial Officer.

12.4. Quarterly procurement plan performance shall be reported and submitted to Provincial Treasury.

12.5. To inform the Departmental Procurement Plan, a needs analysis must be performed to identify the goods and services required to achieve the outcomes envisaged in the Department's Strategic Plan. This is an exercise to be performed by the end user (programme manager/responsibility manager) in conjunction with the supply chain practitioner with the assistance of a technical strategic sourcing specialist / analyst as required by the Department. Its aim is to ensure that value for money is achieved. Both

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current and future needs should be determined based on the strategic plan of the Department.

12.6. During the strategic planning phase of the institution, the goods, works or services required to execute the identified functions are determined. The SCM representative(s) should assist the process in ensuring that the identified goods, works or services are the optimum resources required to achieve the goals and objectives of the institution.

12.7. Together with the end-user, the SCM unit/directorate should apply prescripts to determine the manner in which to acquire the required goods, works or services. This entails, among others, the following;

- a) Confirmation that sufficient funds have been allocated for the procurement of the required goods, works or services. (Copy of B09)
- b) Procurement method must be in line with the financial delegations e.g. price quotations, competitive bids, transversal contracts or ad-hoc contracts and framework agreements.

12.8. Completion of the above activities should result in the **compilation of the procurement plan** to be implemented by the SCM unit/directorate. This plan should indicate description of goods, works or services, the end-user, the contact person representing the end-user, estimated value, date of advertisement of the bid, closing date the bid and date of award.

13. ACQUISITION MANAGEMENT

Acquisition management is a process of inviting, evaluating, and awarding of bids.

This process is a critical part of the SCM system as it involves direct contact with private partners whose rights are protected by various laws. There are several issues to consider when embarking upon the acquisition process:

- (a) The legislative framework that guides the procurement process;
- (b) All SCM prescripts issued by the National/Provincial Treasury; and
- (c) The delegations issued for Supply Chain Management as it will indicate the precise parameter within which a delegated official may act, along with any conditions or limitations attached to such action.

This system, however, should not be abused and items of regular use should be bought in bulk through the normal procurement process.

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This acquisition management system contains the general conditions and procedures which are applicable, as amended from time to time, to all procurement, contracts, and orders for the Department.

Acquisition Management provides guidance on how goods, services and assets should be procured, leased or hired from the market place.

- 13.1.** All procurement shall be in line with the approved Procurement and Demand Management Plan.
- 13.2.** The Central Supplier Database (CSD) is the only standardised and electronic supplier database to source quotations from by Supply Chain Management. All quotations must be sourced from suppliers that are registered on the CSD. This database is administered by the National Treasury which provides information to an organ of state.
- 13.3.** Service Providers shall be selected from the Central Supplier Database, on the basis of best value for money. Therefore, the selection of Service Providers shall be based on price and/or functionality according to the threshold values.
- 13.4.** It is the responsibility of the end-user to finalize the detailed Terms of Reference/specifications and manage the appointed Service Provider.
- 13.5.** The end user shall proper plan for and, as far as possible, accurately estimate the costs of the provision of services or goods for which an invitation for bids is to be made.
- 13.6.** The estimated project value determine the appropriate preference point system to be utilised in the evaluation of the tenders.
- 13.7.** Where applicable the end user shall determine the pre-qualification and functionality criteria in which a bidder will be assessed.
- 13.8.** Advertisement in terms of construction projects will be on the CIDB Web site, e-tender and tender bulletin. In terms of other projects the advertisements will be on the Departmental web site, e-tender and tender bulletin.

14. NATIONAL TREASURY'S CENTRAL SUPPLIER DATABASE (CSD)

As per National Treasury SCM Instruction number 4A of 2016/2017 all Suppliers must be registered on the Central Supplier Database (CSD) that can be accessed at

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<https://secure.csd.gov.za>. The Central Supplier Database will be the only database used for the sourcing of service providers.

14.1. The official sourcing quotations from (CSD) should ensure that:

- a) Suppliers chosen are registered for the **relevant commodity** on CSD prior to issuing Request for quotations (RFQ)
- b) that selected suppliers are tax compliant prior to issuing Request for quotations (RFQ)

15. QUOTATIONS

For all price quotations the department will apply the Central Supplier Database from the National Treasury.

15.1. Only SCM unit is allowed to source quotation.

15.2. Programmes are not allowed to source their own quotations unless in the case of emergency.

15.3. In general, all quotations should be submitted on a fixed price basis.

15.4. Quotation documents issued by the Department shall clearly state the place where such documents must be submitted and the date and time by when they must be submitted.

15.5. Quotations shall close on the date and at the time stipulated on the request for quotations.

15.6. No quotations submitted after any stipulated closing date and time shall be considered.

15.7. All quotation documentation, where applicable, shall comply with the requirements of bid documentation contained in the acquisition management system for competitive bids.

15.8. Open Quotations

Where the Department intends to procure any goods or services, which involves a transaction value of **R1 up to R2 000**, written price quotations shall be obtained from at least one provider preferably from, but not limited to, providers whose names appear on the Supplier Database provided that if quotations are obtained from providers who are not listed, such providers must meet the listing criteria referred to in this Policy.

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15.9. Open Written Price Quotations

- a) **Where** the Department intends to procure any goods or services, which involves a transaction value over **R2 001 and up to R100 000**, written price quotations shall be obtained from at least three different providers from, but not limited to, providers who are registered on the Central Supplier Database.
- b) If it is **not** possible to obtain three written quotations, the reasons must be recorded and approved, prior to proceeding with the procurement, by the Head of Department or his / her delegated official in accordance with the Financial Delegation manual.
- c) The names of the potential providers requested to provide quotations and their written quotations must be recorded in the quotations register. The SCM official responsible for requesting quotation should sign the quotations register.
- d) All orders in respect of written price quotations shall be approved and released by the Director Supply Chain Management, or his delegated authority.
- e) A preference point system, as described in the preferential procurement section of this policy, must be applied to such quotations.

15.10. Sealed Written Price Quotations

- a) **Where** the Department intends to procure any goods or services, which involves a transaction value over **R100 001 and up to R1 000 000**, sealed written price quotations shall be obtained from at least **FIVE** different providers who are registered on the Central Supplier Database. If it is **not** possible to obtain five written quotations, the reasons must be recorded and approved, prior to proceeding with the procurement, by the Head of Department or his / her delegated official in accordance with the Financial Delegation manual.
- b) The names of the potential providers requested to provide quotations and their written quotations must be recorded in the quotations register. The SCM official responsible for requesting quotation should sign the quotations register indicating his/her full names and title.
- c) All orders in respect of written price quotations shall be approved and released by the Director Supply Chain Management, or his delegated authority.

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- d) A preference point system, as described in the preferential procurement section of this policy, must be applied to such quotations.

16. COMPETITIVE OPEN BIDS

This is the process where all prospective bidders are provided with timely and adequate notification of a Department's requirements and an equal opportunity to bid for the required goods or services.

Competitive bids must be called for any procurement of goods or services, and construction works above a transaction value of **R 1000 000.10**

16.1. Process

For all procurement in excess of **R1 000 001.00**, bids must be advertised in the Government Tender Bulletin and CSD. If deemed practical or necessary by the Department, bids must also be advertised in other media. This will allow for unfettered competition and provides an opportunity for all prospective bidders to make an offer and compete on an equal basis.

Bid Invitation

- (a) Bids must be advertised by the relevant Supply Chain Management Unit in the *Government Tender Bulletin* for a minimum period of 21 days before bid closure as required by the National Treasury Regulations. Bids may also be advertised on the Provincial Government website and other publication media when needed.
- (b) Closing of bids should at least be 4 calendar weeks (28 days) after the date of publication. The reason for this is to grant bidders sufficient time to acquire the relevant bid documentation, evaluate their resources to determine whether it meets the bid requirements, to complete the bid documents and submit the bid documents.
- (c) In justifiable circumstances the accounting officer may allow for the shortening of the closing date for bids. In terms of the NTRs, such shortening of advertising periods may only be done in urgent cases as determined by the accounting officer / relevant delegated authority.

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- (d) Bid documents must be ready before advertisement. The standard bid documents issued by National and Provincial Treasury must be used and customised according to the needs of the Department.
- (e) Bids may not be advertised too close to the period 15 December to 15 January as most suppliers / firms are closed during this period and responsive bids may not be assured / guaranteed. Similarly bids for building and related services must not be advertised or issued during the builders' holiday period and the closing date for bids must be set for no later than one week prior to the commencement of the holiday and at least 3 weeks after the end of the holiday period.
- (f) However, if it becomes necessary for the Department to advertise a bid during this period a submission must be made to the relevant delegatee in this regard for approval.

16.2. BIDS BASED ON FUNCTIONALITY AS CRITERIA

In general, not all bids should be invited on the basis of functionality as a criteria. The need to invite bids on the basis of functionality depends on the nature of the required commodity or service, taking into account quality, reliability, viability and durability of a service and the bidder's technical capacity and ability to execute a contract.

When a Department invites a bid that will also be evaluated on the basis of functionality as a criterion. The following aspects must be clearly specified in the bid document:

(a) Evaluation criteria for measuring functionality

The evaluation criteria may include criteria such as; relevant experience, quality, qualifications of key personnel etc.

(b) Weight of each criterion

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

(c) Applicable values

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The applicable values that will be utilised when scoring each criterion should be objective. As a guide, values ranging from 1 being poor, 2 being average , 3 being good, 4 being very good and 5 being excellent.

