

**PRINCE ALBERT MUNICIPALITY
SUPPLY CHAIN MANAGEMENT
POLICY**



**PRINS ALBERT MUNISIPALITEIT
VOORSIENINGSKANAAL-
BESTUURSBELEID**

March 2013

PREAMBLE / AANHEF

The purpose of this Policy is to regulate all Supply Chain Management practices within Prince Albert Municipality. Therefore all employees must adhere, implement and observe provisions and requirements of this policy.

The Policy seeks to promote an innovative form of targeted procurement, which will encourage socio-economic transformation within Prince Albert Municipality's region. It will empower the municipality to continue to redress the skewed distribution of wealth and assist in achieving the goals of poverty alleviation and job creation within its region.

Dit sal bereik word deur werkseleenthede aan Histories Benadeelde Indiwidue (HDI's) en benadeelde gemeenskappe te verskaf, wat sal help om sosio-ekonomiese transformasie doelwitte te koppel aan regverdige, deursigtige, billike, kompeterende en koste-effektiewe verkrygingsprosedures.

Prins Albert Munisipaliteit se Voorsieningskanaalbestuurs-beleid (Supply Chain Management policy) implementeer die Voorsieningskanaalbestuurs-prosedures soos beoog deur die Local Government Municipal Finance Management Act, 2003 (Act No. 56 of 2003) en die Municipal Supply Chain Management Regulations, Kennisgewing 868 van 2005, uitgevaardig in terme daarvan.

Die Municipal Supply Chain Management Model Policy, wat deur Nasionale Tesourie opgestel is, in lyn met die Local Government Municipal Finance Management Act, 2003 (Act No. 56 of 2003) en die Municipal Supply Chain Management Regulations, Kennisgewing 868 van 2005, is gebruik, te same met die Preferential Procurement Policy Framework Act, 2000 en die Preferential Procurement Regulations, as 'n raamwerk vir die ontwikkeling van hierdie beleid.

The guiding principles used in developing the Prince Albert Municipality Supply Chain Management policy were sourced from the following legislation:

- The Constitution of the Republic South Africa, 1996 (as amended).
- The Municipal Finance Management Act, 2003 (Act 56 of 2003) and the Regulations on Supply Chain Management enacted in terms thereof.
- Local Government: Municipal Systems Act 32, 2002.
- The Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000).
- Preferential Procurement Policy Framework Regulations 2001.
- The Labour Relations Act, 1995 (Act 66 of 1995).
- The Construction Industry Development Board Act, 2000 (Act No 38 of 2000).
- Any other current or subsequent applicable legislation.

The annexures to the policy contain appendices that are standard contract documentation, which must be completed by all consultants, contractors or any other service provider.

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1. DEFINITIONS

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

“competitive bidding process” means a competitive bidding process referred to in paragraph 12 (1) (f) of this Policy.

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

“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) (d) of this Policy.

“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 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;

“long term contract” means a contract with a duration period exceeding one year.

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

“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);

1. DEFINISIES

In hierdie beleid, tensy die konteks andersins aandui, het 'n woord of uitdrukking waaraan 'n betekenis deur die Wet toegeken is, dieselfde betekenis as in die Wet, en –

“mededingende tender-proses” beteken 'n mededingende tender-proses waarvan melding gemaak word in paragraaf 12 (1) (f) van hierdie beleid;

“mededingende tender” beteken 'n tender ingevolge 'n mededingende tenderproses;

“finale toekenning”, met betrekking tot tenders of kwotasies ingedien vir 'n kontrak, beteken die finale besluit oor watter tender of kwotasie te aanvaar;

“formele geskrewe pryskwotasie” beteken kwotasies waarvan melding gemaak word in paragraaf 12(1) (d) van hierdie beleid;

