ANNEXURE D

SUPPLY CHAIN MANAGEMENT POLICY

2026/2027

The **Council** resolves in terms of section 111 of the Local Government: Municipal Finance

GOVAN MBEKI MUNICIPALITY

UTLANYELWE
UKUKHULA

Management Act (No. 56 of 2003) to adopt the following proposal as the Supply Chain Management Policy of the GOVAN MBEKI MUNICIPALITY.

APPROVED BY COUNCIL ON: 27 MAY 2026

COUNCIL RESOLUTION NUMBER: A085/05/2026

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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 –

"A-class accountable items" means items that are not consumables;

"accounting officer" means the Municipal Manager, or acting Municipal Manager of Govan Mbeki Municipality;

"accountability" means the personal responsibility of a person to his senior or higher authority for any act or omission in the execution assigned duties which cannot be delegated;

"Act" means The Municipal Finance Management Act 56 of 2003 as amended and its relevant regulations;

"acquisition management" means the process of procurement of goods, works and services and includes the:

Identification of preferential policy objectives;
Determination of a market strategy;
Application of depreciation rates;
Application of total cost of ownership principle;
Compilation of bid documentation including conditions;
Determination of evaluation criteria;
Evaluation of bids and tabling of recommendations;
Compilation and signing of contracts;
Contract administration;

"asset" means a resource controlled by an entity as a result of past events and from which future economic benefits or service potential is expected to flow to the entity having the following characteristics:

Possesses service potential or future economic benefit that is expected to flow to the entity;

Controlled by an entity

Originate as a result of a past transection or event;

"authority" means the right or power attached to a rank or appointment permitting the holder thereof to make decisions or take command or demand action by others;

"bid" means a written offer submitted in a prescribed or stipulated form in response to an invitation by the Municipality for a procurement or disposal of asset as a part of the competitive bidding process of the Municipality;

"**bidder**" refers to a company, close corporation, partnership, trust, joint ventures, and individuals who includes shareholders, directors of a company, members of a close corporation and trustees of a trust who has submitted a bid;

"black empowered enterprise" means an enterprise that is at least 21.5% owned by black people and Govan Mbeki Municipality there is substantial management control;

"black enterprise" means an enterprise Govan Mbeki Municipality 50.1% is owned by blacks and Govan Mbeki Municipality there is substantial management control;

"black people" means Africans, Coloured and Indians;

"**black women-owned enterprise"** means at least 25.1% representation of black women within the black equity and management portion;

"broad based black economic empowerment" means the economic empowerment of all black people including women, workers, youth, people with disabilities and people living in rural areas through diverse but integrated socio-economic strategies that include, but are not limited to:

(i) Increasing the number of black people that manage, own and control enterprises and productive assets
(ii) Facilitating ownership and management of enterprises and productive assets by communities, workers cooperatives and other collective enterprises
(iii) Human resource and skills development
(iv) Achieving equitable representation in all occupational categories and levels in the workforce
(v) Preferential procurement
(vi) Investment in enterprises that are owned or manages by black people;

"buy out" means paying someone to give up ownership;

"Chief Financial Officer" means the person who is appointed by the Council as the Chief Financial Officer for the Municipality including his/her delegates;

"community or broad-based enterprise" means there is an empowerment shareholder who represents a broad base of members such as a local community or Govan Mbeki Municipality the benefits support a target group for example black women, people living with disabilities, the youth and workers;

"close member family" means close family members including the spouse, child or parent of this member;

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

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

"contract" means the written agreement that results from the acceptance of a bid or quotation by the Municipality;

"contractor" means any natural or legal person whose bid or quotation has been accepted by the Municipality for the execution work for the municipality;

"council" means the Municipal Council of the Govan Mbeki Municipality, its legal successors in title and its delegates;

"construction industry" means the broad conglomeration of industries and sectors which add value in the creation and maintenance of fixed assets within the built environment;

"construction works" means the provision of a combination of goods and services arranged for the development, extension, installation, repair, maintenance, renewal, removal, renovation, dismantling or demolition of a fixed asset including building and engineering infrastructure;

"current asset (inventory-perishable goods)" means an assets that would, in the normal course of operations that could be consumed or converted to cash within 12 months after the last reporting date;

"customer service" means the process of serving customer in accordance with acceptance, pre-determined standards in such a manner that it increases customer satisfaction and minimizes times and costs;

"delegation" means the issuing of a written authorization by a delegating authority to a delegated body to act in his/her stead, and in relation to a duty, includes an instruction or request to perform or to assist in performing the duty;
"delegated authority" means the council, Municipality Manager, Councilor or other employee to whom original powers were assigned in terms of legalization, and in relation to sub-delegation of a power, means that delegated body;

"demand management" means that the demand management ensures that the resources required to support the strategic objectives are delivered at the correct time, at the right price, location, quantity and quality that will satisfy the needs;

"depreciation" means the reduction in the value of assets generally from wear and tear. The consumption of capital is recognized as a cost of production and an allowance for this is made before net profit;

"disposal management" means that the disposal management is responsible to ensures that all unserviceable, redundant or obsolete assets are subjected to a formal process of doing away with moveable assets in a cost-effective, but transparent and responsible manner. It also entails that maintenance of records and documents are prescribed;

"E-class accountable items" means items that are consumable and expandable stores that cannot be repaired when it becomes unusable;

"economic principle" means to obtain the highest possible output for the lowest possible use of resource;

"economy of scale" means the reductions in the average cost of a product in the long run, resulting from an expanded level of output;

"emergency" means a sudden, serious and unexpected event that must be dealt with urgently as its continuity may give rise to:

(i) Threats to interruptions in the provisions of essential services to customers of the Municipality

(ii) The threat of major expense to Govan Mbeki Municipality

(iii) Threats to human life or safety;

"end-user" means the person who plays a role in the procurement process;

"equipment" means A-class accountable stores that are issued and accounted for on an inventory;

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

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

"historically disadvantaged individual" means a South African citizen who:

(i) Had no franchise in national elections prior to the introduction of the Constitution of the Republic of South Africa, 1983 (Act no 10 of 1983) or the Constitution of the Republic of South Africa, 1993 (Act no 200 of 1993) ("the Interim Constitution"); and/or

(ii) Is female and/or

(iii) Has a disability

Provided that a person, who obtained South African citizenship on or after the coming into effect of the Interim Constitution, is deemed not to be an HDI;

"immovable assets" means all non-produced, non-financial tangible assets, namely land, subsoil assets, water resources and some fixed tangible assets namely fixed structures (bridges, houses and roads);

"in the service of the state" means to be –

(a) a member of –

(i) any municipal council;

(ii) any provincial legislature; or

(iii) the National Assembly or the National Council of Provinces;

(b) a member of the board of directors of any municipal entity;

(c) an official of any municipality or municipal entity;

(d) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999);
(e) a member of the accounting authority of any national or provincial public entity; or
(f) an employee of Parliament or a provincial legislature;

"intangible assets" means trademarks, licenses and/or the legally enforceable rights associate with copyright and patents;

"integrated SCM" means the total cost analysis, which is defined, as minimizing the total cost of SCM elements;

"inventories" means stock and stores (consumable stores, maintenance materials, spare parts, WIP, education/training course materials, client services). Properties/land held for sale. Strategic stocks (fuel supplies, precious stones and metals). Seized or forfeited property;

"inventory (movable assets) management" means it must be possible determine accountability for all A-class-accountable items at all time. Records must therefore be available to describe the full extent of the responsibility of officials for equipment belonging to the institution on personal account or sectional inventories for general usage. Inventory (distribution) ledger accounts must therefore be maintained for all A-class accountable items;
"items" means an individual article or unit;

"lifecycle costing" means a technique developed to identity and quantify all costs, initial and ongoing, associated with a project or installation over a given period. Thus, it is a tool that forecasts the total cost of a purchase throughout its predetermined lifecycle;

"list of accredited prospective providers" means the list of accredited prospective providers which the Govan Mbeki Municipality must keep in terms of paragraph 14 of this policy;

"local[1]" means an area of jurisdiction of Govan Mbeki Municipality as demarcated by the Demarcation Board from time to time;

"local service provider" means an enterprise registered with the Companies and Intellectual Properties Commission, CIBD, relevant professional bodies and the municipal database for contractors whose head of offices are located in the jurisdiction of the Govan Mbeki Municipality;

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

"measurable objectives" means specific things that the Municipality intends doing or delivering in order to achieve the strategic objectives and ultimately the strategic goals it has set. There must therefore be a direct casual link running from the measurable objective to one or more of the strategic objectives;

"MFMA regulations" means the Municipal Supply Chain Management Regulations in terms of the MFMA (Act No 56 of 2003);

"movable assets" means assets that can be moved (e.g. machinery, equipment, vehicles, etc). all inventories and valuables and most fixed assets belong to this category;

"municipality" means the Govan Mbeki Municipality;

"municipal functions" means:

(i) A municipal service

(ii) Any other activity within the legal competence of a municipality;

"municipal manager" means a person designated as the municipal manager in terms of section 60 of the Act;

"municipal property" means any moveable, immovable or intellectual property, owned by or under the control of;

(i) A municipality; or
(ii) A municipality under the sole or shared control of the municipality;

"net present value (NPV)" means the sum that results when the discounted value of the expected costs of an investment is deducted from the discounted value of the expected returns. If the NPV is positive the project in question is potentially worth undertaking;

"obsolete" means no longer produced or used, out of date, to become obsolete by replacing it with something new;

"official" means:

(i) An employee of a municipality
(ii) A person seconded to a municipality to work as a member of the staff
(iii) A person contracted to work as a member of the staff other than as an employee;

"operation and maintenance plan" means to ensure assets remain appropriate to programme requirements, are efficiently utilized, and are maintained in the necessary condition to support programme delivery at the lowest possible long-term cost;

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

(a) the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000);
(b) the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003); and
(c) the Construction Industry Development Board Act, 2000 (Act No.38 of 2000);
(d) other relevant legalization, treasury regulations, circulars, guidelines and practice notes;

“over utilization” means to have adverse effects in terms of deterioration in asset performance and condition, shortening productive life and increasing recurrent operating and maintenance costs;

“practitioner” means a person who practices a profession or art;

“procedures” means a series of actions conducted in a certain order or manner;

“process” means a series of actions or steps towards achieving a particular end;

“project management” means the planning, directing and controlling of an organizations resources over a short term to ensure that specific objectives are successfully met;

“provider” means the private person or institution that provides supplies, services or works to Govan Mbeki Municipality;

“quittance” means the acknowledgement by the recipient of issued stores, reflecting a signature, receipt voucher number and date of receipt;

“redundant” means no longer needed or useful, superfluous (unnecessary);

“regulation” means the Local Government: Municipal Supply Chain Management Regulations;

“renewal” means replacing or restoring (something broken or worn out);

“repairable” means assemblies with detail parts breakdown that are economically repairable, and in the normal course of operation are continually returned to a fully serviceable condition over a period less than the life of the end item to which they are related.

These assemblies possess economic value either in a serviceable or unserviceable condition;

"responsibility" means the obligation imposed on an individual to properly exercises the authority vested in him/her. This involves the power to demand section in the proper execution of the relevant duties;

"risk" means the organizations decision about those risks that it will take and those it will not take in the pursuit of its goals and objectives;

"risk management" means the identification , measurements and economic control of risks that threaten the assets and earnings of a business or other enterprise;

"rules" means statements that a specific action must or must not be taken in a given situation;

"salvage" means the act of saving any goods or property in danger of damage or destruction

"Senior Manager" means a manager directly accountable to the municipal manager;

"strategic managers" means managers who plan, direct, co-ordinate and control the activities of Govan Mbeki Municipality

"SMME" means a separate and distinct business entity, including co-operative enterprises and non-governmental organizations, managed by one owner or more, including its branches or subsidiaries, if any is predominantly in any sector or sub-sector of the economy and can be classified as a micro-, a small or a medium enterprise by satisfying the criteria for the smallest relevant size or class;

"sourcing" means Govan Mbeki Municipality to obtain, an item to procure;

“specification” means terminology generally used to describe the requirement for goods;

“spend analysis” means the analysis of expenditure per provider, per commodity, per service and item for a specific timeframe;

“stores/stock” means all moveable state property/assets that are kept in stock for issue purposes;

“strategic goals” means area of organizational performance that are critical to the achievement of the mission and are statements that describe the strategic direction of the organization;

“strategic objectives” means strategies that are more concrete and specific than strategic goals. It must give a clear indication of what the municipality intends doing or producing in order to achieve the strategic goals it has set for itself. As such strategic objectives would normally describe high-level outputs or “results” of actions that the municipality intends taking;

“supply chain management (SCM)” means the collaborative strategy that integrates the planning, procurement and provisioning processes in order to eliminate non-value adding cost infrastructure, time and activities, seeks to introduce international best practices, whilst at the same time addressing government’s preferential procurement policy objectives and whilst serving the end-users and customers efficiently six phases are distinguished in the SCM processes namely:

(i) Demand management
(ii) Acquisition management
(iii) Logistics management
(iv) Disposal management
(v) Risk management
(vi) Performance management;

"terms of reference" means terms used to describe the requirement for professional services or goods;

"total cost of ownership" means the sum of direct spend, related spend, process spend and opportunity cost associated within a specific commodity and service to the owner;

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

"the Act" means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

"the Municipality" means the Govan Mbeki Municipality;

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

"underutilization" means to increase the unit cost of programme delivery and may not prompt the purchase of new assets when not required;

"unserviceable" means the condition of an item that is no longer suitable for use and cannot be economically repaired;

"value for money" means the best available outcome when all relevant costs and benefits over the procurement cycle are considered;

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

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

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

"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;

"black people" has the meaning assigned to it in section 1 of the Broad-Based Black Economic Empowerment Act;

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

"co-operative" means a co-operative registered in terms of section 7 of the Cooperatives Act, 2005 (Act No. 14 of 2005);

"designated group" means-

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

"designated sector" means a sector, sub-sector or industry or product designated in terms of regulation 8(1)(a);

"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;

"functionality" means the ability of a tenderer to provide goods or services in accordance with specifications as set out in the tender documents;

"military veteran" has the meaning assigned to it in section 1 of the Military Veterans Act, 2011 (Act No. 18 of 2011);

"National Treasury" has the meaning assigned to it in section 1 of the Public Finance Management Act, 1999 (Act No. 1 of 1999);

"people with disabilities" has the meaning assigned to it in section 1 of the Employment Equity Act, 1998 (Act No. 55 of 1998);

"price" includes all applicable taxes less all unconditional discounts;

"proof of B-BBEE status level of contributor" means-
(a) the B-BBEE status level certificate issued by an authorised body or person;
(b) a sworn affidavit as prescribed by the B-BBEE Codes of Good Practice; or
(c) any other requirement prescribed in terms of the Broad-Based Black Economic Empowerment Act; This gazette is also available free online at **www.gpwonline.co.za** **22** No. 40553 GOVERNMENT GAZETTE, 20 JANUARY 2017

"QSE" means a qualifying small business enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;

"Rand value" means the total estimated value of a contract in Rand, calculated at the time of the tender invitation;

"rural area" means-
(a) 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
(b) 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;

"stipulated minimum threshold" means the minimum threshold stipulated in terms of regulation 8(1)(b);

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

"township" means an urban living area that any time from the late 19th century until 27 April 1994, was reserved for black people, including areas developed for historically disadvantaged individuals post 27 April 1994;

"treasury" has the meaning assigned to it in section 1 of the Public Finance Management Act, 1999 (Act No. 1 of 1999); and

"youth" has the meaning assigned to it in section 1 of the National Youth Development Agency Act, 2008 (Act No. 54 of 2008).