(d) Minimum qualifying score for functionality

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

16.3. CLOSING OF BIDS

- a) Bids shall close on the date and at the time stipulated in the bid notice.
- b) All bids should be recorded in the Bids Received Register. The bid received register should be closed off at the end and signed by at-least two SCM officials.
- c) Bids for goods and services the bid closing date must be at least 14 (fourteen) days after publication of the notice.
- d) For construction works the bid closing date must be at least 21 (twenty one) days after publication of the notice.
- e) Notwithstanding the above, if the estimated contract value exceeds R10 million (VAT included), or if the contract is of a long term nature with a duration period exceeding one year, then the bid closing date must be at least 30 (thirty) days after publication of the notice
- f) For proposal calls using a two envelope system, the bid closing date must be at least 30 (thirty) days after publication of the notice.
- g) The bid closing date may be extended by the Director: Supply Chain Management if circumstances justify this action; provided that the closing date may not be extended unless a notice is published prior to the original bid closing date.
- h) This notice shall also be posted on the official departmental database, CIDB & E-tender, and a notice to all bidders to this effect shall be issued.
- i) The Head of Department may determine a closing date for the submission of bids which is less than any of the periods specified above, but only if such shorter period

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can be justified on the grounds of urgency or emergency or any exceptional case where it is impractical or impossible to follow the official procurement process.

16.4. SUBMISSION OF BIDS

- a) Bids must be submitted before the closing time, at the address and in accordance with the directives in the bid documents.
- b) Each bid must be in writing using black non-erasable ink and must be submitted to the Department.
- c) No bids forwarded by email, facsimile or similar apparatus shall be considered.
- d) Electronical bids will not be accepted.
- e) The bidder shall choose a domicilium citandi et executandi in the Republic and unless notice of the change thereof has duly been given in writing, it shall be the address stated in the bid.
- f) No person may amend or tamper with any bids or quotations after the closing time and date. Bidders who want to add documentation to their submitted bid or amend their bid must proof their Identification by means of a green Bar Coded ID or ID card; no other identification will be accepted. A written request from the bidder indicating the additions and/or amendments which needs to be amended or add to the bid documentation must be handed over to the bid office to be attached to the bidders bid.

16.5. CONTROL MEASURES FOR THE HANDLING OF BIDS

The following controls must be in place for the proper handling of bids:

- a) A special lockable office with a safe for the receipt and storing of bids, as information contained in the documents is privileged.
- b) A bid box that is open and accessible 24 hours per day 7 days a week including weekends and public holidays to ensure free access at all times.
- c) Where a bid box is not open and accessible 24/7, it should be brought to the bidders' attention and should be reflected as such on the cover of the bid documents that have been issued to the bidders.

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- d) Date stamps may be used to stamp the time and date of receipt of bids to indicate whether / not bids have been received on time.
- e) At least two persons must be involved in performing the following functions:
 - (i) advertisement of bid;
 - (ii) receiving of bids;
 - (iii) maintenance of bids;
 - (iv) opening, processing and storing of bids.
- f) This also serves to protect officials involve in the abovementioned processes from potential irregular practices and to confirm and serve as witness for the late submission of bids and whether/not due process was followed. In this way the risks for the Department are also minimized, and operations are done in a spirit of consistency with the SCM regulations.
- g) All bids to be entered into a register. In the interest of transparency this information is available for the scrutiny of interested parties on request.

16.6. DISCOUNTS

When calculating comparative prices:-

- (a) unconditional discounts must be taken into account for evaluation purposes;
- (b) conditional discounts must not be taken into account for evaluation purposes but considered only when payment is made.

16.7. AWARD OF BIDS

- a) A bid must be awarded to the bidder who scored the highest total number of points in terms of the preference point systems.
- b) A contract may be awarded to a bidder who did not score the highest total number of points, only in accordance with section 2 (1) (f) of the PPPFA (Act 5 of 2000). This may be done when objective criteria is contemplated in addition to specific goals as contemplated in subsections (d) and (e) of the PPPFA, which require that:
 - (a) specific goals may include-
 - (i) contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender or disability;

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- (ii) implementing the programmes of the Reconstruction and Development Programme as published in *Government Gazette* 16085 dated 23 November 1994; and
- (c) any specific goal for which a point may be awarded, must be clearly specified in the invitation to submit a tender.

16.8. NEGOTIATIONS WITH PREFERRED BIDDERS

Negotiations with bidders identified as preferred bidders through a competitive bidding process may take place provided that approval has been obtained from the accounting officer and such a process does not allow the bidder concerned a second (unfair) opportunity and is not to the detriment of any other supplier/bidder.

The Accounting Officer may negotiate the contract only with the preferred bidder identified by means of the competitive bidding process. Negotiations should include discussions of the Terms of Reference, the methodology, staffing, accounting officer's inputs, and special conditions of the contract. These discussions should not substantially alter / affect the original TOR or the terms of the contract, the quality of the final product and the relevance of the initial evaluation process. Major reductions in work inputs should not be made solely to meet the budget. The final TOR and the agreed methodology should be incorporated in "Description of Services," which should form part of the contract. The selected firm should not be allowed to substitute key staff, unless both parties agree that undue delay in the selection process makes such substitution unavoidable or that such changes are critical to meet the objectives of the assignment. If this is not the case and if it is established that key staff were offered in the proposal without confirming their availability, the firm may be disqualified and the process continued with the next ranked firm.

The key staff proposed for substitution should have qualifications equal to or better than the key staff initially proposed. Financial negotiations should include clarification of the consultants' tax liability. Proposed unit rates for staff-months and reimbursable expenses should not be negotiated, since these have already been a factor of selection in the cost of the proposal, unless there are exceptional reasons.

If the negotiations fail to result in an acceptable contract, the accounting officer should terminate the negotiations and invite the next ranked bidder for negotiations.

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The original preferred bidder should be informed of the reasons for termination of the negotiations. Once negotiations are commenced with the next ranked bidder, the accounting officer should not re-open the earlier negotiations. After negotiations are successfully completed, the accounting officer should promptly notify other bidders that they were unsuccessful.

16.9. COMMUNICATION WITH BIDDERS

During consideration of bids, communication with bidders, may take place only within the delegated powers as set out by the SCM delegations. Communication with the bidder is only allowed when there appears to be ambiguity in documentation provided, and there is a need to confirm prices where there is uncertainty. The extent and purpose of the communication must be documented.

16.10. DELIBERATE SLITS

- a) Goods or services, construction works, or consultant services may not be split into parts or items of lesser value merely to avoid complying with the requirements relating to competitive bids.

17. GENERAL CONDITIONS APPLICABLE TO BIDS AND QUOTATIONS

The Department may not consider a bid or quote unless the bidder:

- has submitted a CSD verification report in line with SCM practice note 4A of 2016/2017 paragraph 3.8. or in the case of a Joint Venture a consolidated CSD Report
- has submitted a CIDB grading certificate (when applicable)
- has submitted a original signed Joint Venture / Consortium Agreement (when applicable)

17.1. TABLE OF SBD FORM TO BE SUBMITTED AS APPLICABLE

CODE	SUB-CATEGORIES
SBD 1	Tax Compliance Status
SBD 3.1	Pricing schedule – firm prices (purchases)
SBD 3.2	Pricing schedule – Non firm prices (purchases)

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SBD 3.3	Pricing schedule – professional services
SBD 4	Declaration of interest
SBD 5	The National Industrial Participation Programme
SBD 6.1.	Preference Points claim form in terms of the Preferential Procurement regulations 2017
SBD 6.2	Local Production and Content declaration
SBD 7.1	Contract form - purchase of goods/works
SBD 7.2	Contract form - rendering of services
SBD 7.3	Contract form - sale of goods/works
SBD 8	Declaration of bidder's past Supply Chain Management practices
SBD 9	Certificate of independent bid determination

17.2. The Department must verify on CSD or SARS web site VAT registration of all vendors claiming VAT.

17.3. Before making an award the department shall check the tax status of the supplier on the CSD by means of a report.

17.4. Irrespective of the procurement process followed, the Department is prohibited from making an award to a person:

- a) who is in the service of the state;
- b) if the person is not a natural person, of which any director, manager or principal shareholder or stakeholder is in the service of the state; or
- c) who is an advisor or consultant contracted with the Department whose prior or current obligations creates any conflict of interest or unfair advantage.
- d) who is listed on the Database of Restricted Suppliers and/or Register for Tender Defaulters
- e) A bidder who is non tax non-compliant.

18. CONTROL MEASURES FOR THE HANDLING OF BIDS

18.1. The following controls must be in place for the proper handling of bids:

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- a) A special lockable office with a safe for the receipt and storing of bids, as information contained in the documents is privileged.
- b) A bid box that is open and accessible 24 hours per day 7 days a week including weekends and public holidays to ensure free access at all times.
- c) Where a bid box is not open and accessible 24/7, it should be brought to the bidders' attention and should be reflected as such on the cover of the bid documents that have been issued to the bidders.
- d) Date stamps may be used to stamp the time and date of receipt of bids to indicate whether / not bids have been received on time.
- e) At least two persons must be involved in performing the following functions:
 - (v) advertisement of bid;
 - (vi) receiving of bids;
 - (vii) maintenance of bids;
 - (viii) opening, processing and storing of bids.
- f) This also serves to protect officials involve in the abovementioned processes from potential irregular practices and to confirm and serve as witness for the late submission of bids and whether/not due process was followed. In this way the risks for the Department are also minimized, and operations are done in a spirit of consistency with the SCM regulations.
- g) All bids to be entered into a register. In the interest of transparency this information is available for the scrutiny of interested parties on request.