“in diens van die staat” beteken om –

- (a) 'n lid te wees van –
 - (i) enige munisipale raad;
 - (ii) enige provinsiale wetgewende liggaam; of
 - (iii) die Nasionale Vergadering of die Nasionale Raad van Provinsies;
- (b) 'n lid te wees van die direksie van enige munisipale entiteit;
- (c) 'n amptenaar te wees van enige munisipaliteit of munisipale entiteit;
- (d) 'n werknemer te wees van enige nasionale of provinsiale departement, nasionale of provinsiale openbare liggaam of konstitusionele instelling binne die betekenis van die Wet op Openbare Finansiële Bestuur, 1999 (Wet Nr.1 van 1999);
- (e) 'n lid te wees van die rekenpligtige gesag van enige nasionale of provinsiale openbare liggaam; of
- (f) 'n werknemer te wees van Parlement of 'n provinsiale wetgewende liggaam;

“langtermynkontrak” beteken 'n kontrak met 'n tydsduur van meer as een jaar;

“lys van geakkrediteerde voornemende voorsieners” beteken die lys geakkrediteerde voornemende voorsieners wat die munisipaliteit moet bybou kragtens paragraaf 14 van hierdie beleid;

“ander toepaslike wetgewing” beteken enige ander wetgewing van toepassing op munisipale voorsieningskanaal-bestuur, insluitend –

- (a) die Wet op die Raamwerk vir Voorkeurverkrygings-beleid, 2000 (Wet nr. 5 van 2000);
- (b) die “Broad-Based Black Economic Empowerment Act”, 2003 (Wet nr. 53 van 2003); en
- (c) die Wet op die Konstruksie-industrie Ontwikkelingsraad, 2000 (Wet nr.38 van 2000);

“treasury guidelines” means any guidelines on supply chain management issued by the Minister in terms of section 168 of the Act;

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

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

“verbal quotations” means quotations referred to in paragraph 12 (1) (b) of this Policy.

“written quotations” means quotations referred to in paragraph 12 (1) (c) of this Policy.

“**Tesourie-riglyne**” beteken enige riglyne oor voorsieningskanaal-bestuur uitgereik deur die Minister kragtens artikel 168 van die Wet;

“**die Wet**” beteken die Wet op Plaaslike Regering: Munisipale Finansiële Bestuur, 2003 (Wet Nr. 56 van 2003);

“ **die Regulasies**” beteken die Local Government: Municipal Finance Management Act, 2003, Municipal Supply Chain Management Regulations publiseer in Staatskennisgewing 868 van 2005;

“**mondellinge kwotasies**” beteken kwotasies waarvan melding gemaak word in paragraaf 12(1)(b) van hierdie beleid.

“**geskrewe kwotasies**” beteken kwotasies waarvan melding gemaak word in paragraaf 12(1)(c) van hierdie beleid.

CHAPTER 1

IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY

2. Adoption of Policy

- (1) The Council of Prince Albert Municipality resolves in terms of section 111 of the Act to adopt the following proposal as the Supply Chain Management Policy of Prince Albert Municipality.
- (2) The Municipal Manager shall in terms of section 62(1)(f)(iv) of the Act, take all reasonable steps to ensure that Prince Albert Municipality implements this Policy.
- (3) All officials and other role players in the supply chain management system of Prince Albert 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) enhance the economic development of local communities, SMME's, women-owned enterprises and disabled-owned enterprises within the area of jurisdiction;
 - (d) complies with –
 - (i) the Regulations; and
 - (ii) any minimum norms and standards that may be prescribed in terms of section 168 of the Act; and
 - (e) is consistent with other applicable legislation.
- (4) This Policy is applicable to the entire Prince Albert Municipality and must be adhered to when –
 - (a) procuring goods or services;
 - (b) disposing of redundant goods; and/or
 - (c) selecting service providers other than in circumstances where Chapter 8 of the Systems Act applies.
- (5) This Policy does not apply in respect of the procurement of goods and services contemplated in section 110(2) of the Act, including –
 - (a) water from the Department of Water Affairs or a public entity, another municipality or a municipal entity; and
 - (b) electricity from Eskom or another public entity, another municipality or a municipal entity.

3. Amendment of the Supply Chain Management Policy

- (1) The Municipal Manager, through the Chief Financial Officer or duly authorised person, must annually review the implementation of the Policy.
- (2) The Municipal Manager must submit a draft policy or subsequent amendments to the Council for approval. Such policy or subsequent amendments must be in line with the model policy and Regulations as compiled by National Treasury. Deviations from the model policy or Regulations must in terms of Regulation 3 be reported to National and Provincial Treasury.