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

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

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

"specific goals" means specific goals as contemplated in section 2(1)(d) of the Act which may include contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender and disability including the implementation of programmes of the Reconstruction and Development Programme as published in Government Gazette No. 16085 dated 23 November 1994;

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

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

ABBREVIATIONS

"AG" Auditor General

"AO" Municipal Manager

"BBBEEE" Broad Based Black Economic Empowerment

"BBBEEE Act" Broad Based Black Economic Empowerment Act

"BEE" Black Economic Empowerment

"CFO" Chief Financial Officer

"CIBD" Construction Industry Development Board

"DTI" Department of Trade and Industry

"GCC" General Conditions of Contract

"IDP" Integrated Development Plan

"IT" Information Technology

"ITC" Information to Consultants

"LCC" Life Cycle Costing

"LOI" Letter of Invitation

"MFMA" Local Government: Municipal Finance Management Act (Act No 56 of 2003)

"MSA" Municipal Systems Act

"MTEF" Medium Term Expenditure Framework

"PCCAA" Prevention and Combating of Corrupt Activities Act.2004

"PFMA" Public Finance Management Act (Act No 1 of 1999, as amended)

"PPP" Public-Private Partnership

"PPPFA" Preferential Procurement Policy Framework Act (Act 5 of 2000)

"QBS" Quality Based Selection

"QCBS" Quality and Cost Based Selection

"RDP" Reconstruction and Development Programme

"RFI" Request for Information

"RFP" Request for Proposal

"RFQ" Request for Quotation

"SAPS" South African Police Service

"SARS" South African Revenue Services

"SCM" Supply Chain Management

"SCM Unit" Supply Chain Management Unit

"SITA" State Information Technology Agency

"SLA" Service Level Agreement

"SMME" Small Medium and Micro Enterprises

"SP" Service Provider

"TCO" Total Cost of Ownership

"TOR" Terms of Reference

"WIP" Work in Process

"QSE" Qualifying Small Business Enterprise

"EME" Exempted Micro Enterprise

"SIPDM" Standard Infrastructure Procurement Delivery Management

CHAPTER 1

IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY

1. Supply chain management policy

(1) All officials and other role players in the supply chain management system of the Municipality must implement this Policy in a way that –

(a) gives effect to –
  (i) section 217 of the Constitution; and
  (ii) Part 1 of Chapter 11 and other applicable provisions of the Act;
(b) is fair, equitable, transparent, competitive and cost effective;
(c) complies with –
  (i) the Regulations; and
  (ii) any minimum norms and standards that may be prescribed in terms of section 168 of the Act;
(d) is consistent with other applicable legislation;
(e) does not undermine the objective for uniformity in supply chain management systems between organs of state in all spheres; and
(f) is consistent with national economic policy concerning the promotion of investments and doing business with the public sector.

(2) This Policy applies when the Municipality –

(a) procures goods or services;
(b) disposes goods no longer needed;
(c) selects contractors to provide assistance in the provision of municipal services otherwise than in circumstances Govan Mbeki Municipality Chapter 8 of the Municipal Systems Act applies; or

(d) selects external mechanisms referred to in section 80 (1) (b) of the Municipal Systems Act for the provision of municipal services in circumstances contemplated in section 83 of that Act.

(3) This Policy, except Govan Mbeki Municipality provided otherwise, does not apply in respect of the procurement of goods and services contemplated in section 110 (2) of the Act, including –

(a) water from the Department of Water Affairs or a public entity, another municipality or a municipal entity; and

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

2. Adoption and amendment of the supply chain management policy

(1) The accounting officer must –

(a) at least annually review the implementation of this Policy; and

(b) when the accounting officer considers it necessary, submit proposals for the amendment of this Policy to the council.

(2) If the accounting officer submits proposed amendments to the council that differs from the model policy issued by the National Treasury, the accounting officer must –

(a) ensure that such proposed amendments comply with the Regulations; and

(b) report any deviation from the model policy to the National Treasury and the relevant provincial treasury.

(3) When amending this supply chain management policy the need for uniformity in supply chain practices, procedures and forms between organs of state in all spheres and particularly to promote accessibility of supply chain management systems for small businesses must be taken into account.

3. Delegation of supply chain management powers and duties

(1) The Council is hereby required to delegate all powers and duties to the accounting officer which are necessary to enable the accounting officer –

- (a) to discharge the supply chain management responsibilities conferred on accounting officers in terms of –
  - (i) Chapter 8 or 10 of the Act; and
  - (ii) this Policy;
- (b) to maximize administrative and operational efficiency in the implementation of this Policy;
- (c) to enforce reasonable cost-effective measures for the prevention of fraud, corruption, favoritism and unfair and irregular practices in the implementation of this Policy; and
- (d) to comply with his or her responsibilities in terms of section 115 and other applicable provisions of the Act.

(2) Sections 79 and 106 of the Act apply to the sub delegation of powers and duties delegated to an accounting officer in terms of subparagraph (1).

(3) The accounting officer or Council may not sub delegate any supply chain management powers or duties to a person who is not an official of Municipality or to a committee which is not exclusively composed of officials of the Municipality;

(4) This paragraph may not be read as permitting an official to whom the power to make final awards has been delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 27 of this Policy.

4. Sub delegations

(1) The accounting officer may in terms of section 79 or 106 of the Act sub delegate any supply chain management powers and duties, including those delegated to the accounting officer in terms of this Policy, but any such sub delegation must be consistent with subparagraph (2) of this paragraph and paragraph 4 (1) of this Policy.

(2) The power to make a final award –

(a) above R10 million (VAT included) may not be sub delegated by the accounting officer;

(b) above R2 million (VAT included), but not exceeding R10 million (VAT included), may be sub delegated but only to –

(i) the chief financial officer;

(ii) a senior manager; or

(iii) a bid adjudication committee of which the chief financial officer or a senior manager is a member; or

(c) not exceeding R2 million (VAT included) may be sub delegated but only to –

(i) the chief financial officer;

(ii) a senior manager;

(iii) a manager directly accountable to the chief financial officer or a senior manager; or

(iv) a bid adjudication committee.

(3) An official or bid adjudication committee to which the power to make final awards has been sub delegated in accordance with subparagraph (2) must within five days of the end of each month submit to the official referred to in subparagraph (4) a written report containing particulars of each final award made by such official or committee during that month, including–

(d) the amount of the award;

(e) the name of the person to whom the award was made; and

(f) the reason why the award was made to that person.

(4) A written report referred to in subparagraph (3) must be submitted –

(a) to the accounting officer, in the case of an award by –

(i) the chief financial officer;

(ii) a senior manager; or

(iii) a bid adjudication committee of which the chief financial officer or a senior manager is a member; or

(b) to the chief financial officer or the senior manager responsible for the relevant bid, in the case of an award by –

(i) a manager referred to in subparagraph (2)(c)(iii); or

(ii) a bid adjudication committee of which the chief financial officer or a senior manager is not a member.

(5) Subparagraphs (3) and (4) of this policy do not apply to procurements out of petty cash.

(6) This paragraph may not be interpreted as permitting an official to whom the power to make final awards has been sub-delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 26 of this Policy.

(7) No supply chain management decision-making powers may be delegated to an advisor or consultant.

5. Oversight role of council

(1) The council reserves its right to maintain oversight over the implementation of this Policy.

(2) For the purposes of such oversight the accounting officer must –

(a) within 30 days of the end of each financial year, submit a report on the implementation of this Policy and the supply chain management policy of any municipal entity under the sole or shared control of the municipality, to the council of the municipality; and

(b) whenever there are serious and material problems in the implementation of this Policy, immediately submit a report to council.

(3) The accounting officer must, within 10 days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the mayor.

(4) The reports must be made public in accordance with section 21A of the Municipal Systems Act.

6. Supply chain management unit

(1) A supply chain management unit is hereby established to implement this Policy.

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

7. Training of supply chain management officials

(1) The training of officials involved in implementing this Policy should be in accordance with any Treasury guidelines on supply chain management *-+.

CHAPTER 2

8. Format of supply chain management system

This Policy provides systems for –

(i) demand management;

(ii) acquisition management;

(iii) logistics management;

(iv) disposal management;

(v) risk management; and

(vi) performance management.

Part 1: Demand management

System of demand management

(1) The accounting officer must establish and implement an appropriate demand management system in order to ensure that the resources required by the Municipality support its operational commitments and its strategic goals outlined in the Integrated Development Plan.

(2) The demand management system must –

(a) include timely planning and management processes to ensure that all goods and services required by the Municipality are quantified, budgeted for and timely and effectively delivered at the right locations and at the critical delivery dates, and are of the appropriate quality and quantity at a fair cost;

(b) take into account any benefits of economies of scale that may be derived in the case of acquisitions of a repetitive nature; and

(c) provide for the compilation of the required specifications to ensure that its needs are met.

(d) To undertake appropriate industry analysis and research to ensure that innovations and technological benefits are maximized.

Part 2: Acquisition management

System of acquisition management

(3) The accounting officer must establish and implement the system of acquisition management set out in this Part in order to ensure –

(a) that goods and services are procured by the Municipality in accordance with authorised processes only;

(b) that expenditure on goods and services is incurred in terms of an approved budget in terms of section 15 of the Act;

(c) that the threshold values for the different procurement processes are complied with;

(d) that bid documentation, evaluation and adjudication criteria, and general conditions of a contract, are in accordance with any applicable legislation; and

(e) that any Treasury guidelines on acquisition management are properly taken into account.

(4) When procuring goods or services contemplated in section 110(2) of the Act, the accounting officer must make public the fact that such goods or services are procured otherwise than through the Municipality's supply chain management system, including -

(a) the kind of goods or services; and

(b) the name of the supplier.

(5) Preferential Procurement Policy Framework Act (PPPFA)

(1) In order to give effect to the objections of this policy, this Council supports measures to make the bid process more accessible to HDI's and small, medium and micro enterprises (SMME's). Consideration must be given to the relaxation of certain criteria. The Accounting Officer will have the right to deviate from this policy in pursuit of implementing the Black Economic Empowerment Act, Act 53 of 2003. Detail thereof will be covered in the implementation manual.

(6) The Preferential Procurement Regulations, 2022 states that:

(1) An organ of state must, in the tender documents, stipulate—

(a) the applicable preference point system as envisaged in regulations 4, 5, 6 or 7;

(b) the specific goal in the invitation to submit the tender for which a point may be awarded, and the number of points that will be awarded to each goal, and proof of the claim for such goal.

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

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

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

80/20 preference point system for acquisition of goods or services with Rand value equal to or below R50 million

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

$$PS = 80\left[1 - \frac{Pt - Pmin}{Pmin}\right]$$

Ps = Points scored for price of tender under consideration;

Pt = Price of tender under consideration; and

Pmin = Price of lowest acceptable tender.

A maximum of 20 points may be awarded to a tenderer for the specific goal specified for the tender.

6.1 The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.

(i) Govan Mbeki Municipality will allocate points for specific goals as follows – on companies who have directors of below mentioned categories

Goals	**Points Allocation (Max 20 points)**
Race	30%= 6
Person with Disability	20% (10%) = 2
Youth	20%= (10%) =2
Women	20%= (10%) =2
RDP (Locality)	10% (40%) =8

6.2 Subject to section 2(1)*(f)* of the Act, the contract must be awarded to the tenderer scoring the highest points.

90/10 preference point system for acquisition of goods or services with Rand value above R50 million

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

$$PS = 90\left[1 - \frac{Pt - Pmin}{Pmin}\right]$$

Govan
Mbeki
Municipality-

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

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

(3) The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.

(ii) Govan Mbeki Municipality will allocate points for specific goals as follows –

Goals	**Points Allocation (Max 10 points)**
Race	30%=3
Person with Disability	20% (10%) =1
Youth	20% (10%) = 1
Women	20% (10%) = 1
RDP (Locality)	10% (40%) = 4

Subject to section 2(1)*(f)* of the Act, the contract must be awarded to the tenderer scoring the highest points.

80/20 preference points system for tenders for income-generating contracts with Rand value equal to or below R50 million

6.3 The following formula must be used to calculate the points for price in respect of an invitation for tender for income-generating contracts, with a Rand value equal to or below R50 million, inclusive of all applicable taxes:

$$Ps = 80\left(1 + \frac{Pt - Pmax}{Pmax}\right)$$

Govan
Mbeki
Municipality-

Ps	=	Points scored for price of tender under consideration;
Pt	=	Price of tender under consideration; and
Pmax	=	Price of highest acceptable tender.

(2) A maximum of 20 points may be awarded to a tenderer for the specific goal specified for the tender.

(3) The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.

(i) Govan Mbeki Municipality will allocate points for specific goals as follows –

Goals	**Points Allocation (Max 20 points)**
Race	30%= 6
Person with Disability	20% (10%) = 2
Youth	20%= (10%) =2
Women	20%= (10%) =2
RDP	10% (40%) =8

Subject to section 2(1)*(f)* of the Act, the contract must be awarded to the tenderer scoring the highest points.

90/10 preference point system for tenders for income-generating contracts with Rand value above R50 million

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

$$\mathbf{PS = 80}\left[\mathbf{1 -} \frac{\mathbf{Pt - Pmin}}{}\right]$$

Pmin

Govan
Mbeki
Municipality-

Ps	=	Points scored for price of tender under consideration;
Pt	=	Price of tender under consideration; and
Pmax	=	Price of highest acceptable tender.