19. OPENING OF BID BOX AND RECORD OF BIDS/PRICE QUOTATIONS RECEIVED

- 19.1.** The bid box is closed at exactly 11:00am and all the bids should be removed and opened. The bids should be date stamped on the envelope, sorted according to the bid numbers, recorded and sorted accordingly with those already received of similar bid numbers. In the interest of transparency this information is available for the scrutiny of interested parties on request.

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- 19.2.** For security purposes all the pages of the bids should be date stamped and checked for any correction fluid marks, write over's, deletions, signature omissions (especially on the bid forms).
- 19.3.** Bids are late if they are received after the closing date and time. Late bids must be registered. A late bid must not be considered and where feasible must be returned unopened to the bidder and accompanied by an explanation. No exceptions to this rule should be entertained.
- 19.4.** The following controls must be in place for the proper handling of bids:
- a) A special lockable office or strong room or walk-in safe for the receipt and storing of bids.
 - b) A bid box that is open and accessible 24hours per day 7 days a week including weekends and public holidays to ensure free access at all times.
 - c) Date stamps shall be used to register the time and date of receipt of bids to indicate whether or not if it has been received on time.
 - d) At least two people must be involved in opening a bid box.
 - e) Consideration and Acceptance of Quotations
 - f) All orders in respect of formal written price quotations shall be approved and released by the Director Supply Chain Management or his delegated authority.

20. UNSOLICITED BIDS /PROPOSALS

- 20.1.** The Department may consider unsolicited proposal if it meets the following requirements:
- a) comprehensive and relevant project feasibility study has established a clear business case, and
 - b) the product or service involves an innovative design;
 - c) or the product or service involves and innovative approach to project development and management; or
 - d) the product or service presents a new and cost-effective method of service delivery.
 - e) Information to be included in an unsolicited proposal:

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- f) name, address, identification or registration number (if corporation), VAT registration number and the contact details of its authorised representative;
- g) identification of any confidential or property data to be made public;
- h) The names of other South African institutions that have received a similar unsolicited proposals;
- i) the proponent's valid SARS Tax Clearance Certificate / compliance certificate and in the case where the proponent is a consortium or joint venture, a valid Tax Clearance Certificate / compliance certificate for each member thereof;
- j) a declaration of interest containing the particulars as required by the National Treasury's standard bid document (SBD) 4;
- k) a declaration of the proponents past supply chain practices containing the particulars as required in the National Treasury's standard bid document (SBD) 8 ;
- l) a declaration from the proponent indicating that the offering of the unsolicited proposal was not as a result of any non-public information obtained from officials from the relevant institution or any other institution.

20.2. The bidding process will include the following:

- a) Request to Qualification (RFQ) to test the market for the existence of other private entities capable of providing the product or services;
- b) the preparation of a draft contract should there be no adequate response to the RFQ;
- c) the preparation of a Request for Proposal (RFP) with a draft contract should there be one or more adequate responses to the RFQ;
- d) conducting a competitive bidding process in terms of the institution's supply chain management system among the firms qualified in the RFQ and the proponent; and
- e) reimbursement of the proponent should they not be awarded the contract resulting from the bidding process. The quantum of the reimbursement shall be those audited costs of the proponent from the time the institution was solicited by the proponent to the conclusion of the bidding process.

20.3. The requirements for the bid process are:

- a) that it must be developed by the institution;
- b) it must be disclosed that the bid originated from an unsolicited proposal; and

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- c) the provision of the agreed costs and terms of payment to the proponent and the requirement that all bidders save for the proponent make allowance for these costs to the proponent directly, if their bid is successful.
- d) After receiving an unsolicited proposal and before either accepting or rejecting the proposal in accordance with the prescribed procedure the department may seek advice from independent consultants or experts, subject to specific set requirements that includes disclosure agreements.
- e) The department may also not use any data, concept, idea, or other part of an unsolicited proposal as the basis or part of the basis, for a solicitation or in negotiation with any other firm unless the project proceeds to procurement in terms of the prescribed procedure and the proponent is notified of and agrees to the intended use; provided that this prohibition does not precluded the use of any data, concept or idea in the proposal that also is, or becomes available from another source without restriction or disclose information identified in the unsolicited proposal agreement as confidential.

21. BID SPECIFICATIONS

- 21.1.** Bid specifications must be drafted in an unbiased manner to allow all potential suppliers to offer their goods or services.
- 21.2.** Bid specifications must consider standards such as those issued by South African National Standards, the International Standards Organisation, or any authority accredited or recognised by the South African National Accreditation System with which the equipment or material or workmanship should comply with.
- 21.3.** Bid specifications shall, where possible, be described in terms of performance required rather than in terms of descriptive characteristics for design.
- 21.4.** Bid specifications may not create trade barriers in contract requirements in the forms of specifications, plans, drawings, designs, testing and test methods, packaging, marking or labelling of conformity certification.
- 21.5.** Bid specifications may not make any reference to any particular trade mark, name, patent, design, type, specific origin or producer, unless there is no other sufficiently

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precise or intelligible way of describing the characteristics of the work, in which case such reference must be accompanied by the words "similar or equivalent".

- 21.6.** Bid specifications must be approved by the Head of Department or his delegated authority prior to publication of the invitation for bids.
- 21.7.** Where specifications are based on standard documents available to bidders, a reference to those documents is sufficient.
- 21.8.** Specifications should be precise and should avoid duplication of the same service or performance requirements.
- 21.9.** Each specification will be evaluated in terms of budget and expenditure priorities to ensure that these priorities are promoted in the specification.
- 21.10.** Expenditure priorities must, as far as possible, be addressed through the referencing system but the specification should also be aligned to the priority.

22. BID SPECIFICATION COMMITTEE

- 22.1.** All bid specifications and bid documentation must be compiled by an bid specification committee.
- 22.2.** The Bid Specification Committee shall be comprised of a appointed Chairperson, at least four officials, a secretariat and at least one Supply Chain Management Practitioner of the Department.
- 22.3.** Where appropriate a representative of Internal Audit and/or Legal Services and/or other specialist advisors (internal or external) may form part of this committee.
- 22.4.** Green procurement should be considered for all specifications of goods, services and construction works.
- 22.5.** In the development of bid specifications, innovative mechanisms should be explored to render the service or product more green and energy efficient.
- 22.6.** The Head of Department, or his delegated authority, shall take into account section 76 (4) c of the PFMA, appoint the members of the Bid Specification Committees.
- 22.7.** No person, advisor or corporate entity involved with the bid specification committee, or director of such corporate entity, may bid for any resulting contracts.

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- 22.8.** Bid Specification Committee meetings must be conducted in accordance with the applicable terms of reference and guide rules of Members.

23. INVITATION OF BIDS

- 23.1.** Bid documents shall be compiled by making use of Standard Bid Documents, general conditions of contract, special conditions of contract and the relevant terms of reference or specifications.
- 23.2.** For bids related to building, engineering and construction works, the Department shall use the General Conditions of Contract and Standard Bidding Documents for Construction Projects issued by the Construction Industry Development Board (CIDB)
- 23.3.** The Standard Bidding Documents (SBDs) issued by National Treasury shall be used by the Department solely for all procurement of goods and services not related to Construction Projects.
- 23.4.** The verification of Bid documents shall be dealt with in line with the SCM Delegations of Authority.
- 23.5.** Approval of Terms of Reference/Specifications & Evaluation Criteria shall be in line with the SCM Delegations of Authority.
- 23.6.** Every advertisement of a bid shall contain the clause which states that "If you do not hear from the Department within 90 days of the closing date, you shall regard your offer as unsuccessful".

24. COMPILATION OF BID DOCUMENTATION

- 24.1.** Construction works as contemplated by the Infrastructure Procurement & Delivery Management Policy, Construction Industry Development Board Act, all requirements of that Act must be taken into account in the bid documentation.
- 24.2.** General conditions of contract and supply chain management guidelines of the National Treasury in respect of goods and services must be taken into account when compiling bid documents.