HOOFSTUK 1

IMPLEMENTERING VAN VOORSIENINGSKANAALBESTUURSBELEID

2. Aanvaarding van Beleid

- (1) Die Raad van Prince Albert Munisipaliteit besluit om kragtens artikel 111 van die Wet die volgende voorstel te aanvaar as die Voorsieningskanaal-bestuursbeleid van Prince Albert Munisipaliteit.
- (2) Die munisipale bestuurder moet kragtens artikel 62(1)(f)(iv) van die Wet, alle redelike stappe doen om te verseker dat die munisipaliteit hierdie voorsieningskanaal-bestuursbeleid aanvaar en implementeer.
- (3) Alle beamptes en ander rolspelers in die voorsieningskanaal-bestuur stelsel van Prince Albert Munisipaliteit moet hierdie beleid implementeer op 'n manier wat –
 - (a) uitvoering gee aan –
 - (i) artikel 217 van die Konstitusie; en
 - (ii) Afdeling 1 van Hoofstuk 11 en ander toepaslike bepalings van die Wet;
 - (b) regverdig, onpartydig, deursigtig, kompetend en koste-effektief wees;
 - (c) die ekonomiese ontwikkeling van plaaslike gemeenskappe, SMME's en ondernemings binne die regsgebied, waarvan vroue en/of gestremdes die eienaar is, bevorder;
 - (d) voldoen aan –
 - (i) die Regulasies; en
 - (ii) enige minimum norme en standaarde wat in terme van artikel 168 van die Wet voorgeskryf word; en
 - (e) in ooreenstemming is met ander toepaslike wetgewing.
- (4) Hierdie beleid is toepaslik in die hele Prins Albert Munisipaliteit en moet aan voldoen word by die –
 - (a) verkryging van goedere en/of dienste;
 - (b) verkope van goedere wat nie meer benodig word nie; en/of
 - (c) selektering van diensverskaffers, ander dan in omstandighede waar Hoofstuk 8 van die Wet op Munisipale Stelsels van toepassing is.
- (5) Die Beleid is nie van toepassing nie in die omstandighede soos beskryf in artikel 110(2) van die Wet, insluitend -
 - (a) water vanaf die Departement van Water of 'n openbare liggaam, 'n ander munisipaliteit of 'n munisipale liggaam; en
 - (b) elektrisiteit vanaf Eskom of 'n openbare liggaam, 'n ander munisipaliteit of 'n munisipale liggaam;

3. Wysiging van die voorsieningskanaal-bestuursbeleid

- (1) Die Munisipale Bestuurder, deur die Hoof Finansiële Beampte of behoorlik gemagtigde persoon, moet die implementering van die beleid jaarliks hersien.
- (2) Die Munisipale Bestuurder moet 'n konsep-beleid of daaropvolgende wysigings by die Raad indien vir goedkeuring. Indien die rekenpligtige beampte 'n konsep-beleid by die raad indien wat verskil van die model-beleid, moet die rekenpligtige beampte verseker dat die konsep-beleid nie strydig is met die Regulasies nie. Die rekenpligtige beampte moet enige afwyking van die model-beleid aan die Nasionale Tesourie en die relevante Provinsiale Tesourie rapporteer.

4. Delegation of Supply Chain Management Powers and Duties

- (1) The Council hereby delegates all powers and duties to the accounting officer which are necessary to enable the accounting officer -
 - (a) to discharge the supply chain management responsibilities conferred on accounting officers in terms of –
 - (i) Chapters 8, 10 and 11 of the Act;
 - (ii) this Policy;
 - (b) to maximise administrative and operational efficiency in the implementation of this Policy;
 - (c) to enforce reasonable cost-effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation of this Policy; and
 - (d) to comply with his or her responsibilities in terms of section 115 and other applicable provisions of the Act.
- (2) Sections 79 and 106 of the Act apply to the subdelegation of powers and duties delegated to an accounting officer in terms of subparagraph (1).
- (3) The Council or accounting officer may not subdelegate any supply chain management powers or duties to a person who is not an official of the municipality or to a committee which is not exclusively composed of officials of municipality.
- (4) This paragraph may not be read as permitting an official to whom the power to make final awards has been delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 26 of this Policy.