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

(3) The points scored for the specific goal must be added to the points scored
for price and the total must be rounded off to the nearest two decimal places.

(i) Govan Mbeki Municipality will allocate points for specific goals as follows –

Goals	**Points Allocation (Max 10 points)**
Race	30%=3
Person with Disability	20% (10%) =1
Youth	20% (10%) = 1
Women	20% (10%) = 1
RDP	10% (40%) = 4

Subject to section 2(1)*(f)* of the Act, the contract must be awarded to the tenderer scoring the highest points.

6.4 Criteria for breaking deadlock in scoring

(a) If two or more tenderers score an equal total number of points, the contract must be awarded to the tenderer that scored the highest points for specific goals.

(b) If two or more tenderers score equal total points in all respects, the award must be decided by the drawing of lots.

Remedies

7.(1) If an organ of state is of the view that a tenderer submitted false information regarding a specific goal, it must— *(a)* inform the tenderer accordingly; and

(b) give the tenderer an opportunity to make representations within 14 days as to why the tender may not be disqualified or, if the tender has already been awarded to the tenderer, the contract should not be terminated in whole or in part.

(2) After considering the representations referred to in subregulation (1)*(b)*, the organ of state may, if it concludes that such information is false—

(a) disqualify the tenderer or terminate the contract in whole or in part; and

(b) if applicable, claim damages from the tenderer.

8. All Tenders must be evaluated on functionality

The municipality must state in the tender documents that the tender will be evaluated on functionality.

(1) The evaluation criteria for measuring functionality must be objective.

(2) The tender documents must specify-

(a) the evaluation criteria for measuring functionality;

(b) the points for each criteria and, if any, each sub-criterion; and

(c) the minimum qualifying score for functionality.

(3) The minimum qualifying score for functionality for a tender to be considered further-

(a) must be determined separately for each tender; and

(b) may not be so-

(i) low that it may jeopardise the quality of the required goods or services; or

(ii) high that it is unreasonably restrictive.

(4) Points scored for functionality must be rounded off to the nearest two decimal places.

(5) A tender that fails to obtain the minimum qualifying score for functionality as indicated in the tender documents is not an acceptable tender.

(6) Each tender that obtained the minimum qualifying score for functionality must be evaluated further in terms of price and the preference point system.

9. Range of procurement processes

(1) A supply chain management policy must subject to regulation 11(2), provide for the procurement of goods and services by way of—

(a) petty cash purchases, up to a transaction value of R 2 000 (VAT included);

(b) formal written price quotations for procurement of a transaction value over–
    (i) R2000 up to R300 000 (VAT included);

(c) a competitive bidding process for–
    (i) procurement above a transaction value of R300 000 (VAT included);

(2) A supply chain management policy may allow the accounting officer—

(a) to lower, but not to increase, the different threshold values specified in subregulation (1); or

(b) to direct that–

(i) formal written price quotations be obtained for any specific procurement of a transaction value lower than R10 000; or

(ii) a competitive bidding process be followed for any specific procurement of a transaction value lower than the competitive bidding thresholds specified in subregulation (1)(b)(1) to (1)(c)(i);

10. General preconditions for consideration of written quotations or bids

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

(a) has furnished that provider's –

(i) full name;

(ii) identification number or company or other registration number; and

(iii) tax reference number and VAT registration number, if any;

(iii) Directors or Company Municipal rates accounts not older than three months and in arrears more than three month or Lease Agreement. The Municipality has a right to verify on whether the bidder has Municipal Account and are not in arrears more than three months in any Local Municipality.

(iv) Bidders who reside on the unproclaim land must submit a stamped letter from tribal authority and municipal letter confirming that the arear in unproclaim land.

(b) has authorised the Municipality to obtain a tax clearance from the South African Revenue Services that the provider's tax matters are in order; and

(c) has indicated –

(i) whether he or she is in the service of the state, or has been in the service of the state in the previous twelve months;

(ii) if the provider is not a natural person, whether any of its directors, managers, principal shareholders or stakeholder is in the service of the state, or has been in the service of the state in the previous twelve months; or

(iii) whether a spouse, child or parent of the provider or of a director, manager, shareholder or stakeholder referred to in subparagraph (ii) is in the service of the state, or has been in the service of the state in the previous twelve months.

11. Lists of accredited prospective providers

(1) The accounting officer must –

(a) ensure that all prospective providers are registered on the Central Supplier Database (CSD) as per MFMA circular 81 of National Treasury dated 8 March 2016 for the goods and services that must be used for the procurement requirements through formal written price quotations; and

(b) at least once a year through newspapers commonly circulating locally, the website and any other appropriate ways, invite prospective providers of goods or services to apply for evaluation and listing as accredited prospective providers;

(c) specify the listing criteria for accredited prospective providers; and

(d) disallow the listing of any prospective provider whose name appears on the National Treasury's database as a person prohibited from doing business with the public sector.

(2) The list must be updated at least quarterly to include any additional prospective providers and any new commodities or types of services. Prospective providers must be allowed to submit applications for listing at any time.

(3) The list must be compiled per commodity and per type of service.

(4) The prospective providers must at least choose five commodities per family categories

(5) The following documentations must be submitted for enlisting:

5.1) Valid tax clearance

5.2) Municipal rates and taxes Account or Valid Lease Agreement

5.3) Company profile
5.4) Certified copies of ID's of Directors
5.5) Verification letter of Bank account
5.6) Certified copy of the BBBEE certificate
5.7) Certified copy of the company registration certificate

(6) Prospective suppliers interested in pursuing opportunities within the South African government are encouraged to self-register on the Central Supplier Database.

12. Petty cash purchases

The conditions for the procurement of goods by means of petty cash purchases referred to in paragraph 13 (1) (a) of this Policy, are as follows –

(1) R1 – R2,000 - 1 quote is required and approved by the Director / Head of Department; and

(2) a monthly reconciliation report from each Director / Head of Department must be provided to the chief financial officer, including –
  - (a) the total amount of petty cash purchases for that month; and
  - (b) receipts and appropriate documents for each purchase.

13. Formal written price quotations

(1) The conditions for the procurement of goods or services through formal written price quotations, are as follows:
  - (a) quotations must be obtained in writing from at least three different providers whose names appear on the list of accredited prospective providers of the Municipality;
  - (b) quotations may be obtained from providers who are not listed, provided that such providers meet the listing criteria set out in paragraph 15(1)(b) and (c) of this Policy;
  - (c) if it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the chief financial officer or an official designated by the chief financial officer, and
  - (d) the accounting officer must record the names of the potential providers and their written quotations.

(2) A designated official referred to in subparagraph (1) (c) must within three days of the end of each month report to the chief financial officer on any approvals given during that month by that official in terms of that subparagraph.

14. Procedures for procuring goods or services through written price quotations.

A supply chain management policy must determine the procedure for the procurement of goods or services through written price quotations, and must stipulate—; and

(1) The procedure for the procurement of goods or services through formal written price quotations, is as follows:

(1) when using the list of accredited prospective providers the accounting officer must promote ongoing competition amongst providers by inviting providers to submit quotations on a rotation basis;

(2) all requirements in excess of R30 000 (VAT included) that are to be procured by means of formal written price quotations must, in addition to the requirements of paragraph 18, be advertised for at least seven days on the website and an official notice board of the Municipality;

(3) offers received must be evaluated on a comparative basis taking into account unconditional discounts;

(4) the accounting officer or chief financial officer must on a monthly basis be notified in writing of all written formal written price quotations accepted by an official acting in terms of a sub delegation;

(5) offers below R30 000 (VAT included) must be awarded based on compliance to specifications and conditions of contract, ability and capability to deliver the goods and services and lowest price;

(6) acceptable offers, which are subject to the preference points system (PPPFA and associated regulations), must be awarded to the bidder who scored the highest points;

(7) Written or verbal quotations for procurements of a transaction value over R2 000 up to R10 000 (Vat included).

(8) Formal written price quotations for procurements of a transaction value over R10 000 up to R300 000 (Vat included).

(9) That the accounting officer must take all reasonable steps to ensure that the procurement of goods and services through formal written price quotations is not abused;

(10) Requirements for proper record keeping

15. Competitive bids

(1) Goods or services above a transaction value of R300 000 (VAT included) and long term contracts may only be procured through a competitive bidding process, subject to paragraph 10(2) of this Policy.

(2) No requirement for goods or services above an estimated transaction value of R300 000 (VAT included), may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process.

16. Process for competitive bidding

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

(a) Compilation of bidding documentation as detailed in paragraph 22;

(b) Public invitation of bids as detailed in paragraph 23;

(c) Site meetings or briefing sessions as detailed in paragraph 23;

(d) Handling of bids submitted in response to public invitation as detailed in paragraph 24;

(e) Evaluation of bids as detailed in paragraph 29;

(f) Award of contracts as detailed in paragraph 30;

(g) Administration of contracts

- After approval of a bid, the accounting officer and the bidder must enter into a written agreement.

(h) Proper record keeping

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

(j) Bid document deposits are as follows, and will be reviewed annually with the consideration of budget tariffs: -

- Small projects (R30 001 – 300 000) = Downloaded free of charge on Municipal Website & E-Tender Portal or Charged at R 300.00
- Medium projects (R300 001 – R10 000 000.00) = R500,00 or If possible, can be Downloaded free of charge on Municipal Website & E-Tender Portal
- Large projects (R 10 000 001 and Above) = R 1000,00

17. Bid documentation for competitive bids

The criteria to which bid documentation for a competitive bidding process must comply with to section 14 of this policy and in addition, the bid document must) –

(a) take into account –

(i) the general conditions of contract and any special conditions of contract, if specified;

(ii) any Treasury guidelines on bid documentation; and

(iii) the requirements of the Construction Industry Development Board, in the case of a bid relating to construction, upgrading or refurbishment of buildings or infrastructure;

(b) include the preference points system to be used, goals as contemplated in the Preferential Procurement Regulations and evaluation and adjudication criteria, including any criteria required by other applicable legislation;

(c) compel bidders to declare any conflict of interest they may have in the transaction for which the bid is submitted;

(d) if the value of the transaction is expected to exceed R10 million (VAT included), require bidders to furnish–

(i) if the bidder is required by law to prepare annual financial statements for auditing, their audited annual financial statements –

(a) for the past three years; or

(b) since their establishment if established during the past three years;

(ii) a certificate signed by the bidder certifying that the bidder has no undisputed commitments for municipal services towards a municipality or other service provider in respect of which payment is overdue for more than 30 days;

(iii) particulars of any contracts awarded to the bidder by an organ of state during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract;

(iv) a statement indicating whether any portion of the goods or services are expected to be sourced from outside the Republic, and, if so, what portion and whether any portion of payment from the municipality or municipal entity is expected to be transferred out of the Republic; and

(e) stipulate that disputes must be settled by means of mutual consultation, mediation (with or without legal representation), or, when unsuccessful, in a South African court of law.

18. Public invitation for competitive bids

(1) The procedure for the invitation of competitive bids, is as follows:

(a) Any invitation to prospective providers to submit bids must be by means of a public advertisement either in the newspapers commonly circulating locally, the website of the Municipality and E-Tender Portal.

(b) the information contained in a public advertisement, must include –

(i) the closure date for the submission of bids, which may not be less than 30 days in the case of transactions over R10 million (VAT included), or which are of a long-term nature, or 14 days in any other case, from the date on which the advertisement is placed in a newspaper, subject to subparagraph (2) of this policy;

(ii) a statement that bids may only be submitted on the bid documentation provided by the Municipality; and

(iii) date, time and venue of any proposed site meetings or briefing sessions.;

(2) The accounting officer may determine a closure date for the submission of bids which is less than the 30- or 14-days requirement, but only if such shorter period can be justified on the grounds of urgency or emergency or any exceptional case Govan Mbeki Municipality it is impractical or impossible to follow the official procurement process.
(3) Bids submitted must be sealed.
(4) Bidders cannot submit two tender documents with same company name and different prices, such bid should be disqualified.
(5) Govan Mbeki Municipality bids are requested in electronic format, such bids must be supplemented by sealed hard copies, if bids are not sealed the bidder will be disqualified.

19. Procedure for handling, opening and recording of bids

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

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

20. Negotiations with preferred bidders

(1) The accounting officer may negotiate the final terms of a contract with bidders identified through a competitive bidding process as preferred bidders, provided that such negotiation –

(a) does not allow any preferred bidder a second or unfair opportunity;

(b) is not to the detriment of any other bidder; and

(c) does not lead to a higher price than the bid as submitted.

(2) Minutes of such negotiations must be kept for record purposes.

21. Two-stage bidding process

(1) A two-stage bidding process is allowed for –

(a) large complex projects;

(b) projects Govan Mbeki Municipality it may be undesirable to prepare complete detailed technical specifications; or

(c) long term projects with a duration period exceeding three years.

(2) In the first stage technical proposals on conceptual design or performance specifications should be invited, subject to technical as well as commercial clarifications and adjustments.

(3) In the second stage final technical proposals and priced bids should be invited.

21.1. Appointed to service provider in the panel

1. The process of selection process will be done as follows:
    a) By rotation on the fixed price
    b) Lowest price on quotation based
    c) Functionality in case of consultants
    d) Previous Similar Work of consultants
    e) Close tender bidding process.
2. The municipality reserve the rights to standardized the rates when making award to all panels.

22. Committee system for competitive bids

(1) A committee system for competitive bids is hereby established, consisting of the following committees for each procurement or cluster of procurements as the accounting officer may determine:

  (a) a bid specification committee;
  (b) a bid evaluation committee; and
  (c) a bid adjudication committee;

(2) The accounting officer appoints the members of each committee, taking into account section 117 of the Act;
and

(3) A neutral or independent observer, appointed by the accounting officer, must attend or oversee a committee when this is appropriate for ensuring fairness and promoting transparency.

(4) The committee system must be consistent with –

  (a) paragraph 27, 28 and 29 of this Policy; and
  (b) any other applicable legislation.

(5) The accounting officer may apply the committee system to formal written price quotations.

23. Bid specification committees

(1) A bid specification committee must compile the specifications for each procurement of goods or services by the Municipality.