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- 24.3.** Bid documentation must clearly indicate the terms and conditions of contract, specifications, criteria for evaluation and adjudication procedures to be followed where applicable, and include where, in exceptional circumstances, site inspections are compulsory.
- 24.4.** An appropriate contract and/or delivery period must be specified for all contracts.
- 24.5.** The requirements of the preferential procurement section of this Policy must be clearly set out in the bid documentation.
- 24.6.** The bid documentation and evaluation criteria shall not be aimed at hampering competition, but rather to ensure fair, equitable, transparent, competitive and cost effective bidding, as well as the protection or advancement of persons, or categories of persons, as embodied in the preferential procurement section of this Policy.
- 24.7.** The bid documentation must require a bidder to furnish the following:
- a) Company Registration Certificate (Information obtained from CSD Report)
 - b) Original certified identification copies of the active director of the company.
(Information obtained from CSD Report)
 - c) An original valid tax clearance certificate or tax compliance status pin for all quotations from the value of R1 to R1 000 000 and competitive bids from R 1 000 001 upwards from the South African Revenue Services stating that the bidders tax matters are in order. (Information obtained from CSD Report)
 - d) Original valid certified BBBEE certificate issued by SANAS accreditation or an original sworn affidavit certificate signed by a Commissioner of Oath.
 - e) Bidders who do not submit BBBEE status level verifications certificate do not qualify for preference points for BBBE but should not be disqualified from the evaluation process.
 - f) Standard Bidding Documents as indicated in paragraph 9.2 of the policy and any other relative documents.
 - g) CIDB grading certificate (in terms of construction or when required)
 - h) A recent CSD supplier registration report must be attached, including a consolidated CSD Report for JV where applicable.
 - i) An original signed Joint venture agreement between the joint venture / consortiums partners.
 - j) In terms of a joint venture the following documents must be attached:

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- k) Company Registration Certificate.
 - 24.7.k.1. Original certified identification copies of the active directors of the company.
(Information obtained from CSD Report)
 - 24.7.k.2. Tax compliance status pin for all quotations from the value of R1 to R1 000 000 and competitive bids from R1 000 001 upwards from the South African Revenue Services stating that the bidders tax matters are in order. (Information obtained from CSD Report)
 - 24.7.k.3. Original certified valid consolidated BBBEE certificate in the name of the joint venture / consortium which was issued by SANAS accreditation or an original sworn affidavit certificate signed by a Commissioner of Oath.
 - 24.7.k.4. Bidders who do not submit BBBEE status level verifications certificate do not qualify for preference points for BBBE but shouldnot be disqualified from the evaluation process.
 - 24.7.k.5. Calculated CIDB grading certificate of companies. (In terms of construction projects)
- 24.8.** Bid documentation must stipulate that disputes must be settled by means of mutual consultation, mediation (with or without legal representation) or, where unsuccessful, in a court of South African law.
- 24.9.** Provision for the termination/cancellation of the contract in the case of non- or under-performance must be included in the bid documentation
- 24.10.** Unless otherwise indicated in the bid documents, the Department shall not be liable for any expenses incurred in the preparation and/or submission of a bid.
- 24.11.** Bid documentation must state that the Department shall not be obliged to accept the lowest bid, any alternative bid or any bid.
- 24.12.** Bid documentation must state that the Laws of the Republic shall govern contracts arising from the acceptance of bids.
- 24.13.** Bid documentation must compel bidders to declare any conflict of interest they may have in the transaction for which the bid is submitted.
- 24.14.** The bid documentation must require bidders to disclose:
 - a) whether he or she is in the service of the state, or has been in the service of the state in the previous twelve months;

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- b) bidder is not a natural person, whether any of its directors, managers, principal shareholders or stakeholder is in the service of the state, or has been in the service of the state in the previous twelve months; or
 - c) whether a spouse, child or parent of the bidder or of a director, manager, shareholder or stakeholder has been in the service of the state in the previous twelve months.
 - d) is in the service of the state, or has been in the service of the state in the previous twelve months.
- 24.15.** Bid documentation for consultant services must require bidders to furnish the Department with particulars of all consultancy services, and any similar services (to the services being bid for) provided to an organ of state in the last five years.
- 24.16.** Bid documentation for consultant services must ensure that copyright in any document produced, and the patent rights or ownership in any plant, machinery, item, system or process designed or devised by a consultant in terms of an appointment by the Department, shall vest in the Department.
- 24.17.** The department must state clearly in the tender documents:-
- a) If goods or services for which a tender is to be invited, are in a designated sector for local production and content as envisaged in PPPFA Regulation 2017, regulation 8;
 - b) If compulsory subcontracting is applicable to the tender as envisaged in PPPFA Regulation 2017 regulation 9; and
 - c) if objective criteria are applicable to the tender as envisaged in PPPFA Regulation 2017 regulation 11.

25. ISSUING OF BID DOCUMENTS

- 25.1.** Bid documents and any subsequent notices may only be issued by officials designated by the Director: Supply Chain Management from time to time.
- 25.2.** Details of all prospective bidders who have been issued with bid documents must be recorded by the issuing office but shall remain confidential for the duration of the bid period.
- 25.3.** Details of prospective bidders must, wherever possible, include the full name of the person drawing documents, a contact person, a contact telephone and fax number and a

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postal and email address.

26. SALE OF BID DOCUMENTS

A non-refundable fee as determine by the Head of Department for bidding documents is payable when the documents are sold.

All monies received for the sale of bidding documents must be paid into the Provincial Revenue Fund.

Bid documents must state that the applicable fees are non-refundable in the case where a bid was unsuccessful, cancelled or awarded.

27. PRE AWARD VERIFICATIONS

Pre award verifications or risk assessment will be conducted on bidders with a CIDB grading 7 or lower.

28. SITE INSPECTIONS

28.1. Site inspections will be conducted on a regular basis. In some circumstances however, a site inspection may be made compulsory. If compulsory Site Inspection attendance registers must be kept to serve as proof and will be used as a disqualifying factor in the event that a bidder did not attend the compulsory site inspection.

28.2. If site inspections are to be held, full details must be included in the bid notice, including whether or not the site inspection is compulsory.

28.3. The date of the inspection shall be after the bid have been advertised, and an attendance register should be kept.

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29. TWO-STAGE (PREQUALIFICATION) BIDDING PROCESS

- 29.1.** In a two-stage (prequalification) bidding process, bidders are first invited to prequalify in terms of predetermined criteria, without being required to submit detailed technical proposals (where applicable) or a financial offer.
- 29.2.** In the second stage, all bidders that qualify in terms of the predetermined criteria will be shortlisted and invited to submit final technical proposals (where applicable) and/or a financial offer.
- 29.3.** This process may be applied to bids for large complex projects of a specialist or long term nature or where there are legislative, design, technological and/or safety reasons to restrict bidding to firms who have proven their capability and qualification to meet the specific requirements of the bid, including projects where it may be undesirable to prepare complete detailed technical specifications or long term projects with a duration exceeding three years.
- 29.4.** The notice inviting bidders to pre-qualify must comply with the provisions of public invitation for competitive bids.
- 29.5.** Once bidders have pre-qualified for a particular project, they shall be given not less than 7 (seven) days to submit a final technical proposal (where applicable) and/or a financial offer.

30. TWO ENVELOPE SYSTEM

A two envelope system differs from a two-stage (prequalification) bidding process in that a technical proposal and the financial offer are submitted in separate envelopes at the same place and time. The financial offers will only be opened once the technical proposals have been evaluated.

31. COMPULSORY BRIEFING SESSIONS

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When necessary, compulsory briefing sessions will be arranged in order to give more detail information to the prospective bidders. These sessions must be stipulated already in the advert of the bid and must be arranged on a date after the bid has been advertised. Attendance registers must be kept as proof and will be used as a disqualifying factor in the event that a bidder did not attend the compulsory briefing session.

32. CONTRACT PRICE ADJUSTMENT

- 32.1.** For all contract periods equal to or exceeding one year, an appropriate contract price adjustment formula must be specified in the bid documents.
- 32.2.** In general, if contract periods do not exceed one year, the bid shall be a fixed price bid and not subject to contract price adjustment.
- 32.3.** However, if as a result of any extension of time granted, the duration of a fixed price contract exceeds one year, the contract will automatically be subject to contract price adjustment for that period by which the extended contract period exceeds such one year. An appropriate contract price adjustment formula must be specified in the bid documents.

33. SAMPLES

- 33.1.** Where samples are called for in the bid documents, samples (marked with the bid and item number as well as the bidder's name and address) shall be delivered separately (to the bid) to the addressee mentioned in the bid documents.
- 33.2.** Bids may not be included in parcels containing samples.
- 33.3.** If samples are not submitted as required in the bid documents or within any further time stipulated by the Chairperson of the Bid Evaluation Committee in writing, then the bid concerned may be declared non-responsive.
- 33.4.** Samples shall be supplied by a bidder at his/her own expense and risk. The Department shall not be obliged to pay for such samples or compensate for the loss thereof, unless otherwise specified in the bid documents, and shall reserve the right not to return such samples and to dispose of them at its own discretion.

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- 33.5.** If a bid is accepted for the supply of goods according to a sample submitted by the bidder, that sample will become the contract sample. All goods/materials supplied shall comply in all respects to that contract sample.

34. SUBMISSION OF BIDS

- 34.1.** Bids must be submitted before the closing time, at the address and in accordance with the directives in the bid documents.
- 34.2.** Each bid must be in writing using black non-erasable ink and must be submitted to the Department.
- 34.3.** No bids forwarded by email, facsimile or similar apparatus shall be considered.
- 34.4.** Electronical bids will not be accepted.
- 34.5.** The bidder shall choose a domicilium citandi et executandi in the Republic and unless notice of the change thereof has duly been given in writing, it shall be the address stated in the bid.
- 34.6.** No person may amend or tamper with any bids or quotations after the closing time and date. Bidders who want to add documentation to their submitted bid or amend their bid must proof their Identification by means of a green Bar Coded ID or ID card; no other identification will be accepted. A written request from the bidder indicating the additions and/or amendments which needs to be amended or add to the bid documentation must be handed over to the bid office to be attached to the bidders bid.