5. Subdelegations

- (1) The accounting officer may in terms of section 79 or 106 of the Act subdelegate any supply chain management powers and duties, including those delegated to the accounting officer in terms of this Policy, but any such subdelegation must be consistent with subparagraph (2) of this paragraph and paragraph 4 of this Policy.
- (2) The power to make a final award –
 - (a) above R 10 million (VAT included) may not be subdelegated by the accounting officer;
 - (b) above R 2 million (VAT included), but not exceeding R 10 million (VAT included), may be subdelegated 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 R 2 million (VAT included) may be subdelegated but only to –
 - (i) the chief financial officer;
 - (ii) a senior manager;
 - (iii) a bid adjudication committee.

4. Delegasie van voorsieningskanaal-bestuursmagte en -pligte

- (1) Die Raad delegeer hierdeur sodanige addisionele magte en pligte aan die rekenpligtige beampte om die rekenpligtige beampte in staat te stel –
 - (a) om gestand te doen aan die voorsieningskanaal-bestuursverpligtinge wat aan rekenpligtige amptenare toegeken word kragtens –
 - (i) Hoofstuk 8 of 10 van die Wet; en
 - (ii) die voorsieningskanaal-bestuursbeleid;
 - (b) om administratiewe en operasionele doeltreffendheid by die implementering van die voorsieningskanaal-bestuursbeleid te maksimeer;
 - (c) om redelike koste-effektiewe maatreëls vir die voorkoming van bedrog, korrupsie, partydigheid en onbillike en onreëlmatige praktyke by die implementering van die voorsieningskanaal-bestuursbeleid af te dwing; en -
 - (d) om sy of haar verpligtinge kragtens artikel 115 en ander toepaslike bepalings van die Wet na te kom.
- (2) Artikels 79 en 106 van die Wet het betrekking op die sub-delegasie van magte en pligte aan 'n rekenpligtige beampte kragtens sub paragraaf (1) van hierdie beleid gedelegeer.
- (3) Die raad of rekenpligtige beampte mag nie enige voorsieningskanaal-bestuursmagte of -pligte aan 'n persoon wat nie 'n amptenaar van die munisipaliteit is nie, of aan 'n komitee wat nie uitsluitlik saamgestel is uit amptenare van die munisipaliteit, delegeer of sub-delegeer nie;
- (4) Hierdie paragraaf mag nie gelees word as om 'n amptenaar aan wie die mag om finale toekennings te maak gedelegeer is, toe te laat om 'n finale toekenning te maak in 'n mededingende tenderproses anders as deur die komitee stelsel waarvoor in paragraaf 26 van hierdie Beleid voorsiening gemaak is nie.

5. Sub-delegasies

- (1) Die rekenpligtige beampte mag kragtens artikel 79 of 106 van die Wet enige voorsieningskanaal-bestuursmagte en -pligte, insluitend dié wat kragtens hierdie beleid aan die rekenpligtige beampte gedelegeer is, sub-delegeer, maar enige sub-delegasie moet nie-strydig wees met sub-paragraaf (2) en paragraaf 4 van hierdie Beleid nie.
- (2) Die mag om 'n finale toekenning te maak –
 - (a) bo R10 miljoen (BTW ingesluit) mag nie deur die rekenpligtige beampte gesubdelegeer word nie;
 - (b) bo R2 miljoen (BTW ingesluit), maar wat nie R10 miljoen (BTW ingesluit) oorskry nie, mag gesubdelegeer word, maar alleenlik aan –
 - (i) die hoof finansiële beampte;
 - (ii) 'n senior bestuurder; of
 - (iii) 'n tender-beoordelingskomitee waarvan die hoof finansiële beampte of 'n senior bestuurder 'n lid is; of
 - (c) wat nie R2 miljoen (BTW ingesluit) oorskry nie, mag gesubdelegeer word, maar alleenlik aan –
 - (i) die hoof finansiële beampte;
 - (ii) 'n senior bestuurder;
 - (iii) 'n tender-beoordelingskomitee.