(2) Specifications –

  (i) must be drafted in an unbiased manner to allow all potential suppliers to offer their goods or services;
  (ii) must take account of any accepted standards such as those issued by Standards South Africa, the International Standards Organisation, or an authority accredited or

recognised by the South African National Accreditation System with which the equipment or material or workmanship should comply;

(iii) must, Govan Mbeki Municipality possible, be described in terms of performance required rather than in terms of descriptive characteristics for design;

(iv) may not create trade barriers in contract requirements in the forms of specifications, plans, drawings, designs, testing and test methods, packaging, marking or labeling of conformity certification;

(v) may not make reference to any particular trade mark, name, patent, design, type, specific origin or producer unless there is no other sufficiently precise or intelligible way of describing the characteristics of the work, in which case such reference must be accompanied by the word "equivalent";

(vi) must indicate each specific goal for which points may be awarded in terms of the points system set out in the Preferential Procurement Regulations 2001; and

(vii) must be approved by the accounting officer prior to publication of the invitation for bids in terms of paragraph 23 of this Policy.

(3) A bid specification committee must be composed of one or more officials of the Municipality preferably the manager responsible for the function involved, and may, when appropriate, include external specialist advisors.

(4) No person, advisor or corporate entity involved with the bid specification committee, or director of such a corporate entity, may bid for any resulting contracts.

24. Bid evaluation committees

(1) A bid evaluation committee must –

(a) evaluate bids in accordance with –

(i) the specifications for a specific procurement; and

(ii) the points system set out in terms of paragraph 28(2) (f)).

(b) evaluate each bidder's ability to execute the contract;

(c) check in respect of the recommended bidder whether municipal rates and taxes and municipal service charges are not in arrears, and;

(d) submit to the adjudication committee a report and recommendations regarding the award of the bid or any other related matter.

(2) A bid evaluation committee must as far as possible be composed of-

(a) officials from departments requiring the goods or services; and

(b) at least one supply chain management practitioner of the Municipality .

25. Bid adjudication committees

(1) A bid adjudication committee must –

(a) consider the report and recommendations of the bid evaluation committee; and

(b) either –

(i) depending on its delegations, make a final award or a recommendation to the accounting officer to make the final award; or

(ii) make another recommendation to the accounting officer how to proceed with the relevant procurement.

(2) A bid adjudication committee must consist of at least four senior managers of the Municipality which must include –

(a) the chief financial officer or, if the chief financial officer is not available, another manager in the budget and treasury office reporting directly to the chief financial officer and designated by the chief financial officer; and

(b) at least one senior supply chain management practitioner who is an official of the Municipality; and

(c) a technical expert in the relevant field who is an official, if such an expert exists.

(3) The accounting officer must appoint the chairperson of the committee. If the chairperson is absent from a meeting, the members of the committee who are present must elect one of them to preside at the meeting.

(4) Neither a member of a bid evaluation committee, nor an advisor or person assisting the evaluation committee, may be a member of a bid adjudication committee.

(5) (a) If the bid adjudication committee decides to award a bid other than the one recommended by the bid evaluation committee, the bid adjudication committee must prior to awarding the bid –

(i) check in respect of the preferred bidder whether that bidder's municipal rates and taxes and municipal service charges are not in arrears, and;

(ii) notify the accounting officer.

(b) The accounting officer may –

(i) after due consideration of the reasons for the deviation, ratify or reject the decision of the bid adjudication committee referred to in paragraph (a); and

(ii) if the decision of the bid adjudication committee is rejected, refer the decision of the adjudication committee back to that committee for reconsideration.

(6) The accounting officer may at any stage of a bidding process, refer any recommendation made by the evaluation committee or the adjudication committee back to that committee for reconsideration of the recommendation.

(7) The accounting officer must comply with section 114 of the Act within 10 working days

26. EXTENSION OR EXPANSION OF CONTRACTS

(a) Any increase in the approved contract sum or contract period (in respect of annual bids) that may become necessary as a result of exceptional circumstances during the contract period, must be Submitted to bid adjudication committee.

(b) Govan Mbeki Municipality community participation has been a part of the project, the community must be advised of the proposed increase and be invited to provide written comment.

(c) Any unapproved increase in the contract sum or contract period as a result of exceptional circumstances must be explained in a report to the bid adjudication committee requesting condonation for such unapproved increase.

(d) The period of extension of contract may not exceed a period of more than six (6) months.

(e) Managing the Contract

1. The Accounting Officer must take all reasonable steps to ensure that a contract or agreement procured through the SCM policy of Govan Mbeki Municipality is properly enforced.

2. Both the user department and the SCM unit have a responsibility towards managing a contract.

3. The nature of the responsibility will determine who manages the specific contractual aspect.

(f) Contract Monitoring

1. The SCM must monitor, on a monthly basis, the performance of the contractor under the contract or agreement.

2. The SCM must regularly report to the Council on the management of the contract or agreement and the performance of the contractor.

3. Constant monitoring is essential to ensure that contractual obligations are met and that contracts run with as little disruption as possible.

4. The SCM Unit is responsible for notifying the user department timely of term contract expiry that will allow the user department sufficient time to decide whether to renew the contract.

5. The user department must ensure that the contractor performs according to the stipulations of the contract in delivering the goods or services on time, in the correct quantity and to the required standard.

6. Regular meetings with contractors to discuss progress, deliverables, foreseeable problems and/or amendments must be held during the contract period.

g) contracts may be expanded or varied by not more than 20% for construction related goods, services and/or infrastructure projects and 15% for all other goods and/or services of the original value of the contract.

27. Payment of emerging contractors for capital work

To enhance economic empowerment of SMME's and HDI's, the following will apply:

(a) Invoices that are less than R 30 000.00 must be paid within (30) days, this will don up receiving of a proper invoice, provided that all documentation are duly completed and authorized;

(b) Any outstanding municipal amount must be deducted from the payment due to the creditor. This must be an agreement during the issuing of an order or appointment letter.

28. Construction Contracts

(a) Sureties/Guarantees

The municipality will reduce the level of sureties/guarantees as follows on all contracts between R70 001 and R300 000:

Contract Value	Surety / Guarantee
Small (R 70,000 to R 300,000)	6%
Medium (R 300,001 to R 500,000)	7%
Large (R 500,001 and above)	10%

Govan Mbeki Municipality in the case of small projects the sureties have been reduced, a cash surety will be allowed which, can be deducted from the first three payment certificates in equal amounts. In the case of medium and large contracts the surety is required from a bank or insurance company in accordance with the general conditions of contract.

30. Retention

Retention money withheld from a contractor during the construction and defects liability period must be afforded according to risk. The following limits to retention shall be applicable:

Type of Project	Value	Defects Liability Period
Small Projects (R70 000 to R250000)	**5%**	**One year**
Medium Projects (R200000 to R500000)	**7%**	**One year**
Large Projects (above R500000)	**10%**	**One year**

29. Insurance

(a) Every contractor appointed by the municipality should insure all plant and equipment owned leased or hired by him which is brought on the site.

(b) The contractor shall comply with the Occupational Health and Safety Act and be required to sign an indemnity form as prescribed by municipality's insurers.

(c) The contractor shall be required to take out public liability insurance cover to the satisfaction of the municipality.

(d) In the absence of acceptable public liability cover, the municipality will take out the necessary insurance on behalf of the service provider on the following conditions:

(e) The premium / installment would be payable by the contractor and deducted from the first progress payment of the project; and all excess amounts would be payable by the contractor.

30. Procurement of banking services

(1) A contract for banking services –

(a) must be procured through competitive bids;

(b) must be consistent with section 7 or 85 of the Act; and

(c) may not be for a period of more than five years at a time.

(2) The process for procuring a contract for banking services must commence at least nine months before the end of an existing contract.

(3) The closure date for the submission of bids may not be less than 60 days from the date on which the advertisement is placed in a newspaper in terms of paragraph section 23. Bids must be restricted to banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990).

31. Procurement of IT related goods or services

(1) The accounting officer may request the State Information Technology Agency (SITA) to assist with the acquisition of IT related goods or services through a competitive bidding process.

(2) Both parties must enter into a written agreement to regulate the services rendered by, and the payments to be made to, SITA.

(3) The accounting officer must notify SITA together with a motivation of the IT needs if –

(a) the transaction value of IT related goods or services required in any financial year will exceed R50 million (VAT included); or

(b) the transaction value of a contract to be procured whether for one or more years exceeds R50 million (VAT included).

(4) SITA comments on the submission and the Municipality disagrees with such comments, the comments and the reasons for rejecting or not following such comments must be submitted to the council, the National Treasury, the relevant provincial treasury and the Auditor General.

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

(1) the accounting officer may procure goods or services under a contract secured by another organ of state, but only if –

(a) the contract has been secured by that other organ of state by means of a competitive bidding process applicable to that organ of state;

(b) there is no reason to believe that such contract was not validly procured;

(c) there are demonstrable discounts or benefits to do so; and

(d) that other organ of state and the provider have consented to such procurement in writing.

(2) Subparagraphs (1)(c) and (d) do not apply if –

(a) a municipal entity procures goods or services through a contract secured by its parent municipality; or

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

33. Procurement of goods necessitating special safety arrangements

(1) The acquisition and storage of goods in bulk (other than water), which necessitate special safety arrangements, including gasses and fuel, should be avoided Govan Mbeki Municipality ever possible.

(2) Govan Mbeki Municipality the storage of goods in bulk is justified, such justification must be based on sound reasons, including the total cost of ownership, cost advantages and environmental impact and must be approved by the accounting officer.

34. Development of Local Businesses (Proudly SA Campaign)

(1) The accounting officer must ensure that in the event of the appointment of an external business, contractor or service provider a service level agreement (SLA) be entered into with the said business, contractor or service provider to provide skills transfer to a local service provider.

(2) A business, contractor or service provider may be appointed from outside the jurisdiction of the Municipality but that main business, contractor or service provider Govan Mbeki Municipality possible, must subcontract to a local business, local contractor or local service provider who has the potential to perform with the aim of building local capacity and that a report thereon must be tabled to Council with a project progress report.

(3) At the first meeting of the relevant project steering committee, convened by the chairperson (the Ward Councillor) the implementation of skills transfer and the social responsibility programme of the business, contractor or service provider must be discussed and agreed upon. A report must be tabled to Council with a project progress report.

(4) The accounting officer must ensure that the Municipality's Supply Chain Policy must be available to all businesses, contractors and service providers within the jurisdiction of the Municipality.

(5) The accounting officer must report to Council on a quarterly basis on all bids that were awarded.

(6) A supply chain management policy must stipulate to what extent the municipality or municipal entity supports the Proudly SA Campaign

35. Appointment of consultants

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

(2) Consultancy services must be procured through competitive bids if

(a) the value of the contract exceeds R300 000 (VAT included); or

(b) the duration period of the contract exceeds one year.

(3) In addition to any requirements prescribed by this policy for competitive bids, bidders must furnish particulars of –

(c) all consultancy services provided to an organ of state in the last five years; and

(d) any similar consultancy services provided to an organ of state in the last five years.

(4) The accounting officer must ensure that copyright in any document produced, and the patent rights or ownership in any plant, machinery, thing, system or process designed or devised, by a consultant in the course of the consultancy service is vested in the Municipality.

(5) Regulation 5 provides for municipalities and municipal entities' use of consultants. It should be made clear that the MCCR do not prohibit the use of consultants, but require municipalities and municipal entities, before procuring the services of a consultant, to assess the need thereof against the available internal capacity for the specific services required. The assessment process should be addressed in Council policy. Failure to undertake the latter assessment will result in the expenditure incurred being classified as irregular expenditure. This regulation also requires the municipality and municipal entity to consider the remuneration guidelines currently in place in order to determine and adopt a fair and reasonable remuneration framework for contracts. Therefore, the MCCR should not be interpreted to mean that municipalities and municipal entities must remunerate consultants based on the rates regulated but to use this as part of the remuneration framework to be approved by the accounting officer. It is always advisable to negotiate

lower rates than the maximum. Some useful links regarding rates follow, this is not exhaustive, as there may be different rates for different professions, for example, engineers' contracts may relate to time, cost and rates, etc.

(6) Monitoring of performance against contracts must also ensure skills are transferred to municipal officials, which forms an integral part of the contract or arrangements arising from such contracts. Skills may be transferred through the provision of workshops or on the job training.

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

(1) The accounting officer may –

(a) dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –

(i) in an emergency;

(ii) if such goods or services are produced or available from a single provider only;

(iii) for the acquisition of special works of art or historical objects Govan Mbeki Municipality specifications are difficult to compile;

(iv) acquisition of animals for zoos and/or nature and game reserves; or

(v) in any other exceptional case Govan Mbeki Municipality it is impractical or impossible to follow the official procurement processes; and

(b) ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.

(2) The accounting officer must record the reasons for any deviations in terms of subparagraphs (1)(a) and (b) of this policy and report them to the next meeting of the council and include as a note to the annual financial statements.

(3) Subparagraph (2) does not apply to the procurement of goods and services contemplated in paragraph 11(2) of this policy.

37. Unsolicited bids

(1) In accordance with section 113 of the Act there is no obligation to consider unsolicited bids received outside a normal bidding process.

(2) The accounting officer may decide in terms of section 113(2) of the Act to consider an unsolicited bid, only if –

(a) the product or service offered in terms of the bid is a demonstrably or proven unique innovative concept;

(3) the product or service will be exceptionally beneficial to, or have exceptional cost advantages;

(a) the person who made the bid is the sole provider of the product or service; and

(b) the reasons for not going through the normal bidding processes are found to be sound by the accounting officer.

(4) If the accounting officer decides to consider an unsolicited bid that complies with subparagraph (2) of this policy, the decision must be made public in accordance with section 21A of the Municipal Systems Act, together with –

(a) reasons as to why the bid should not be open to other competitors;

(b) an explanation of the potential benefits if the unsolicited bid were accepted; and

(c) an invitation to the public or other potential suppliers to submit their comments within 30 days of the notice.

(5) The accounting officer must submit all written comments received pursuant to subparagraph (3), including any responses from the unsolicited bidder, to the National Treasury and the relevant provincial treasury for comment.

(6) The adjudication committee must consider the unsolicited bid and may award the bid or make a recommendation to the accounting officer, depending on its delegations.

(7) A meeting of the adjudication committee to consider an unsolicited bid must be open to the public.

(8) When considering the matter, the adjudication committee must take into account –

(a) any comments submitted by the public; and

(b) any written comments and recommendations of the National Treasury or the relevant provincial treasury.

(9) If any recommendations of the National Treasury or provincial treasury are rejected or not followed, the accounting officer must submit to the Auditor General, the relevant provincial treasury and the National Treasury the reasons for rejecting or not following those recommendations.