35. CLOSING OF BIDS

- 35.1.** Bids shall close on the date and at the time stipulated in the bid notice.
- 35.2.** Bids for goods and services the bid closing date must be at least 14 (fourteen) days after publication of the notice.
- 35.3.** For construction works the bid closing date must be at least 21 (twenty one) days after publication of the notice.
- 35.4.** Notwithstanding the above, if the estimated contract value exceeds R10 million (VAT included), or if the contract is of a long term nature with a duration period exceeding

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one year, then the bid closing date must be at least 30 (thirty) days after publication of the notice

- 35.5.** For proposal calls using a two envelope system, the bid closing date must be at least 30 (thirty) days after publication of the notice.
- 35.6.** The bid closing date may be extended by the Director: Supply Chain Management if circumstances justify this action; provided that the closing date may not be extended unless a notice is published prior to the original bid closing date.
- 35.7.** This notice shall also be posted on the official departmental database, CIDB & E-tender, and a notice to all bidders to this effect shall be issued.
- 35.8.** The Head of Department may determine a closing date for the submission of bids which is less than any of the periods specified above, but only if such shorter period can be justified on the grounds of urgency or emergency or any exceptional case where it is impractical or impossible to follow the official procurement process.

36. LATE BIDS

- 36.1.** A bid is late if it is not placed in the relevant bid box by the closing time for such bid.
- 36.2.** A late bid shall not be admitted for consideration and where feasible shall be returned unopened to the bidder with the reason for the return thereof endorsed on the envelope.

37. OPENING OF A BID

- 37.1.** Two or more officials of the Acquisition Management Unit or District Office shall open bids on the closing date and time.
- 37.2.** At 11 o'clock on the closing date the applicable bid box shall be closed.
- 37.3.** The bid box shall be opened in public as soon as practical after the closing time.

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- 37.4.** Immediately after the opening of the bid box, all bids shall be opened public and the official opening the bids shall in all cases read out the name of the bidder and, if practical, the amount of the bid.
- 37.5.** As soon as a bid or technical proposal has been opened:
- a)** bid/proposal shall be stamped with the official stamps, and endorsed with the opening official's signature on the first page
 - b)** the name of the bidder, and where possible, the bid sum shall be recorded in a bid opening register kept for that purpose; and
 - c)** the responsible official who opened the bid shall forthwith place his/her signature on the bid opening record.
- 37.6.** Bids received in sealed envelopes in the bid box without a bid number or title in the envelope will be opened at the bid opening and the bid number and title ascertained.
- 37.7.** If the bid closes at a later date, the bid will be placed in a sealed envelope with the bid number and title endorsed on the outside, prior to being lodged in the applicable box. The department however disclaims any responsibility for seeing that the bid is in fact lodged in the correct box.
- 37.8.** Opening of Bids where a Two Envelope System (consisting of a technical proposal and a financial proposal) is followed:
- a)** only the technical proposal will be opened at the bid opening.
 - b)** The unopened envelope containing the financial proposal shall be stamped and endorsed with the opening official's signature, and be retained by him/her for safekeeping.
 - c)** When required the financial offers/bids corresponding to responsive technical proposals, shall be opened by the opening official.
 - d)** All bidders who submitted responsive technical proposals must be invited to attend the opening of the financial offers/bids.

38. FRAMEWORK AGREEMENTS

- 38.1.** Framework agreements where goods, services or works of a technical / specialized nature are required on a recurring basis, for the supply of the goods, services

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or works may be entered into with contractors. These lists should be established through the competitive bidding process.

- 38.2.** The intention to establish a list of approved suppliers should be published in the Government Tender Bulletin, E-Tender & departmental website and the closing time and date for inclusion in the list of approved suppliers should be indicated.
- 38.3.** Requirements for admission to the list and criteria should be linked to the numeric value in terms of which applicants will be measured, in terms of capability, resources etc. A predetermined standard method of awarding points should be followed.
- 38.4.** The applications received should be evaluated and rejection of applicants should be motivated and recorded.
- 38.5.** Once the list of suppliers has been approved, only the successful applicants are approached, depending on the circumstances either by obtaining quotations on a rotation basis or according to the bid procedure when goods, services or works are required with the exception that the requirement is not advertised in the Government Tender Bulletin, departmental web site or e-tender again.
- 38.6.** The term of the framework agreement shall not exceed three years.
- 38.7.** Framework agreements that are entered into shall not commit the department of work beyond the first order, or bind the employer to make use of such agreements to meet its needs.

39. FRAMEWORK AGREEMENTS BY ANOTHER DEPARTMENT OR ORGAN OF STATE

- 39.1.** The end user may request in writing to make use of one or more framework contracts entered into by another department or organ of state.
- 39.2.** Such request as approved by the Head of Department shall,
 - a) outline the scope and anticipated quantum or work associated with the work that is required,
 - b) Provide a motivation for the use of the framework agreement, and
 - c) Detail the benefit for the state to derive from making use of the framework agreement.
- 39.3.** The Head of Department may approve a request to make use of the organ of state's framework contract, conditionally or unconditionally if,

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- a) the framework agreement was put in place following a competitive bidding process,
- b) Confirmation is obtained that the framework contract is suitable for the intended use, and the required goods, services and works fall within the scope of such contract.
- c) The framework contractor agrees in writing to accept an order from that department,
- d) The department undertakes to pay the contractor in accordance with the terms and conditions of the agreement, and
- e) The term of the framework agreement does not expire before the issuing of the required orders.

40. BID VALIDITY

A certification from a bidder of the period of time their bid can be considered valid. After this period, the bidder is at liberty to change their bid price if the contract is not signed by the last date of the bid validity period.

41. VALIDITY PERIODS (CALENDAR DAYS)

- 41.1.** The period for which bids are to remain valid and binding must be indicated in the bid documents, but not exceeding 120 days.
- 41.2.** The validity period should be calculated from the bid closure date and bids shall remain in force and binding until the end of the final day of that period.
- 41.3.** This period of validity may be extended by the Accounting Officer, provided that the original validity period has not expired, and that all bidders are given an opportunity to extend such period.
- 41.4.** Any such extension shall be done in line with the relevant applicable prescripts.
- 41.5.** The responsible official must ensure that all bidders are requested to extend the validity period of their bids where necessary in order to ensure that the bids remain valid throughout the appeal period or until the appeal is finalised.
- 41.6.** If bidders are requested to extend the validity period of their bids as a result of an appeal being lodged it must be made clear to bidders that this is the reason for the request.

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42. PROCUREMENT OF INFORMATION TECHNOLOGY AND INFORMATION TECHNOLOGY SERVICES

- 42.1.** Information Technology-related contracts may be arranged with the assistance/inputs of State Information Technology Agency (SITA) or using existing departmental procurement procedures.
- 42.2.** All IT hardware requirements shall adhere to the Information Technology Standards and shall comply with the Asset Management Policy

43. ACCESS TO INFORMATION ACT

The Access to Information Act gives effect to the constitutional right of access to any information held by the State and any information that is held by any other person and that is required for the exercise or protection of any rights. Supply chain management practitioners shall be as open as possible about all the decisions and actions that they take. They shall give reasons for their decisions and restrict information only if it is in the public interest to do so and within the ambit of the Access to Information Act (Act 2 of 2000).

To give effect to access to information about the awarding of bids, while limiting the possible litigation exposure of the Department, the Chief Financial Officer / duly delegated official shall assign the function of communicating to bidders (successful and unsuccessful) or interest parties to an official. Each bidder requesting information shall be provided with the same information.

44. EVALUATION OF BIDS

Tenders or requests for quotation must be evaluated in terms of the evaluation criteria stipulated in the tender or request for quotation documentation:

- (a) Prequalification criteria

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- (b) Evaluation of mandatory criteria
- (c) Evaluation in terms of local production and content if part of the tender
- (d) Evaluation of Prequalification criteria
- (e) Evaluation in terms of Functionality if part of the tender
- (f) Evaluation in terms of 80/20 or 90/10 preference point system.

45. TENDERS BASED ON FUNCTIONALITY AS A CRITERION

45.1. Not all tenders should necessarily be invited on the basis of functionality as a criterion. The need to invite tenders on the basis of functionality as a criterion depends on the nature of specific commodity or service taking into account quality, reliability, viability and durability of a service and the tenderer's technical capacity and capability to execute a contract

45.2. When an institution invites a tender or request for quotation that will also be evaluated on functionality as a criterion, the Head of Department or his / her delegated official must clearly specify the following aspects in the tender documents:

- a) Evaluation criteria for measuring functionality
- b) Points for each criterion
- c) The applicable points that will be utilized when scoring each sub-criterion should be objective.
- d) Minimum qualifying score for functionality

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

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46. APPLICATION OF PREFERENCE POINT SYSTEMS

- 46.1.** The 80/20 preference point system is applicable to price quotations and tenders with a Rand value equal to, or above R30 000 and up to a Rand value of R50 million (all applicable taxes included).
- 46.2.** The department may apply the 80/20 preference point system to price quotations with a value less than R30 000 if and when appropriate.
- 46.3.** The 90/10 preference point system is applicable to bids with a Rand value above R50 million (all applicable taxes included).
- 46.4.** The threshold value referred to in paragraphs 6.1 and 6.2 distinguishing the 80/20 and 90/10 preference point systems has been increased in the Preferential Procurement Regulations, 2017 from maximum R1 million to R50 million.
- 46.5.** In terms of Regulation 3 the Department must stipulate the preference point system applicable to a tender or price quotation. There are, however, instances where it is uncertain to determine the preference point system applicable during preparation of invitation of a tender.
- 46.6.** If there is uncertainty on the preference point system to be applied, institutions must advertise the tender indicating that the tender will be evaluated on either the 80/20 or 90/10 preference point system. Once a tender is received, the lowest acceptable tender must be used to determine the preference point system to be used for the evaluation of tenders
- 46.7.** Where the lowest acceptable tender is below R50 million, the 80/20 preference point system must be used.
- 46.8.** If the lowest acceptable tender is above R50 million, the 90/10 preference point system must be used.
- 46.9.** If pre-qualification criteria are applicable to the tender or price quotation as envisaged in PPPFA Regulation 2017, regulation 4; the institution must state this clearly in the invitation to tender.
- 46.10.** Amending the evaluation criteria after closure of the bids is not allowed.