(10) Such submission must be made within seven days after the decision on the award of the unsolicited bid is taken, but no contract committing the Municipality to the bid may be entered into or signed within 30 days of the submission.

38. Combating of abuse of supply chain management system

(1) The accounting officer must–

(a) take all reasonable steps to prevent abuse of the supply chain management system;

(b) investigate any allegations against an official or other role player of fraud, corruption, favoritism, unfair or irregular practices or failure to comply with this Policy, and when justified –

(i) take appropriate steps against such official or other role player; or

(ii) report any alleged criminal conduct to the South African Police Service;

(c) check the National Treasury's database prior to awarding any contract to ensure that no recommended bidder, or any of its directors, is listed as a person prohibited from doing business with the public sector;

(d) reject any bid from a bidder–

(i) if any municipal rates and taxes or municipal service charges owed by that bidder or any of its directors to the Municipality, or to any other municipality or municipal entity, are in arrears for more than three months; or

(ii) who during the last five years has failed to perform satisfactorily on a previous contract with the Municipality or any other organ of state after written notice was given to that bidder that performance was unsatisfactory;

(e) reject a recommendation for the award of a contract if the recommended bidder, or any of its directors, has committed a corrupt or fraudulent act in competing for the particular contract;

(f) cancel a contract awarded and claim any damages to a person if –

(i) the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract; or

(ii) an official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of the contract that benefited that person

(iii) if the information supplied is found to be incorrect, disqualify the supplier for a particular bid considered for or which had been awarded to the supplier; and

(g) reject the bid of any bidder if that bidder or any of its directors –

(i) has abused the supply chain management system of the Municipality or has committed any improper conduct in relation to such system;

(ii) has been convicted for fraud or corruption during the past five years;

(iii) has willfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or

(iv) has been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).

(2) The accounting officer must inform the National Treasury and relevant provincial treasury in writing of any actions taken in terms of subparagraphs (1)(b)(ii), (e) or (f) of this policy.

Part 3: Logistics, Disposal, Risk and Performance Management

39. Logistics management

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

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

(b) the setting of inventory levels that includes minimum and maximum levels and lead times Govan Mbeki Municipalityver goods are placed in stock;

(c) the placing of manual or electronic orders for all acquisitions other than those from petty cash;

(d) before payment is approved, certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications Govan Mbeki Municipality applicable and that the price charged is as quoted in terms of a contract;

(e) appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased;

(f) regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes; and

(g) monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services.

40. Disposal management

(1) The criteria for the disposal or letting of assets, including unserviceable, redundant or obsolete assets, subject to sections 14 and 90 of the Act, are as follows:

(2) Assets may be disposed of by –

(i) transferring the asset to another organ of state in terms of a provision of the Act enabling the transfer of assets;
(ii) transferring the asset to another organ of state at market related value or, when appropriate, free of charge;
(iii) selling the asset; or
(iv) destroying the asset.

(3) The accounting officer must ensure that –

(i) immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise;
(ii) movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous;
(iii) firearms are not sold or donated to any person or institution within or outside the Republic unless approved by the National Conventional Arms Control Committee;
(iv) immovable property is let at market related rates except when the public interest or the plight of the poor demands otherwise;
(v) all fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed;
(vi) Govan Mbeki Municipality assets are traded in for other assets, the highest possible trade-in price is negotiated; and
(vii) in the case of the free disposal of computer equipment, the provincial department of education is first approached to indicate within 30 days whether any of the local schools are interested in the equipment.

41. Risk management

Risk management must include –

(a) the identification of risks on a case-by-case basis;
(b) the allocation of risks to the party best suited to manage such risks;
(c) acceptance of the cost of the risk Govan Mbeki Municipality the cost of transferring the risk is greater than that of retaining it;

(d) the management of risks in a pro-active manner and the provision of adequate cover for residual risks; and

(e) the assignment of relative risks to the contracting parties through clear and unambiguous contract documentation

42. Performance management

The accounting officer must establish and implement an internal monitoring system in order to determine, on the basis of a retrospective analysis, whether the authorised supply chain management processes were followed and whether the objectives of this Policy were achieved.

Part 4: Other matters

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

(1) No award above R15 000 may be made in terms of this Policy to a person whose tax matters have not been declared by the South African Revenue Service to be in order.

(2) Before making an award to a person the accounting officer must first check with SARS whether that person's tax matters are in order.

(3) If SARS does not respond within 7 days such person's tax matters may for purposes of subparagraph (1) be presumed to be in order.

(4) The Municipality is not responsible to obtain a tax clearance certificate on behalf of the bidder. It remains the bidder's responsibility to submit a valid and original tax clearance certificate when responding to the Municipality's call for bids.

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

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

(a) who is in the service of the state;

(b) if that person is not a natural person, of which any director, manager, principal shareholder or stakeholder is a person in the service of the state; or

(c) a person who is an advisor or consultant contracted with the Municipality.

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

The accounting officer must ensure that the notes to the annual financial statements disclose particulars of any award of more than R2,000 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months, including –

(a) the name of that person;

(b) the capacity in which that person is in the service of the state; and

(c) the amount of the award.

46. Ethical standards

(1) A supply chain management policy must establish a code of ethical standards complying with sub-regulation (2) for officials and other role players in the supply chain management system in order to promote—

(a) mutual trust and respect; and

(b) an environment Govan Mbeki Municipality business can be conducted with integrity and in a fair and reasonable manner.

(2) A municipal code of ethical standards must stipulate that an official or other role player involved in the implementation of the supply chain management policy of the municipality or municipal entity—

(a) must treat all providers and potential providers equitably;

(b) may not use his or her position for private gain or to improperly benefit another person;

(c) may not accept any reward, gift, favour, hospitality or other benefit directly or indirectly, including to any close family member, partner or associate of that person;

(d) notwithstanding subregulation (2)(c), must declare to the accounting officer details of any reward, gift, favour, hospitality or other benefit promised, offered or granted to that person or to any close family member, partner or associate of that person;

(e) must declare to the accounting officer details of any private or business interest which that person, or any close family member, partner or associate, may have in any proposed procurement or disposal process of, or in any award of a contract by, the municipality or municipal entity;

(f) must immediately withdraw from participating in any manner whatsoever in a procurement or disposal process or in the award of a contract in which that person, or any close family member, partner or associate, has any private or business interest;

(g) must be scrupulous in his or her use of property belonging to the municipality or municipal entity;

(h) must assist the accounting officer in combating fraud, corruption, favouritism and unfair and irregular practices in the supply chain management system; and

(i) must report to the accounting officer any alleged irregular conduct in the supply chain management system which that person may become aware of, including—

  (i) any alleged fraud, corruption, favouritism or unfair conduct;

  (ii) any alleged contravention of regulation 47(1); or

(iii) any alleged breach of the code of ethical standards.

(3) A supply chain management policy must—

(a) determine that all declarations in terms of sub-regulation (2)(d) and (e) must be recorded in a register which the accounting officer must keep for this purpose;

(b) determine that all declarations by the accounting officer must be made to the mayor of the municipality or the board of directors of the municipal entity who must ensure that such declarations are recorded in the register; and

(c) contain measures to ensure that appropriate action is taken against any official or other role player who commits a breach of the code of ethical standards.

(4) A supply chain management policy must take into account the National Treasury's code of conduct for supply chain management practitioners and other role players involved in supply chain management.

(5) A municipality or municipal entity may adopt the National Treasury's code of conduct for supply chain management practitioners and other role players involved in supply chain management. When adopted, such code of conduct becomes binding on all officials and other role players involved in the implementation of the supply chain management policy of the municipality or municipal entity.

(6) Sub-regulation (2)(c) does not apply to gifts less than R350 in value.

47. Inducements, rewards, gifts and favors to officials and other role players

(1) No person who is a provider or prospective provider of goods or services, or a recipient or prospective recipient of goods disposed or to be disposed of may either directly or through a representative or intermediary promise, offer or grant –

(a) any inducement or reward to the Municipality for or in connection with the award of a contract; or

(b) any reward, gift, favour or hospitality to –

(i) any official; or

(ii) any other role player involved in the implementation of this Policy.

(2) The accounting officer must promptly report any alleged contravention of subparagraph (1) to the National Treasury for considering whether the offending person, and any representative or intermediary through which such person is alleged to have acted, should be listed in the National Treasury's database of persons prohibited from doing business with the public sector.

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

48. Sponsorships

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

(a) a provider or prospective provider of goods or services; or

(b) a recipient or prospective recipient of goods disposed or to be disposed.

49. Objections and complaints

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

50. Resolution of disputes, objections, complaints and queries

(1) The accounting officer must appoint an independent and impartial person, not directly involved in the supply chain management processes –

(a) to assist in the resolution of disputes between the Municipality and other persons regarding -

(i) any decisions or actions taken in the implementation of the supply chain management system; or

(ii) any matter arising from a contract awarded in the course of the supply chain management system; or

(b) (b) to deal with objections, complaints or queries regarding any such decisions or actions or any matters arising from such contract.

(2) The accounting officer, or another official designated by the accounting officer,_is responsible for assisting the appointed person to perform his or her functions effectively.

(3) The person appointed must –

(a) strive to resolve promptly all disputes, objections, complaints or queries received; and

(b) submit monthly reports to the accounting officer on all disputes, objections, complaints or queries received, attended to or resolved.

(4) A dispute, objection, complaint or query may be referred to the relevant provincial treasury if –

(a) the dispute, objection, complaint or query is not resolved within 60 days; or

(b) no response is forthcoming within 60 days.

(5) If the provincial treasury does not or cannot resolve the matter, the dispute, objection, complaint or query may be referred to the National Treasury for resolution.

(6) This paragraph must not be read as affecting a person's rights to approach a court at any time.

51. Contracts providing for compensation based on turnover

If a service provider acts on behalf of the Municipality to provide any service or act as a collector of fees, service charges or taxes and the compensation payable to the service provider is fixed as an agreed percentage of turnover for the service or the amount collected, the contract between the service provider and the Municipality must stipulate –

(a) a cap on the compensation payable to the service provider; and

(b) that such compensation must be performance base

ANNEXURE H

GOVAN MBEKI MUNICIPALITY

STANDARD FOR INFRUSTRUCTURE PROCUREMENT AND DELIVERY MANAGEMENT

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1. Scope

1.1. This is the *Govan Mbeki Municipality* policy for infrastructure procurement and delivery management in accordance with the provisions of the regulatory frameworks for procurement and supply chain management. This policy must be read together with the SCM Policy, SCM regulations, MFMA and Procurement Policy regulations.

1.2. The scope includes the procurement of goods and services necessary for a new facility to be occupied and used as a functional entity but excludes:

a) the storage of goods and equipment following their delivery to *the Govan Mbeki Municipality* which are stored and issued to contractors or to employees;
b) the disposal or letting of land;
c) the conclusion of any form of land availability agreement;
d) the leasing or rental of moveable assets; and
e) Public private partnerships.

2.1 Terms, Definitions and Abbreviations

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

"Accounting Officer"	in relation to a Municipality means the Municipal Manager as described in Section 60 of the Local Government: Municipal Finance Management Act, no 56 of 2003as well as Section 82 of the Municipal Structures Act, no 117 of 1998.
"Bid"	means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of services, works or goods
"Close Family Member"	means: a) spouse, b) child, c) parent

"Close Members of the Family for GRAP Disclosure"	means those family members who may be expected to influence, or be influenced by that person in their dealings with the entity. As a minimum, a person is considered to be a close member of the family of another person if they: a) are married or live together in a relationship similar to a marriage; or b) are separated by no more than two degrees of natural or legal consanguinity or affinity.
"Competitive Bidding Process"	means a competitive bidding process referred to in paragraph 12 (1) (d) of this Policy;
"Competitive Bid"	means a bid in terms of a competitive bidding process;
"Consultants"	means consulting firms, engineering firms, legal firms, construction managers, management firms, procurement agents, inspection agents, auditors, other multinational organizations, investments and merchant banks, universities, research agencies, government agencies, non-governmental (NGO's) and individuals.
"Emergency"	means a serious, unexpected, unforeseen and potentially dangerous and damaging situation requiring immediate action and which is not due to a lack of planning.
"Exceptional Case"	means unusual not typical circumstances Govan Mbeki Municipality it is impractical or impossible in practice to follow procurement processes.
"Final Award"	in relation to bids or quotations submitted for a contract, means the final decision on which bid or quote to accept;
"Formal Written Price Quotation"	means quotations referred to in Section 12 (1) (c) of this Policy;
"Head Of Department"	means a person in the employment of Govan Mbeki Municipality who heads a department or who reports to the Municipal Manager
"In the service of the State"	means to be – a member of –any municipal council; any provincial legislature; or the National Assembly or the National Council of Provinces; a member of the board of directors of any municipal entity; 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 No.1 of 1999); a member of the accounting authority of any national or provincial public entity; or an employee of Parliament or a provincial legislature;
"Irregular Expenditure"	For the purpose of this Policy means expenditure incurred by the municipality in contravention of, or that is not in accordance with, a requirement of the Supply Chain Management Policy of the municipality, and which is not been condoned in terms of the Policy
"Long Term Contract"	means a contract with a duration period exceeding one year;
"List of Accredited Prospective Providers"	means the list of accredited prospective providers which the municipality must keep in terms of Section 14 of this policy;
"Municipality"	means Govan Mbeki Municipality
"Municipal Systems Act"	means the Local Government: Municipal System Act 32 of 2000
"Notice Boards"	means the official notice boards at the municipal offices, libraries and any notice boards at the dedicated directorates
"Other Applicable Legislation"	Means any other legislation applicable to municipal supply chain management, including – the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000); the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003); the Construction Industry Development Board Act, 2000 (Act No.38 of 2000); the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003); the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000); the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998); the Prevention and Combating of Corrupt Activities Act, 2000 (Act No. 12 of 2004); the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003): Municipal Supply Chain Management Regulations; the Preferential Procurement Regulations, 2017
"Quotation"	means a stated price that a supplier expects to receive for the provision of specified services, works or goods;

"Sole Supplier"	means the only supplier in the South African market that can provide a particular product or service;
"Tender"	means 'bid' or 'quotation' in relation to 'Tender Box'
"Treasury Guidelines"	means any guidelines on supply chain management issued by the Minister in terms of Section 168 of the Act;

2.2. Abbreviations

For the purposes of this document, the following abbreviations apply:

CIDB:	Construction Industry Development Board
SARS	South African Revenue Services

3 General requirements

3.1.1. Delegations

The Council of the *Govan Mbeki Municipality* hereby delegates all powers and duties to the Municipal Manager which are necessary to enable the Municipal Manager to:

a) discharge the supply chain management responsibilities conferred on Accounting Officers in terms of Chapter 8 of the Local Government Municipal Finance Management Act of 2003 and this document;
b) maximise administrative and operational efficiency in the implementation of this document;
c) enforce reasonable cost-effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation of this Policy; and
d) comply with his or her responsibilities in terms of Section 115 and other applicable provisions of the Local Government Municipal Finance Management Act of 2003 Act.

3.1.2 No departure shall be made from the provisions of this Policy without the approval of the Municipal Manager of the *Govan Mbeki Municipality*.

3.1.3 The Municipal Manager shall for oversight purposes:

a) within 30 days of the end of each financial year, submit a report on the implementation of this Policy, to the Council of the *Govan Mbeki Local* Municipality;

b) whenever there are serious and material problems in the implementation of this Policy, immediately submit a report to the Council;

c) within 10 days of the end of each quarter, submit a report on the implementation of the Policy to the Executive Mayor; and

d) make the reports public in accordance with Section 21A of the Municipal Systems Act of 2000.

3.2. Implementation of the Standard for Infrastructure Procurement and Delivery Management

3.2.1. Infrastructure procurement and delivery management shall be undertaken in accordance with the all applicable legislation and the relevant requirements of the latest edition of the National Treasury Standard for Infrastructure Procurement and Delivery Management.

3.3. Supervision of the infrastructure delivery management unit

3.3.1. The Infrastructure Delivery Management Unit shall be directly supervised by the Chief Financial Officer as delegated in terms of Section 82 of the MFMA.

3.4. Objections and complaints

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

3.5. Resolution of disputes, objections, complaints and queries

3.5.1 The Accounting Officer shall appoint an independent and impartial person, not directly involved in the infrastructure delivery management processes to assist in the resolution of disputes between the Municipality and other persons regarding:

a) any decisions or actions taken in the implementation of the supply chain management system; any matter arising from a contract awarded within the *Govan Mbeki Local* Municipality's infrastructure delivery management system; or
b) to deal with objections, complaints or queries regarding any such decisions or actions or any matters arising from such contract.

3.5.2 The designated person shall assist the person appointed in terms of 3.5.1 to perform his or her functions effectively.

3.5.3 The person appointed in terms of 3.5.1 shall:

a) Strive to resolve promptly all disputes, objections, complaints or queries received; and
b) Submit monthly reports to the Municipal Manager on all disputes, objections, complaints or queries received, attended to or resolved.

3.5.4 A dispute, objection, complaint or query may be referred to the Provincial Treasury if:

c) the dispute, objection, complaint or query is not resolved within 60 days; or
d) no response is forthcoming within 60 days.

3.5.5 If the Provincial Treasury does not or cannot resolve the matter, the dispute, objection, complaint or query may be referred to the National Treasury for resolution.

4

4.1. Assignment of responsibilities for approving or accepting end of stage deliverables

4.1.1. The responsibilities for approving or accepting end of stage deliverables shall be as stated in Table 1.

4.2. Gateway reviews for major capital projects above a threshold

4.2.1. The Municipal Manager shall appoint a gateway review team in accordance with the provisions of clause 4.1.13.1.2 of the standard to undertake gateway reviews for major capital projects.

4.2.2. The requirements for a gateway review in addition to those contained in Section 4.1.13 of the standard are as follows:

Table 1: Responsibilities for approving or accepting end of stage deliverables in the control framework for the management of infrastructure delivery

Stage			Person assigned the responsibility for approving or accepting end of stage deliverables
No	**Name**		
0	Project initiation		Accounting officer accepts the initiation report
1	Infrastructure planning		Council approves the infrastructure plan
2	Strategic resourcing		*The Head of Department: Technical Services or the Sub-Delegated official* approves the delivery and / or procurement strategy
3	Pre-feasibility		*The HOD DTS or Delegated person* accepts the pre-feasibility report
	Preparation and briefing		*The HOD or Sub-Delegated official* accepts the strategic brief
4	Feasibility		*The HOD or Sub-Delegated official* accepts the feasibility report
	Concept and viability		*The HOD DTS Sub-Delegated official* accepts the concept report
5	Design development		*The Sub-Delegated official* accepts the design development report
6	Design documentation	6A Production information	*The Head of Department: Technical Services* accepts the parts of the production information which are identified when the design development report is accepted as requiring acceptance
		6B Manufacture, fabrication and construction information	The contract manager (PSP) accepts the manufacture, fabrication and construction information
7	Works	The contract manager(PSP) certifies completion of the works or the delivery of goods and associated services	
8	Handover	The owner or end user accepts liability for the works	
9	Package completion	The contract manager or supervising agent certifies the defects certificate in accordance with the provisions of the contract The contract manager certifies final completion in accordance with the provisions of the project contract manager accepts the close out report	

4.3. Control framework for infrastructure procurement

4.3.1. The responsibilities for taking the key actions associated with the formation and conclusion of contracts including framework agreements above the quotation threshold shall be as stated in Table 2.

4.3.2 The responsibilities for taking the key actions associated with the quotation procedure and the negotiation procedure Govan Mbeki Municipality the value of the contract is less than the threshold set for the quotation procedure shall be as follows:

a) The Bid Documentation Committee or the DD: SCM shall grant approval for the issuing of the procurement documents, based on the contents of a documentation review report developed in accordance with the provisions of the standard;

b) The Bid Adjudication Committee may award the contract if satisfied with the recommendations contained in the evaluation report prepared in accordance with the provisions of the standard or alternatively make a recommendation to the Municipal Manager to award if the value exceeds R10 million.

4.3.3. The responsibilities for taking the key actions associated with the issuing of an order in terms of a framework agreement shall be as stated in Table 3.

4.4. Infrastructure delivery management requirements

4.4.1 Institutional arrangements 6.1.1. Committee system for procurement

4.5 General

4.5.1 A committee system comprising the Bid Documentation Committee, Bid Evaluation Committee and Bid Adjudication Committee shall be applied to all procurement procedures Govan Mbeki Municipality the estimated value of the procurement exceeds the financial threshold for quotations and to the putting in place of framework agreements.

4.5.2 The Bid Evaluation Committee shall, Govan Mbeki Municipality competition for the issuing of an order amongst framework contractors takes place and the value of the order exceeds the financial threshold for quotations, evaluate the quotations received.

4.5.3 The persons appoint in writing as technical advisors and subject matter experts may attend any committee meeting.

4.5.4 No person who is a political officer bearer, a public office bearer including any Councillor of a municipality, a political advisor or a person appointed in terms of Section 12A of the Public Service Act of 1994 or who has a conflict of interest shall be appointed to a Bid Documentation, Bid Evaluation or Bid Adjudication Committee.

4.5.5 Committee decisions shall as far as possible be based on the consensus principle i.e. the general agreement characterised by the lack of sustained opposition to substantial issues. Committees shall record their decisions in writing. Such decisions shall be kept in a secured environment for a period of not less than five years after the completion or cancellation of the contract unless otherwise determined in terms of the National Archives and Record Services Act of 1996.

4.5.6 Committees may make decisions at meetings or, subject to the committee chairperson's approval, on the basis of responses to documents circulated to committee members provided that not less than sixty percent of the members are present or respond to the request for responses. Govan Mbeki Municipality the committee chairperson is absent from the meeting, the members of the committee who are present shall elect a chairperson from one of them to preside at the meeting.

5 Bid Documentation Committee

5.1 The Municipal Manager shall appoint in writing on a committee by procurement basis:

(a) the persons to review the procurement documents and to develop a procurement documentation review report in accordance with clause 4.2.2.1 of the standard; and

(b) the members of the Bid Documentation Committee.

5.2 The Bid Documentation Committee shall comprise one or more persons.

5.3 The chairperson shall be an employee of the *Govan Mbeki Municipality* with requisite skills.

5.4 Other members shall, Govan Mbeki Municipality relevant, include a representative of the end user or the department requiring infrastructure delivery.

5.5 No member of, or technical adviser or subject matter expert who participates in the work of the any of the procurement committees or a family member or associate of such a member, may tender for any work associated with the tender which is considered by these committees.

Table 2: Procurement activities and gates associated with the formation and conclusion of contracts above the quotation threshold

Activity		Sub-Activity (see Table 3 of the standard)		Key action	Person assigned responsibility to perform key action
1*	Establish what is to be procured	1.3 **PG1**	Obtain permission to start with the procurement process	Make a decision to proceed / not to proceed with the procurement based on the broad scope of work and the financial estimates.	Head of Department
2*	Decide on procurement strategy	2.5 PG2	Obtain approval for procurement strategies that are to be adopted including specific approvals to approach a confined market or the use of the negotiation procedure	Confirm selection of strategies so that tender offers can be solicited	Recommend: Head of Department and DD SCM Approve: MM

Activity		Sub-Activity (see Table 3 of the standard)		Key action	Person assigned responsibility to perform key action
3	Solicit tender offers	3.2 PG3	Obtain approval for procurement documents	Grant approval for the issuing of the procurement documents	Bid Specification Committee submit to municipal for approval and endorsement
		3.3 PG4	Confirm that budgets are in place	Confirm that finance is available for the procurement to take place	CFO
4	Evaluate tender offers	4.2 PG5	Obtain authorisation to proceed with next phase of tender process in the qualified, proposal or competitive negotiations procedure	Review evaluation report, ratify recommendations and authorise progression to the next stage of the tender process	Bid Evaluation Committee
		4.7 PG6	Confirm recommendations contained in the tender evaluation report	Review recommendations of the Bid Evaluation Committee and refer back to Bid Evaluation Committee for reconsideration or make recommendation for award	Bid Adjudication Committee
5	Award contract	5.3 PG7	Award contract	Formally accept the tender offer in writing and issue the contractor with a signed copy of the contract	MM
		5.5 GF1	Upload data in financial management and payment system	Verify data and upload contractor's particulars and data associated with the contract or order	SCM official and Expenditure
6	Administer contracts and confirm compliance requirements	6.4 **PG8A**	Obtain approval to waive penalties or low performance damages.	Approve waiver of penalties or low performance damages	MM
		6.5 **PG8B**	Obtain approval to notify and refer a dispute to an adjudicator	Grant permission for the referral of a dispute to an adjudicator or for final settlement to an arbitrator or court of law	MM
		6.6 **PG8C**	Obtain approval to increase the total of prices, excluding contingencies and price adjustment for inflation, or the time for completion at the award of a contract or the issuing of an order up to a specified percentage[21]	Approve amount of time and cost overruns up to the threshold	Director Technical, SCM, Legal and MM

Activity		Sub-Activity (see Table 3 of the standard)		Key action	Person assigned responsibility to perform key action
		6.7 PG8D	Obtain approval to exceed the total of prices, excluding contingencies and price adjustment for at award of a inflation, or the time for completion contract or the issuing of an order20% and 30%, respectively by more than	Approve amount of time and cost overruns above a the threshold	Recommend BAC Approve MM
		6.8 **PG8E**	Obtain approval to cancel or terminate a contract	Approve amount	Technical HOD Recommends to MM, for MM to approve and MM Reports to Council
		6.9 **PG8F**	Obtain approval to amend a contract	Approve proposed amendment to contract	Recommend MM Approve Council

5.6 Bid Evaluation Committee

5.6.1. The Municipal Manager shall appoint in writing:

a) the persons to prepare the evaluation and, Govan Mbeki Municipality applicable, the quality evaluations, in accordance with clauses 4.2.3.2 and 4.2.3.4 of the standard, respectively; and

b) the members of the Bid Evaluation Committee.

5.6.2. The Bid Evaluation Committee shall comprise not less than four people. The chairperson shall be an employee of the Govan Mbeki Municipality with requisite skills. Other members shall include a supply chain management practitioner and, Govan Mbeki Municipality relevant, include an official from the department requiring infrastructure delivery.

5.6.3. The Bid Evaluation Committee shall review the evaluation reports prepared in accordance with sub clause 4.2.3 of the standard and as a minimum verify the following in respect of the recommended tenderer: the capability and capacity of a tenderer to perform the contract; the tenderer's tax and municipal rates the tenderer's tax and taxes compliance status; confirm that the tenderer's municipal rates and taxes and municipal service charges are not in arrears; the Compulsory Declaration has been completed; and the tenderer is not listed in the National Treasury's Register for Tender Defaulters or the List of Restricted Suppliers.

5.6.4 No tender submitted by a member of, or technical adviser or subject matter expert who participates in the work of the Bid Documentation Committee or a family member or associate of such a member, may be considered by the Bid Evaluation Committee.

5.6.5 The chairperson of the Bid Evaluation Committee shall promptly notify the Municipal Manager of any respondent or tenderer who is disqualified for having engaged in fraudulent or corrupt practices during the tender process.

5.7 **Bid Adjudication Committee**

The Bid Adjudication Committee must consist of at least four senior managers of the municipality which must include –

a) the Chief Financial Officer or, if the Chief Financial Officer is not available, another manager in the budget and treasury office reporting directly to the Chief Financial Officer and designated by the Chief Financial Officer; and
b) at least one supply chain management practitioner who is an official of the municipality; and
c) a technical expert in the relevant field who is an official, if such an expert exists.

5.7.1 The Accounting Officer must appoint the chairperson of the committee. If the chairperson is absent from a meeting, the members of the committee who are present must elect one of them to preside at the meeting.

5.7.2 No member of the Bid Evaluation Committee may serve on the Bid Adjudication Committee. A member of a Bid Evaluation Committee may, however, participate in the deliberations of a Bid Adjudication Committee as a technical advisor or a subject matter expert.

5.8 **The Bid Adjudication Committee shall:**

a) consider the report and recommendations of the Bid Evaluation Committee and:
   1) verify that the procurement process which was followed complies with the provisions of this document;
   2) confirm that the report is complete and addresses all considerations necessary to make a recommendation;
   3) confirm the validity and reasonableness of reasons provided for the elimination of tenderers; and
   4) consider commercial risks and identify any risks that have been overlooked or fall outside of the scope of the report which warrant investigation prior to taking a final decision; and
   5) refer the report back to the Bid Evaluation Committee for their reconsideration or make a recommendation to the authorised person on the award of a tender, with or without conditions, together with reasons for such recommendation.