47. BID EVALUATION COMMITTEE

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- 47.1.** The Departmental Bid Evaluation Committee shall evaluate the bids and the composition of the Committee panel shall be approved as per the SCM Delegations of Authority.
- 47.2.** The Departmental Bid Evaluation Committee shall consist of at least five members. The Supply Chain Management Directorate is to provide secretariat services to the Committee.
- 47.3.** When it is deemed necessary, for example when a project of a highly technical nature is evaluated, and with the prior written approval of the Accounting Officer, independent experts may also be co-opted to the Bid Evaluation Committee in an advisory capacity. In addition, officials from within the Department may also be invited in an advisory capacity to present their findings and/or opinions to the Committee.
- 47.4.** The Departmental Bid Evaluation Committee is appointed by the Head of Department of prescribed period.
- 47.5.** The Director Supply Chain Management or a delegated person will be the Chairperson of the Departmental Bid Evaluation Committee
- 47.6.** All members of the Bid Evaluation Committee are required to declare their financial interest at the first evaluation meeting. A register shall be kept for this purpose at the Supply Chain Management Directorate.

48. FUNCTIONING OF THE BID EVALUATION COMMITTEE

- 48.1.** The Bid Evaluation Committee is responsible for the evaluation of the functional requirements using the criteria as set out in the bidding documents and shall make recommendations to the Departmental Bid Adjudication Committee after evaluation and completion of the comparative schedules by the Director Supply Chain Management.
- 48.2.** For a quorum to exist at least 50% plus 1 of appointed members shall attend. Detailed records shall be kept of all activities of the Bid Evaluation Committee. These records should consist of at least, but are not limited to:
- An agenda
 - Minutes of the meeting
 - Attendance register

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- A list of the bids evaluated in order of recommendation (including the balanced scorecards)
- Reasons for the priority assigned per the list
- Declarations of interest by Committee members.

49. BID ADJUDICATING COMMITTEE

- 49.1.** The Departmental Bid Adjudicating Committee shall consist of at least five permanent members (of which one shall be the committee chair and one shall be a SCM practitioner) and two Secundi members. The Chief Financial Officer or a delegated person will be the Chairperson of the Departmental Bid Adjudication Committee.
- 49.2.** When it is deemed necessary, for example when a project of a highly technical nature is adjudicated, and with the prior written approval of the Accounting Officer, independent experts may also be co-opted to the Bid Adjudicating Committee in advisory capacity. In addition, officials from within the Department may also be invited in an advisory capacity to present their findings and/or opinions to the Committee.
- 49.3.** The Accounting Officer shall select and appoint the members of the Bid Adjudicating Committee. The Accounting Officer shall also select the chairperson of the Committee. All members of the Bid Adjudicating Committee should be cleared at the level of "CONFIDENTIAL" and are required to declare their financial interest annually. A register should be kept for this purpose at the Supply Chain Management Directorate.
- 49.4.** The Bid Adjudication Committee shall not evaluate a Bid. The Bid Adjudication Committee is restricted to adjudicating whether the process of procurement was fair, equitable, transparent, competitive and cost effective.
- 49.5.** The Director: SCM shall issue a set of guideline to assist the Bid Adjudication Committee in the adjudication process.
- 49.6.** Supply Chain Compliance Unit or any delegated official shall check the CSD Report of the recommended bidder, Provincial or National Treasury's (NT) database prior to awarding any contract to ensure that no recommended Bidders, nor any of its Directors, are listed as companies or persons prohibited from doing business with the Public Sector, if listed on the database as "RESTRICTED" the contract shall not be awarded to the specified Bidder.
- 49.7.** The quorum for a Bid Adjudicating Committee meeting (ordinary or special) is 60%.

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49.8. Detailed records shall be kept of all activities of the Bid Adjudicating Committee.

These records should consist of at least, but are not limited to:

- An agenda, including a listing of bids to be adjudicated
- Minutes of the meeting
- Attendance register
- Reasons for the recommendation/non-recommendation of a particular bid
- Evaluation reports
- Declaration of interest by Committee members.

50. APPROVAL OF THE BID ADJUDICATING COMMITTEE'S RECOMMENDATIONS

50.1. In the Department, the principle that no single individual official shall be in a position to take a decision in isolation regarding the award of a bid shall be applied.

50.2. The Bid Evaluation Committee shall be responsible for the evaluation of the bids, the keeping of records with regard to the evaluation performed / recommendations made; the Bid Adjudicating Committee shall be responsible for adjudicating the evaluation made and make recommendations to the Accounting Officer regarding the awarding of the bid.

50.3. If the Accounting Officer disagrees with the recommendation of the Committee, the reason(s) thereto shall be submitted in writing to the Bid Adjudicating Committee within a period of two weeks. The Committee should take into account the concerns raised before submitting a second recommendation to the Accounting Officer within two weeks from receiving the initial disagreement. All documents shall be kept for audit purposes.

50.4. The Bid Adjudicating Committee shall be informed of any and all decisions made by the Accounting Officer within one month of such a decision.

51. REJECTION OF BIDS AND CANCELLATION OF AWARDED CONTRACTS

51.1. The Bid Adjudication Committee shall:

- a) Reject a Bid from a Service Provider who fails to provide written proof from the South African Revenue Service (SARS) or CSD Report that the Service Provider either has

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no outstanding tax obligations or has made arrangements to meet outstanding tax obligations.

- b) Reject a recommendation for the award of a contract if the Recommended Bidder has committed a corrupt or fraudulent act in competing for the particular contract.

51.2. Cancel a contract awarded to a Service Provider of goods or services if:

- a) The Service Provider committed any corrupt or fraudulent act during the Bidding process or the execution of that contract; or
- b) Any official or other role player committed any corrupt or fraudulent act during the Bidding process or the execution of that contract that benefited that Service Provider.

51.3. The Bid Adjudication Committee:

- a) May disregard the Bid of any Bidder if that Bidder or any of its Directors have:
- b) Abused the institution's SCM system;
- c) Committed fraud or any other improper conduct in relation to the SCM system;
- d) Failed to perform on any previous contract if written proof on this matter is available, and
- e) Shall inform the Provincial Treasury of any action taken.

51.4. Bids above the delegated authority of District Bid Adjudication Committees shall be:

- a) Processed by the Acquisition Management at Head Office and adjudicated by the Departmental Bid Adjudication Committee;
- b) The Acquisition Manager at Head Office will inform the successful Bidder of a successful Bid;
- c) Approved Bids shall be returned to the Accredited SCM Units for further processing and generation of the Procurement Advice and order.

52. DEVIATIONS TO NORMAL PROCUREMENT PROCEDURES

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Deviations to the normal procurement procedures refers to special services, cases of urgency and emergency, cases where the invitation of Bids is not in the best interest of the Department and on Consignment.

53. URGENT CASES

Supplies and/or services may be procured by preferably making use of the list of prospective suppliers in cases where early delivery is of critical importance and the invitation of comparative tenders is either impossible or impracticable. A lack of proper planning, however, shall not be construed as an urgent case.

54. EMERGENCY CASES

54.1. Supplies and/or services may be procured by preferably making use of the list of prospective suppliers in emergencies where immediate action is necessary in order to avoid a dangerous or risky situation, misery or want. The principle of competition should however be adhered to as far as possible.

54.2. The reasons for deviating from the normal procurement procedures shall be approved by the Accounting Officer as per the SCM: Delegations of Authority duly recorded and filed with the procurement transaction for audit purposes.

54.3. Special services are services such as specialist technology/expertise where limited capacity in the market exists e.g. copyright or patents and investigations that require specialized testing and expertise.

54.4. Consignment occurs when the Accounting Officer or his delegate gives explicit instruction and where the invitation or adherence to normal procurement processes is not feasible.

54.5. Emergency or urgent procurement SHALL NOT be used to circumvent normal procurement procedures, as a result of insufficient stock-levels for items that are used daily, as a result of poor or inadequate planning or as a result of no/insufficient internal communication.

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54.6. Deviation from normal procurement approval shall be in line with the SCM Delegations of Authority.

54.7. In the event the Accounting Officer procures goods and services above the value of R1 million (VAT included) under emergency conditions, the Accounting Officer shall report such procurement details within 10 (ten) working days to the Provincial Treasury and the Auditor-General.

54.8. Emergency cases are cases where immediate action is necessary in order to avoid situation of exceptional nature and with approval of the Accounting Officer or delegated

55. ACCOMMODATION AND CONFERENCES

Accommodation and/or facilities for conferences, seminars, workshops, "lekgotlas", etc. should be obtained by means of competitive bidding. Should it not be possible or practical to follow the normal competitive bidding process, the accommodation and/or conference facilities shall be obtained by means of written quotations.

56. FRAMEWORK AGREEMENTS FOR CONSULTANTS

56.1. Framework agreements where professional services are required on a recurring basis, for consulting may be entered into with consultants. These lists should be established through the competitive bidding process.

56.2. The intention to establish a list of approved consultants should be published in the Government Tender Bulletin, E-Tender & departmental website and the closing time and date for inclusion in the list of approved consultants should be indicated.