5.8.1 The Bid Adjudication Committee shall consider proposals regarding the cancellation, amendment, extension or transfer of contracts that have been awarded and make a recommendation to the authorised person on the course of action which should be taken.

5.8.2 The Bid Adjudication Committee shall consider the merits of an unsolicited offer and make a recommendation to the [municipal manager or chief executive].

5.8.3 The Bid Adjudication Committee shall report to The Municipal Manager any recommendation made to award a contract to a tenderer other than the tenderer recommended by the Bid Evaluation Committee, giving reasons for making such a recommendation.

5.8.4 The Bid Adjudication Committee shall not make a recommendation for an award of a contract or order if the recommended tenderer or framework contractor has:

a) made a misrepresentation or submitted false documents in competing for the contract or order; or

b) been convicted of a corrupt or fraudulent act in competing for any contract during the past five years.

5.8.5 The Bid Adjudication Committee may on justifiable grounds and after following due process, disregard the submission of any tenderer if that tenderer or any of its directors, members or trustees or partners has abused the delivery management system or has committed fraud, corruption or any other improper Conduct in relation to such system. The National Treasury and the Provincial Treasury shall be informed Govan Mbeki Municipality such tenderers are disregarded.

5.9. Actions of an authorised person relating to the award of a contract or an order

5.9.1 Award of a contract

5.9.2 The Municipal Manager shall, if the value of the contract inclusive of VAT, is within his or her delegation, consider the report(s) and recommendations of the Bid Adjudication Committee and either:

a) award the contract after confirming that the report is complete and addresses all considerations necessary to make a recommendation and budgetary provisions are in place; or
b) decide not to proceed or to start afresh with the process.

5.9.3. The Municipal Manager shall immediately notify the Bid Adjudication if a tender other than the recommended tender is awarded, save Govan Mbeki Municipality the recommendation is changed to rectify an irregularity. Such person shall, within 10 working days, notify in writing the Auditor-General, the National Treasury and the Provincial Treasury, and, in the case of a municipal entity, also the parent municipality, of the reasons for deviating from such recommendation.

5.9.4 Issuing of an order:

5.9.5 The Head of Department shall, if the value of an order issued in terms of a framework contract, is within his or her delegation, consider the recommendation of the Bid Evaluation Committee as relevant, and either:

a) authorise the issuing of an order in accordance with the provisions of clause 4.25 of the standard; or
b) decide not to proceed or to start afresh with the process.

6. Conduct of those engaged in infrastructure delivery

6.1 General requirements

6.1.1 All personnel and agents of the *Govan Mbeki Municipality* shall comply with the requirements of the CIDB Code of Conduct for all Parties engaged in Construction Procurement. They shall:

a) behave equitably, honestly and transparently;
b) discharge duties and obligations timeously and with integrity;
c) comply with all applicable legislation and associated regulations;
d) satisfy all relevant requirements established in procurement documents;
e) avoid conflicts of interest; and
f) not maliciously or recklessly injure or attempt to injure the reputation of another party.

6.1.2 All personnel and agents engaged in *Govan Mbeki Local* Municipality's infrastructure delivery management system shall:

a) not perform any duties to unlawfully gain any form of compensation, payment or gratification from any person for themselves or a family member or an associate;
b) perform their duties efficiently, effectively and with integrity and may not use their position for private gain or to improperly benefit another person;
c) strive to be familiar with and abide by all statutory and other instructions applicable to their duties;
d) furnish information in the course of their duties that is complete, true and fair and not intended to mislead;
e) ensure that resources are administered responsibly;
f) fair and impartial in the performance of their functions;
g) at no time afford any undue preferential treatment to any group or individual or unfairly discriminate against any group or individual;
h) not abuse the power vested in them;
i) not place themselves under any financial or other obligation to external individuals or firms that might seek to influence them in the performance of their duties;
j) assist the *Govan Mbeki Local* Municipality in combating corruption and fraud within the infrastructure procurement and delivery management system;

k) not disclose information obtained in connection with a project except when necessary to carry out assigned duties;

l) not make false or misleading entries in reports or accounting systems; and keep matters of a confidential nature in their possession confidential unless legislation, the performance of duty or the provision of the law require otherwise.

6.1.3. An employee or agent may not amend or tamper with any submission, tender or contract in any manner whatsoever.

7. Conflicts of interest

7.1 The employees and agents of the *Govan Mbeki Local* Municipality who are connected in any way to procurement and delivery management activities which are subject to this Policy, shall:

a) disclose in writing to the employee of the *Govan Mbeki* Municipality to whom they report, or to the person responsible for managing their contract, if they have, or a family member or associate has, any conflicts of interest; and

b) not participate in any activities that might lead to the disclosure of the *Govan Mbeki Local* Municipality proprietary information.

7.2. The employees and agents of the *Govan Mbeki Local* Municipality shall declare and address any perceived or known conflict of interest, indicating the nature of such conflict to whoever is responsible for overseeing the procurement process at the start of any deliberations relating to a procurement process or as soon as they become aware of such conflict, and abstain from any decisions Govan Mbeki Municipality such conflict exists or recuse themselves from the procurement process, as appropriate.

7.3. Agents who prepare a part of a procurement document may in exceptional circumstances, Govan Mbeki Municipality it is in the *Govan Mbeki Local* Municipality's interest to do so, submit a tender for work associated with such documents provided that:

a) the Govan Mbeki Municipality states in the tender data that such an agent is a potential tenderer;

b) all the information which was made available to, and the advice provided by that agent which is relevant to the tender, is equally made available to all potential tenderers upon request, if not already included in the scope of work; and

c) the Bid Documentation Committee is satisfied that the procurement document is objective and unbiased having regard to the role and recommendations of that agent.

7.4. Evaluation of submissions received from respondents and tenderers

7.5. The confidentiality of the outcome of the processes associated with the calling for expressions of interest, quotations or tenders shall be preserved. Those engaged in the evaluation process shall:

a) not have any conflict between their duties as an employee or an agent and their private interest;
b) may not be influenced by a gift or consideration (including acceptance of hospitality) to show favour or disfavour to any person;
c) deal with respondents and tenderers in an equitable and even-handed manner at all times; and
d) not use any confidential information obtained for personal gain and may not discuss with, or disclose to outsiders, prices which have been quoted or charged to the *Govan Mbeki Local* Municipality.

7.6. The evaluation process shall be free of conflicts of interest and any perception of bias. Any connections between the employees and agents of the *Govan Mbeki Municipality* and a tenderer or respondent shall be disclosed and recorded in the tender evaluation report.

7.7 the *Govan Mbeki Municipality* personnel and their agents shall immediately withdraw from participating in any manner whatsoever in a procurement process in which they, or any close family member, partner or associate, has any private or business interest. \

7.8 non-disclosure agreements

7.9 Confidentiality agreements in the form of non-disclosure agreements shall, Govan Mbeki Municipality appropriate, be entered into with agents and potential contractors to protect the *Govan Mbeki Local Municipality's* confidential information and interests.

7.10 Gratifications, hospitality and gifts

7.10.1. The employees and agents of the *Govan Mbeki Local Municipality* shall not, directly or indirectly, accept or agree or offer to accept any gratification from any other person including a commission, whether for the benefit of themselves or for the benefit of another person, as an inducement to improperly influence in any way a procurement process, procedure or decision.

7.10.2 The employees and agents of the *Govan Mbeki Local Municipality* as well as their family members of associates shall not receive any of the following from any tenderer, respondent or contractor or any potential contractor:

a) money, loans, equity, personal favours, benefits or services;
b) overseas trips; or
c) any gifts or hospitality irrespective of value from tenderers or respondents prior to the conclusion of the processes associated with a call for an expression of interest or a tender.

7.10.3.The employees and agents of the *Govan Mbeki Local* Municipality shall not purchase any items at artificially low prices from any tenderer, respondent or contractor or any potential contractor at artificially low prices which are not available to the public.
7.10.4 All employees and agents of the *Govan Mbeki Local Municipality* may for the purpose of fostering inter-personal business relations accept the following:

a) meals and entertainment, but excluding the cost of transport and accommodation.

b) promotional material of small intrinsic value such as pens, paper-knives, diaries, calendars, etc.;

c) incidental business hospitality such as business lunches or dinners, which the employee is prepared to reciprocate;

d) complimentary tickets to sports meetings and other public events, but excluding the cost of transport and accommodation, provided that such tickets are not of a recurrent nature.

7.10.5 Gifts listed in a) to d) or gifts in kind which have an intrinsic value greater than R350 may not be accepted.

7.10.6. Under no circumstances shall gifts be accepted from prospective contractors during the evaluation of calls for expressions of interest, quotations or tenders that could be perceived as undue and improper influence of such processes.

7.10.7 Employees and agents of the Govan Mbeki Municipality shall without delay report to the Municipal Manager any incidences of a respondent, tenderer or contractor who directly or indirectly offers a gratification to them or any other person to improperly influence in any way a procurement process, procedure or decision.

7.11 Reporting of breaches

7.11.1. Employees and agents of the Govan Mbeki Municipality shall promptly report to the Municipal Manager any alleged improper conduct which they may become aware of, including any alleged fraud or corruption.

7.12 Measures to prevent abuse of the infrastructure delivery system.

7.12.1. The Municipal Manager shall investigate all allegations of corruption, improper conduct or failure to comply with the requirements of this Policy against an employee or an agent, a contractor or other role player and, Govan Mbeki Municipality justified:

a) take steps against an employee or role player and inform the National Treasury and the Provincial Treasury of those steps;

b) report to the South African Police Service any conduct that may constitute a criminal offence;

c) lodge complaints with the Construction Industry Development Board or any other relevant statutory Council Govan Mbeki Municipality a breach of such Council's code of conduct or rules of conduct are considered to have been breached; cancel a contract if:

1) it comes to light that the contractor has made a misrepresentation, submitted falsified documents or has been convicted of a corrupt or fraudulent act in competing for a particular contract or during the execution of that contract; or

2) an employee or other role player committed any corrupt or fraudulent act during the tender process or during the execution of that contract.

7.13 Awards to persons in the service of the state

7.13.1. Any submissions made by a respondent or tenderer who declares in the Compulsory Declaration that a principal is one of the following shall be rejected:

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

7.13.2 The notes to the annual financial statements of the [municipality / municipal entity] shall disclose particulars of an award of more than R 2000 to a person who is a family member of a person identified in 6.1.5.1 or who has been in the previous 12 months. Such notes shall include the name of the person, the capacity in which such person served and the amount of the award.

7.14 Collusive tendering

7.14.1 Any submissions made by a respondent or tenderer who fails to declare in the Compulsory Declaration that the tendering entity:

a) is not associated, linked or involved with any other tendering entity submitting tender offers; or
b) has not engaged in any prohibited restrictive horizontal practices including consultation, communication, agreement, or arrangement with any competing or potential tendering entity regarding prices, geographical areas in which goods and services will be rendered, approaches to determining prices or pricing parameters, intentions to submit a tender or not, the content of the submission (specification, timing, conditions of contract etc.) or intention to not win a tender shall be rejected.

7.14.2 Placing of contractors under restrictions.

7.14.3 If any tenderer which has submitted a tender offer or a contractor which has concluded a contract has, as relevant:

a) withdrawn such tender or quotation after the advertised closing date and time for the receipt of submissions;
b) after having been notified of the acceptance of his tender, failed or refused to commence the contract;
c) had their contract terminated for reasons within their control without reasonable cause;

d) offered, promised or given a bribe in relation to the obtaining or the execution of such contract;
e) acted in a fraudulent, collusive or anti-competitive or improper manner or in bad faith towards the Govan Mbeki Municipality; or
f) made any incorrect statement in any affidavit or declaration with regard to a preference claimed and is unable to prove to the satisfaction of the Govan Mbeki Municipality that the statement was made in good faith or reasonable steps were taken to confirm the correctness of the statements,

7.14.4 The Manager SCM shall prepare a report on the matter and make a recommendation to the Municipal Manager for placing the contractor or any of its principals under restrictions from doing business with the Govan Mbeki Municipality.

7.14.5 The Municipal Manager may, as appropriate, upon the receipt of a recommendation made in terms of 6.1.7.1 and after notifying the contractor of such intention in writing and giving written reasons for such action, suspend a contractor or any principal of that contractor from submitting a tender offer to [name of municipality or municipal entity for a period of time.

7.14.6 The SCM shall:

7.14.7 record the names of those placed under restrictions in an internal register which shall be accessible to employees and agents of the Govan Mbeki Municipality who are engaged in procurement processes; and

7.14.8 notify the National Treasury and the Provincial Treasury and, if relevant, the Construction Industry Development Board, of such decision and provide them with the details associated therewith.

7.15 Complaints

7.15.1 All complaints regarding the Govan Mbeki Municipality's infrastructure delivery management system shall be addressed to the Municipal Manager. Such complaints shall be in writing.

7.15.2 The Chief Financial Officer shall investigate all complaints regarding the infrastructure procurement and delivery management system and report on actions taken to the Municipal Manager who will decide on what action to take.

8. Acquisition management

8.1 Unsolicited proposal

8.1.1. Govan Mbeki Municipality is not obliged to consider unsolicited offers received outside a normal procurement process but may consider such an offer only if:

a) the goods, services or any combination thereof that is offered is a demonstrably or proven unique innovative concept;

b) proof of ownership of design, manufacturing, intellectual property, copyright or any other proprietary right of ownership or entitlement is vested in the person who made the offer;

c) the offer presents a value proposition which demonstrates a clear, measurable and foreseeable benefit for the Govan Mbeki Municipality;

d) the offer is in writing and clearly sets out the proposed cost;

e) the person who made the offer is the sole provider of the goods or service; and

f) The Municipal Manager finds the reasons for not going through a normal tender process to be sound.

8.1.2 The Municipal Manager may only accept an unsolicited offer and enter into a contract after considering the recommendations of the Bid Adjudication Committee if:

a) the intention to consider an unsolicited proposal has been made known in accordance with Section 21A of the Municipal Systems Act of 2000 together with the reasons why such a proposal should not be open to other competitors, an explanation of the potential benefits for the [municipality or municipal entity] and an invitation to the public or other potential suppliers and providers to submit their comments within 30 days after the notice;

b) the Govan Mbeki Municipality' has obtained comments and recommendations on the offer from the National Treasury and the Provincial Treasury;

c) the Bid Adjudication Committee meeting which makes recommendations to accept an unsolicited proposal was open to the public and took into account any public comments that were received and any comments and recommendations received from the National Treasury and the Provincial Treasury; and

d) the provisions of 6.2.1.3 are complied with.