56.3. Requirements for admission to the list and criteria should be linked to the numeric value in terms of which applicants will be measured, in terms of capability, resources etc. A predetermined standard method of awarding points should be followed.

56.4. The applications received should be evaluated and rejection of applicants should be motivated and recorded.

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56.5. Once the list of consultants has been approved, only the successful applicants are approached, depending on the circumstances either by obtaining quotations on a rotation basis or according to the bid procedure when professional services are required with the exception that the requirement is not advertised in the Government Tender Bulletin, departmental web site or e-tender again.

56.6. The term of the framework agreement is three years.

56.7. Framework agreements that are entered into shall not commit the department of work beyond the first order, or bind the employer to make use of such agreements to meet its needs.

57. APPOINTMENT OF CONSULTANTS:

57.1. In the procurement of consulting services cognisance should be taken of any National Treasury guidelines in this respect, or of Construction Industry Development Board Guidelines in respect of services relating to the built environment and construction works.

57.2. The term consultants includes among others, consulting firms, engineering firms, construction managers, management firms, procurement agents, inspection agents, auditors, non-governmental organizations (NGO`s) and individuals.

57.3. The Head of Department may use consultants to assist in a wide range of activities such as financial services, engineering services, social and environmental studies, preparation and implementation of projects and construction supervision.

57.4. Consultants should only be engaged when the necessary skills and / or resources to perform a project /duty /study are not available and the Head of Department cannot be reasonably expected either to train or to recruit people in the time available. The relationship between the Head of Department and the consultant should be one of purchaser / provider and not employer /employee.

57.5. All consultants should be selected from the departmental pre-approved consultant database.

57.6. Consultants should be selected on a rotation basis.

57.7. Consultants should be invited every three years to register on the consultant database

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57.8. All appointment of consultants shall be in writing, recommended by the adjudication committee and approved by the Accounting Officer.

57.9. The Adjudication Committee recommend the appointment of consultants to render specific services, should they be of the opinion that the department lacks the required skills or necessary capacity and those funds are available within the approved budgets. The responsible manager will be responsible to prepare the Terms of Reference and submission.

57.10. ALL PROCEDURES RELATING TO THE APPOINTMENT OF CONSULTANTS ARE CONTAINED IN THE DEPARTMENTAL POLICY ON APPOINTMENT OF CONSULTANTS

58. RISK MANAGEMENT SYSTEM

The risks pertaining to Supply Chain Management should at all times comply with the criteria laid down in the risk management policies of the Department.

59. GENERAL RISK MANAGEMENT

60. Risk Management shall provide for an effective system for the identification, consideration and avoidance of potential risks in the Department's supply chain management system.

61. Managing risk must be part of the Department's, practices and business plans and should not be viewed or practiced as a separate activity in isolation from line managers. 65.1.1 Risk Management shall be an integral part of effective management practice.

62. Risk Management Process

62.1. The risk management process shall be applied to all stages of supply chain management, be it the conceptual stage, project definition, specification preparation, acquisition approval or implementation to completion.

62.2. Risk management is an integral part of good management of acquisition activities and cannot be effectively performed in isolation from other aspects of acquisition management.

62.3. Appropriate risk management conditions should therefore be incorporated in contracts.

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Key Principles

The key principles on managing risk in supply chain management include:

- early and systematic identification of risk on a case-by-case basis, analysis and assessment of risks, including conflicts of interest and the development of plans for handling them;
- allocation and acceptance of responsibility to the party best placed to manage risk;
- management of risks in a pro-active manner and the provision of adequate cover for residual risks;
- assignment of relative risks to the contracting parties through clear and unambiguous contract documentation;
- acceptance of the cost of the risk where the cost of transferring the risk is greater than that of retaining it; and
- ensuring that the costs incurred in managing risks are commensurate with the importance of the purchase and the risks to the operations.

63. PERFORMANCE MANAGEMENT SYSTEM

63.1. The Head of Department or his / her delegated must establish and implement an internal monitoring system in order to determine the basis of a retrospective analysis whether the authorised Supply Chain Management processes were followed and whether the objectives of this Policy were achieved.

63.2. Performance management shall accordingly be characterised by a monitoring process and retrospective analysis to determine whether:

- value for money has been attained;
- proper processes have been followed;
- desired objectives have been achieved;
- there is an opportunity to improve the process;
- suppliers have been assessed and what that assessment is; and

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- there has been deviation from procedures and, if so, what the reasons for that deviation are.

63.3. The performance management system shall accordingly focus on, amongst others:

- achievement of goals;
- compliance to norms and standards;
- savings generated;
- cost variances per item;
- non-compliance with contractual conditions and requirements; and
- the cost efficiency of the procurement process itself.

63.4. It is recommended that at the completion stage of each project an assessment of the supplier/service provider (including consultants where applicable) be undertaken and that this assessment should be available for future reference.

64. SERVICE PROVIDER NON-PERFORMANCE

Non-performance by service providers is defined as *“non-achievement of the project objective and non-delivery of the predetermined and contracted deliverables”*. The consequences of and recourse for service provider non-performance shall be clearly detailed in the contract signed by both parties at the conclusion of the acquisition process and shall primarily include non-payment of invoices until the requisite deliverables have been met. It may however warrant termination of the contract and further penalties to cover the departmental cost of re-bidding.

65. SUB-CONTRACTING

65.1. A bidder must not be awarded the points claimed for BBBEE status level contribution if it is indicated in the bid documents that such a bidder intends subcontracting more than 25% of the contract value to any other enterprise that does not qualify for at least the same number of points that the bidder qualifies for, unless the

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intended subcontractor is an Exempted Micro Enterprise (EME) that has the capability to execute the sub-contract.

65.2. When a contract is awarded, a contractor is not allowed to subcontract more than 25% of the contract value to another enterprise that does not have equal or higher BBBEE status level, unless the intended sub-contractor is an EME that has the capability and ability to execute the sub-contract.

65.3. In relation to a designated sector, a contractor must not be allowed to subcontract in such a manner that the local production and content of the overall value of the contract is reduced to below the minimum threshold.

66. NON-COMPLIANCE

Program managers and officials will be held accountable for any Irregularities related to Supply Chain Management

Officials shall comply with the Standard Operating Procedures issued in terms of this policy.

Where an official is suspected of breaching the policy, an internal investigation shall be undertaken and depending on the outcome, Departmental, civil and/or criminal legal action shall be instituted against the employee.

Any disciplinary action arising for breach of this policy will be taken according to the disciplinary code and grievance procedure of the Department.

67. CODE OF ETHICAL STANDARDS

In addition to this Code of Ethical Standards, the codes of conduct for employees shall apply in the application of this Supply Chain Management Policy. A code of ethical standards is hereby established for officials and all role players in the supply chain management system in order to promote:

- mutual trust and respect; and
- an environment where business can be conducted with integrity and in a fair and reasonable manner.

An official or other role player involved in the implementation of the supply chain management policy;

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- must treat all providers and potential providers equitably;
- may not use his or her position for private gain or to improperly benefit another person;
- may not accept any reward, gift, favour, hospitality or other benefit directly or indirectly, including to any close family member, partner or associate of that person, of a value more than R350;
- must declare to the Head of Department details of any reward, gift, favour, hospitality or other benefit promised, offered or granted to that person or to any close family member, partner or associate of that person;
- must declare to the Head of Department details of any private or business interest which that person, or any close family member, partner or associate, may have in any proposed procurement or disposal process of, or in any award of a contract by, the Department;
- must immediately withdraw from participating in any manner whatsoever in a procurement or disposal process or in the award of a contract in which that person, or any close family member, partner or associate, has any private or business interest;
- must be scrupulous in his or her use of property belonging to the Department;
- must assist the Head of Department of his / her delegated in combating fraud, corruption, favouritism and unfair and irregular practices in the supply chain management system; and
- must report to the Head of Department any alleged irregular conduct in the supply chain management system which that person may become aware of, including;
 - any alleged fraud, corruption, favouritism or unfair conduct
 - any alleged contravention of this policy; or,
 - any alleged breach of this code of ethical standards.
- An employee honours the confidentiality of matters, documents and discussions, classified or implied as being confidential or secret.

Declarations must be recorded in a register which the Head of Department must keep for this purpose.

The Department has adopted the National Treasury's code of conduct for supply chain management practitioners and other role players involved in supply chain management. This code of conduct is binding on all officials and other role players involved in the implementation of the supply chain management policy. A copy of the National Treasury code of conduct is available on the website www.treasury.gov.za/pfma located under "legislation"

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68. INDUCEMENTS, REWARDS, GIFTS AND FAVOURS

- 68.1.** No person who is a provider or prospective provider of goods or services, or a recipient or prospective recipient of goods disposed or to be disposed of may either directly or through a representative or intermediary promise, offer or grant:
- 68.2.** any inducement or reward to the Department for or in connection with the award of a contract; or
- 68.3.** any reward, gift, favour or hospitality to any official or any other role player involved in the implementation of the supply chain management policy.
- 68.4.** The Head of Department must promptly report any alleged contravention of to the National Treasury for considering whether the offending person, and any representative or intermediary through which such person is alleged to have acted, should be listed in the National Treasury's database of persons prohibited from doing business with the public sector.
- 68.5.** Gifts less than R350 in value or gifts from single source in any calendar year that does not exceed R350 in value is not needed to be reported.

69. SPONSORSHIP

The Head of Department must promptly disclose to the National Treasury and the relevant provincial treasury any sponsorship promised, offered or granted, whether directly or through a representative or intermediary, by any person who is:

- a provider or prospective provider of goods or services; or
- a recipient or prospective recipient of goods disposed or to be disposed.

70. RESOLUTION OF DISPUTES, OBJECTIONS, COMPLAINTS AND QUERIES

The Head of Department shall appoint an independent and impartial person not directly involved in the supply chain to assist in the resolution of disputes between the Department and other persons regarding:

- any decisions or actions taken in the implementation of the supply chain management system; or

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- any matter arising from a contract awarded in the course of the supply chain management system; or
- to deal with objections, complaints or queries regarding any such decisions or actions or any matters arising from such contract.

The Head of Department, or another official designated by the Head of Department is responsible for assisting the appointed person to perform his or her functions effectively.

- The person appointed must;
- strive to resolve promptly all disputes, objections, complaints; or
- queries received; and
- submit monthly reports to the Head of Department on all disputes, objections, complaints or queries received, attended to or resolved.

A dispute, objection, complaint or query may be referred to the relevant provincial treasury if;

- the dispute, objection, complaint or query is not resolved within 60 days; or
- no response is forthcoming within 60 days.
- If the provincial treasury does not or cannot resolve the matter, the dispute, objection, complaint or query may be referred to the National Treasury for resolution.
- The provisions above must not be read as affecting a person's rights to approach a court at any time.

71. ADJUDICATION OF BIDS

An 80/20 preference point system is stipulated for procurement with an estimated value of greater than R30 000, but less than or equal to R50 000 000, and a 90/10 preference point system of procurement with an estimated value of greater than R50 000 000.

This means that either 80 or 90 points, depending on the class of contract, are awarded to the person who bids/quotes the lowest price, and proportionately fewer points are awarded to those with higher prices. Either 20 or 10 points are then available as preference points and other specific goals.

Adjudication points calculated for both price and preference shall be rounded off to the nearest two decimal places.

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72. CANCELLATION AND RE-INVITATION OF BIDS

It is a requirement that in the event of:

- 72.1. an 80/20 preference point system having been stipulated in the bid/quote documents, and all bids received exceed a value of R50 000 000; or
- 72.2. a 90/10 preference point system having been stipulated in the bid documents, and all bids received are equal to, or below a value of R50 000 000, then the bid/quote must be cancelled, and new bids must be invited.
- 72.3. If new bids/quotes are invited, a revised preference point system, either 90/10 or 80/20 as applicable, must be clearly stipulated in the bid documents.

73. POINTS FOR PRICE (WHERE NO POINTS ARE GRANTED FOR FUNCTIONALITY)

- A maximum of 80 points is allocated to price on the following basis:

$$N_p = 80 [1 - (P - P_m)]$$

$$P_m$$

Where: N_p = the number of adjudication points awarded for price.

P = the bid/quoted sum (corrected if applicable) of the bid/quote under consideration.

P_m = the bid/quoted sum (corrected if applicable) of the lowest bid/quote.

- A maximum of 90 points is allocated to price on the following basis:

$$N_p = 90 [1 - (P - P_m)]$$

$$P_m$$

Where: N_p = the number of bid adjudication points awarded for price.

P = the bid sum (corrected if applicable) of the bid under consideration.

P_m = the bid sum (corrected if applicable) of the lowest bid. Points for Preference

- A maximum of 20 points is allocated to preference on the following basis:

$$N_g = 20 (\% \text{ HDI})$$

$$100$$

Where: N_g = the number of bid adjudication points awarded for preference.

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%HDI = the percentage of HDI ownership of the bidder under consideration.

Note 1. It is only the equity ownership of the bidder in the capacity of prime contractor that is considered in this formula.

If a joint venture partnership bids as a prime service provider, the joint venture agreement must state the percentage of the contract value to be managed or executed by the parties thereto. The adjudication points for HDI equity ownership shall then be calculated on the pro rata contribution of each of the parties to the joint venture partner

. A maximum of 10 points is allocated to preference on the following basis:

$$Ng = 10 (\% \text{ HDI})$$

$$100$$

Where: Ng = the number of bid adjudication points awarded for preference.

%HDI = the percentage of HDI ownership of the bidder under consideration .

Note 1. It is only the equity ownership of the bidder in the capacity of prime contractor that is considered in this formula.

If a joint venture partnership bids as a prime service provider, the joint venture agreement must state the percentage of the contract value to be managed or executed by the parties thereto. The adjudication points for HDI equity ownership shall then be calculated on the pro rata contribution of each of the parties to the joint venture partner

74. EVALUATION OF RESPONSIVENESS OF BIDS BASED ON FUNCTIONALITY (QUALITY)

74.1. Bids must be evaluated in terms of the evaluation criteria indicated in the bid document. The amendment of evaluation criteria, weights, applicable values and minimum qualifying score for functionality is not allowed after the closure of the bid as it may jeopardise the fairness of the process.

74.2. A bid will be considered further if it achieves the prescribed minimum qualifying score for functionality. A bid that fails to achieve a minimum qualifying score must be disqualified.

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- 74.3.** Score sheets should be prepared and provided to panel members to evaluate the bids. The score sheet should contain all the criteria and the weight for each criterion as well as the values to be applied for evaluation, indicated in the bid documents.
- 74.4.** Each panel member should after thorough evaluation, independently award his/her own value to each individual criterion. Score sheets should be signed by panel members and if necessary, written motivation may be requested from panel members where vast discrepancies in the values awarded for each criterion exist.
- 74.5.** If the minimum qualifying score for functionality is indicated as a percentage in the bid documents, the percentage scored for functionality may be calculated as follows:
- 74.6.** The value awarded for each criterion should be multiplied by the weight for the relevant criterion to obtain the score for the various criteria.
- 74.7.** The scores for each criterion should be awarded to obtain the total score.
- 74.8.** Functionality (otherwise known as quality) may be included in the bid/quotation documents as a qualifying (eligibility) criterion.
- 74.9.** Bids for Goods and Services functionality as an eligibility criterion will be the exception rather than the rule, but may be applied to those bids of a more complex or specialist nature and/or of a higher value. Using functionality as an eligibility criterion will however be the norm in respect of bids for professional services.
- 74.10.** When including the evaluation of functionality in a bid/quotation document, the evaluation criteria for measuring functionality, the maximum possible score for each criterion, and a minimum total qualifying score for functionality, must be clearly indicated in the bid/quotation documents.
- 74.11.** A bid/quotation must be disqualified (declared non-responsive) if it fails to achieve the minimum total qualifying score for functionality as indicated in the bid/quotation documents.
- 74.12.** Bids/quotations that have achieved the minimum total qualification score for functionality as indicated in the bid/quotation documents must be evaluated further in terms of the preference point systems.

Application 80/20 or 90/10 preference point system

Only bids that achieve the minimum qualifying score/percentage for functionality must be evaluated further in accordance with the 80/20 or 90/10 preference points systems

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prescribed in Preferential Procurement Regulations, 2011.

75. ACTION IN RESPECT OF FRAUD OR NON-PERFORMANCE

The Head of Department must, upon detecting that a preference in terms of the PPPFA and the regulations there under has been obtained on a fraudulent basis, or any specified goals are not attained in the performance of the contract, act against the person awarded the contract.

The Head of department may in addition to any other remedy:

- recover all costs, losses or damages it has incurred or suffered as a result of that person's conduct;

- cancel the contract and claim any damages it has suffered as a result of having to make less favourable arrangements due to such cancellation;

- impose a financial penalty more severe than the theoretical financial preference associated with the claim which was made in the tender; and

- restrict the service provider, its shareholders and directors from obtaining business from Government for a period not exceeding 10 years.

To report and listed the service provider as a defaulter and or restricted services provider.

76. RESTRICTION OF SUPPLIERS

Notwithstanding the imposition of any penalties that may be applied under this Policy, if a supplier is found guilty of misrepresenting any facts in respect of either ownership or empowerment indicator, either in a bid submission, quo or on the supplier database, in order to effect the outcome of a bid/quote, either before or after the award of a contract, then that supplier shall, with the approval of the Director: Supply Chain Management, be restricted on the supplier database for a period of twelve months and shall be notify accordingly.

The effect of such restriction is that absolutely no further work may be awarded to that supplier for the duration of the restriction.

77. PREFERENTIAL PROCUREMENT REGULATIONS, 2001

Where this Policy does not provide for a matter regulated by the Preferential Procurement Regulations, 2001, the provisions of the regulations will prevail in respect of a "tender" as defined in the regulations.

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78. REVIEW

This Comprehensive Departmental SCM Policy will be updated from time to time when necessary with new developments on legislation, trends and best practices. The Policy will be updated through Annexures.

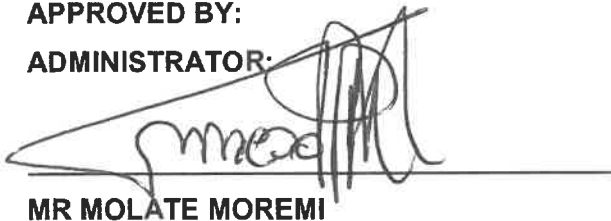
79. RESPONSIBILITIES AND OBLIGATIONS

Overall responsibility for the implementation of this policy rests with the duly delegated Director: Supply Chain Management. Further responsibilities assigned to the Program Managers and the Supply Chain Management Directorate.

ACCOUNTING OFFICER:

APPROVED BY:

ADMINISTRATOR:



MR MOLATE MOREMI

DATE:

30/03/22