8.1.3 The Municipal Manager shall, within 7 working days after the decision to award the unsolicited offer is taken, submit the reasons for rejecting or not following the recommendations to the National Treasury, the Provincial Treasury and Auditor General.

A contract shall in such circumstances not be entered into or signed within 30 days of such submission.

8.2 Tax and rates compliance

8.2.1 SARS tax clearance

8.2.1 No contract may be awarded, or an order issued Govan Mbeki Municipality the value of such transaction exceeds R30 000, unless a tenderer or contractor is in possession of an original valid Tax Clearance Certificate issued by SARS provided that the tenderer is not domiciled in the Republic of South Africa and the SARS has confirmed that such a tenderer is not required to prove their tax compliance status.

8.2.2. In the case of a partnership, each partner shall comply with the requirements of 6.2.2.1.1.

8.2.3 No payment shall be made to a contractor who does not satisfy the requirements of 6.2.2.1.2. An employee of the Govan Mbeki Municipality shall upon detecting that a tenderer or contractor is not tax compliant, immediately notify such person of such status.

8.2.4 Notwithstanding the requirements of 6.2.2.1.1 and 6.2.2.1.3 the following shall apply, unless a person who is not tax compliant indicates to [designated person] that it intends challenging its tax compliance status with SARS,

b) a non-compliant contractor shall be issued with a first warning that payments in future amounts due in terms of the contract may be withheld, before the authorising of any payment due to such contractor;
c) before authorising a further payment due to a non-compliant contractor who has failed to remedy its tax compliance status after receiving a first warning, a second and final warning shall be issued to such contractor;
d) no payments may be released for any amounts due in terms of the contract due to a noncompliant contractor if, after a period of 30 calendar days have lapsed since the second warning was issued, the non-compliant contractor has failed to remedy its tax compliance status.

8.2.5 Govan Mbeki Municipality may cancel a contract with a non-compliant contractor if such a contractor fails to remedy its tax compliance status after a period of 30 calendar days have lapsed since the second warning was issued in terms of 6.2.2.1.4e).

8.3 Municipal rates and taxes

8.3.1 No contract may be awarded to a tenderer who, of the principals of that tenderer, owes municipal rates and taxes or municipal service charges to any municipality or a municipal entity and are in arrears for more than 3 months.

8.3.2 No award may be considered to a tenderer who, of the principals of that tenderer, owes municipal rates and taxes or municipal service charges to any municipality or a municipal entity and are outstanding for more than 30 days, if the value of the award will exceed R 10 million.

8.4 Declarations of interest

8.4.1 Tenders and respondents making submissions in response to an invitation to submit a tender or a call for an expression of interest, respectively shall declare in the Compulsory Declaration whether or not any of the principals:

a) are an employee of Govan Mbeki Municipality or in the employ of the state; or
b) have a family member or a business relation with a person who is in the employ of the state.

8.5 Invitations to submit expressions of interest or tender offers

8.5.1 All invitations to submit tenders Govan Mbeki Municipality the estimated value of the contract exceeds R300 000 including VAT, except Govan Mbeki Municipality a confined tender process is followed, and expressions of interest shall be advertised on Govan Mbeki Municipality's website and on the National Treasury eTender Publication Portal. Advertisements shall be placed by the Manager SCM.

8.5.2 Advertisements relating to construction works which are subject to the Construction Industry Development Regulations issued in terms of the Construction Industry Development Act of 2000 shall in addition to the requirements of 6.2.4.1 be advertised on the CIDB website. Advertisements shall be placed by the SCM.

8.5.3 Govan Mbeki Municipality deemed appropriate by the Chairperson of the Bid Documentation Committee or SCM, an invitation to tender and a call for an expression of interest shall be advertised in suitable local and national newspapers and the Government Tender Bulletin as directed by such person. Advertisements shall be placed by the SCM.

8.5.4 Such advertisements shall be advertised for a period of at least 14 days before closure, except in urgent cases when the advertisement period may be shortened as determined by the Municipal Manager.

8.5.5 Invitations to submit expressions of interest or tender offers shall be issued not less than 10 working days before the closing date for tenders and at least 5 working days before any compulsory clarification meeting. Procurement documents shall be made available not less than 7 days before the closing time for submissions.

8.6 Publication of submissions received and the award of contracts.

8.7 The SCM shall publish within 10 working days of the closure of any advertised call for an expression of interest or an invitation to tender Govan Mbeki Municipality the estimated value of the contract exceeds R300 000 including VAT on the municipality's or municipal entity's website, the names of all tenderers that made submissions to that advertisement, and if practical or applicable, the total of the prices and the preferences claimed. Such information shall remain on the website for at least 30 days.

8.8. The SCM shall publish within 21 working days of the award of a contract the following on the Govan Mbeki Municipality's website.

a) the contract number;
b) contract title;
c) brief description of the goods, services or works;
d) the total of the prices, if practical;
e) the names of successful tenderers and their B-BBEE status level of contribution; duration of t the contract; and
f) brand names, if applicable.

8.9 The SCM shall submit within 7 working days of the award of a contract the information required by National Treasury on the National Treasury e-Tender Publication Portal regarding the successful and unsuccessful tenders. Submissions shall be made by the SCM.

8.10 The award of contracts relating to construction works which are subject to the Construction Industry Development Regulations issued in terms of the Construction Industry Development Act of 2000 shall in addition to the requirements of 6.2.5.3 be notified on the CIDB website. The notification shall be made by placed by the SCM.

8.11 Disposal committee

8.11.1 The Municipal Manager shall appoint in writing the members of the disposal committee to decide on how best to undertake disposals in accordance with the provisions of clause 10 of the standard.

8.11.2 The disposal panel shall comprise not less than three people. The chairperson shall be an employee of the Govan Mbeki Municipality.

8.11.3 The disposal committee shall make recommendations to the Municipal Manager who shall approve the recommendations, refer the disposal strategy back to the disposal committee for their reconsideration, and decide not to proceed or to start afresh with the process.

8.12 Reporting of infrastructure delivery management information

8.12.1The SCM shall submit any reports required in terms of the standard to the National Treasury or the Provincial Treasury.

9. Infrastructure procurement

9.1 Usage of Infrastructure procurement procedures

9.1.1 Govan Mbeki Municipality shall not apply the following procedures:

i. the storage of goods and equipment following their delivery to *the Govan Mbeki Municipality* which are stored and issued to contractors or to employees;
ii. the disposal or letting of land;
iii. the conclusion of any form of land availability agreement;
iv. the leasing or rental of moveable assets; and
v. public private partnerships.

9.2. Procurement documents

9.2.1 Govan Mbeki Municipality's preapproved templates for Part C1 (Agreements and contract data) of procurement documents shall be utilised to obviate the need for legal review prior to the awarding of a contract. All modifications to the standard templates shall be approved by [designated person] prior to being issued for tender purposes.

9.2.2 Disputes arising from the performance of a contract shall be finally settled in a South African court of law.

9.2.3 The Municipal Declaration and returnable documents contained in the standard shall be included in all tenders for:

a) consultancy services; and
b) goods and services or any combination thereof Govan Mbeki Municipality the total of the prices is expected to exceed R10 m including VAT.

10. Developmental Procurement

10.1 The primary beneficiaries will be included in the Preferential Procurement Policy and will include at least the following:

10.2 Local emerging contractors / service providers and suppliers from previously disadvantaged individuals/communities who will be assisted with targeted contract opportunities to propel them to new heights.

10.3 Contractors must be registered with the CIDB to qualify for participation.

10.4 Payment of contractors

10.4.1 Govan Mbeki Municipality shall settle all undisputed accounts within 30 days of invoice or statement as provided for in the contract.

10.5 Approval to utilise specific procurement procedures.

10.5.1 Prior approval shall be obtained for the following procurement procedures from the following persons, unless such a procedure is already provided for in the approved procurement strategy:

a) Municipal Manager shall authorise the use of the negotiated procedure above the thresholds provided in the standard.

b) The Municipal Manager shall authorise the approaching of a confined market except Govan Mbeki Municipality a rapid response is required in the presence of, or the imminent risk of, an extreme or emergency situation arising from the conditions set out in the standard and which can be dealt with or the risks relating thereto arrested within 48 hours; and

c) the Bid Documentation Committee or SCM shall authorise the proposal procedure using the two-envelope system, the proposal procedure using the two-stage system or the competitive negotiations procedure.

10.5.2 The person authorised to pursue a negotiated procedure in an emergency is designated Head of Department.

10.6 Receipt and safeguarding of submissions.

10.6.1 A dedicated and clearly marked tender box shall be made available to receive all submissions made.

10.6.2 The tender box shall be fitted with two locks and the keys kept separately by two SCM Practitioners.

10.6.3 Such personnel shall be present when the box is opened on the stipulated closing date for submissions.

10.7 Opening of submissions

10.7.1 Submissions shall be opened by an opening panel comprising two people nominated by the SCM who have declared their interest or confirmed that they have no interest in the submissions that are to be opened.

10.7.2 The opening panel shall open the tender box at the stipulated closing time and:

sort through the submissions and return those submissions to the box that are not yet due to be opened including those whose closing date has been extended; return submissions unopened and suitably annotated Govan Mbeki Municipality:

1) submissions are received late, unless otherwise permitted in terms of the submission data;
2) submissions were submitted by a method other than the stated method,
3) submissions were withdrawn in accordance with the procedures contained in SANS 10845-3; and

4) only one tender submission is received, and it is decided not to open it and to call for fresh tender submissions. record in the register submissions that were returned unopened;

5) open submissions if received in sealed envelopes and annotated with the required particulars and read out the name of and record in the register the name of the tenderer or respondent and, if relevant, the total of prices including VAT Govan Mbeki Municipality this is possible;

6) record in the register the name of any submissions that is returned with the reasons for doing so;

7) record the names of the tenderer's representatives that attend the public opening;

8) sign the entries into the register; and

9) stamp each returnable document in each tender submission.

10.7.3 Each member of the opening panel shall initial the front cover of the submission and all pages that are stamped in accordance with the requirements of 7.7.3h).

10.7.4 Respondents and tenderers whose submissions are to be returned shall be afforded the opportunity to collect their submissions.

10.7.5 Submissions shall be safeguarded from the time of receipt until the conclusion of the procurement process.

11 Use of another organ of state's framework agreement

11.1 Govan Mbeki Municipality may make use of another organ of state's framework contract which has been put in place by means of a competitive tender process and there are demonstrable benefits for doing so.

11.2 The Municipal Manager shall make the necessary application to that organ of state to do so.

11.2.1 Insurances

11.2.2 Contractors shall be required to take out all insurances required in terms of the contract.

11.2.3 The insurance cover in engineering and construction contracts for loss of or damage to property (except the works, Plant and Materials and Equipment) and liability for bodily injury to or death of a person (not an employee of the Contractor) caused by activity in connection with a contract shall in general not be less than the value stated in Table 4, unless otherwise directed by the Municipal Manager.

11.2.4 Lateral earth support insurance in addition to such insurance shall be take out on a case-by-case basis.

Table 4: Minimum insurance cover

Type of insurance	Value

Engineering and construction contracts - loss of or damage to property (except the works, Plant and Materials and Equipment) and liability for bodily injury to or death of a person (not an employee of the Contractor) caused by activity in connection with a contract	Not less than R20 million
Professional services and service contracts - death of or bodily injury to employees of the Contractor arising out of and in the course of their employment in connection with a contract or damage to property	Not less than R10 million
Professional indemnity insurance	geotechnical, civil and structural engineering: R5,0 million electrical, mechanical and engineering: R3,0 million architectural: R5,0 million other R3,0 million

11.2.5. The insurance cover in professional services and service contracts for damage to property or death of or bodily injury to employees of the Contractor arising out of and in the course of their employment in connection with a contract shall not be less than the value stated in Table 4 for any one event unless otherwise directed by the Municipal Manager.

11.2.6 SASRIA Special Risk Insurance in respect of riot and associated risk of damage to the works, Plant and Materials shall be taken out on all engineering and construction works.

11.2.7 Professional service appointments shall as a general rule be subject to proof of current professional indemnity insurance being submitted by the contractor in an amount not less than the value stated in Table 4 in respect of each claim, without limit to the number of claims, unless otherwise directed by the in relation to the nature of the service that they provide.

11.2.8 Govan Mbeki Municipality shall take out professional indemnity insurance cover Govan Mbeki Municipality it is deemed necessary to have such insurance at a level higher than the levels of insurance commonly carried by contractors.

11.2.9 Govan Mbeki Municipality payment is to be made in multiple currencies, either the contractor or Govan Mbeki Municipality should be required to take out forward cover. Alternatively, the prices for the imported content should be fixed as soon as possible after the starting date for the contract.

11.2.10 Requests for written reasons for actions taken need to be brief and to the point and may not divulge information which is not in the public interest or any information which is considered to prejudice the legitimate commercial interests of others or might prejudice fair competition between tenderers.

11.2.11 Request for access to information

11.2.11.1 Should an application be received in terms of Promotion of Access to Information Act of 2000 (Act 2 of 2000), the "requestor" should be referred to Govan Mbeki Municipality's Information Manual which establishes the procedures to be followed and the criteria that have to be met for the "requester" to request access to records in the possession or under the control of Govan Mbeki Municipality's.

11.2.11.2 Access to technical and commercial information such as a comprehensive programme which links resources and prices to such programme should be refused as such information provides the order and timing of operations, provisions for time risk allowances and statements as to how the contractor plans to do the work which identifies principal equipment and other resources which he plans to use. Access to a bill of quantities and

11.2.12 Written reasons for actions taken.

11.2.12.1 Writen reasons for actions taken shall be provided by a Project Manager.

11.2.12.2 The written reasons for actions taken shall be as brief as possible and shall as far as is possible, and Govan Mbeki Municipality relevant, as to why a tenderer was not considered for the award of a contract or not awarded a contract shall be framed around the clauses in the.

a) SANS 10845-3, Construction procurement - Part 3: Standard conditions of tender, and, giving rise to the reason why a respondent was not short listed, prequalified or admitted to a data base; or

b) SANS 10845-4, Construction procurement - Part 4: Standard conditions for the calling for expressions of interest.

11.2.13 REVIEW

This policy will be reviewed annually to be in line with municipal practices and legislation.

Commencement

This Policy takes effect on 01 June 2026

Signed by the Municipal Manager as per resolution _A085/05/2026

Municipal Manager **Date**