- (3) An official or bid adjudication committee to which the power to make final awards has been sub-delegated in accordance with subparagraph 2 must within five days of the end of each month submit to the official referred to in subparagraph (4) a written report containing particulars of each final award made by such official or committee during that month, including –
 - (a) the amount of the award;
 - (b) the name of the person to whom the award was made; and
 - (c) the reason why the award was made to that person.
- (4) A written report referred to in subparagraph (3) must be submitted –
 - (a) to the municipal manager, in 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 bid adjudication committee of which the chief financial officer or a senior manager is not a member.
- (5) Subparagraphs (3) and (4) of this paragraph 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 system provided for in paragraph 26 of this Policy.

6. Oversight role of Council

- (1) The Council has and must maintain an oversight role over the implementation of this Policy.
- (2) For the purposes of such oversight the accounting officer must -
 - (a) within 30 days of the end of each financial year, submit a report on the implementation of this Policy and the supply chain management policy of any municipal entity under the sole or shared control of the municipality, to the council of the municipality; and
 - (b) whenever there are serious and material problems in the implementation of this Policy, immediately submit a report to the 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.

- (3) 'n Amptenaar of tender-beoordelingskomitee aan wie die mag om finale toekennings te maak gesubdeleer is in ooreenstemming met sub-paragraaf 2 moet binne vyf dae na die einde van elke maand 'n geskrewe verslag indien aan die amptenaar na wie verwys word in sub-paragraaf (4), wat besonderhede bevat van elke finale toekenning deur sodanige amptenaar of komitee gemaak gedurende daardie maand, insluitend -
 - (a) die bedrag van die toekenning;
 - (b) die naam van die persoon aan wie die toekenning gemaak is; en
 - (c) die rede waarom die toekenning aan daardie persoon gemaak is.
- (4) 'n Geskrewe verslag, waarna verwys in sub-paragraaf (3), moet ingedien word –
 - (a) by die rekenpligtige beampte, in die geval van 'n toekenning deur –
 - (i) die hoof finansiële beampte;
 - (ii) 'n senior bestuurder; of
 - (iii) 'n tender-beoordelingskomitee waarvan die hoof finansiële beampte of 'n senior bestuurder 'n lid is; of
 - (b) aan die hoof finansiële beampte of die senior bestuurder verantwoordelik vir die betrokke tender, in die geval van 'n toekenning deur –
 - (i) 'n tender-beoordelingskomitee waarvan die hoof finansiële beampte of 'n senior bestuurder nie 'n lid is nie.
- (5) Sub-paragrafe (1) en (2) van hierdie paragraaf is nie van toepassing op aankope uit die kleinkas nie.
- (6) Hierdie paragraaf mag nie interpreteer word as om 'n amptenaar aan wie die mag om finale toekennings te maak gedeleer is, toe te laat om 'n finale toekenning te maak in 'n mededingende tenderproses anders as deur die komiteestelsel waarvoor in paragraaf 26 van hierdie beleid voorsiening gemaak is nie.

6. Raad se toesighoudende rol

- (1) Die raad moet toesig hou oor die implementering van hierdie voorsieningskanaalbestuursbeleid.
- (2) Ten behoeve van sodanige toesig moet die rekenpligtige beampte –
 - (a) binne 30 dae van die einde van elke finansiële jaar, 'n verslag oor die implementering van die voorsieningskanaalbestuursbeleid van die munisipaliteit en van enige munisipale liggaam onder sy alleen- of gedeelde beheer, aan die raad van die munisipaliteit indien; en
 - (b) indien daar enige ernstige en materiële probleem met die implementering van hierdie Beleid is, onmiddelik 'n verslag aan die Raad voorlê.
- (3) Die rekenpligtige beampte moet, binne 10 dae na die einde van elke kwartaal, 'n verslag oor die implementering van die voorsieningskanaalbestuursbeleid aan die burgemeester voorlê.
- (4) Hierdie verslag moet openbaar word in ooreenstemming met artikel 21A van die Munisipale Stelselwet.

7. Supply Chain Management unit

- (1) The accounting officer must establish a supply chain management unit to implement this Policy.
- (2) The supply chain management unit must operate under the direct supervision of the chief financial officer or an official to whom this duty has been delegated in terms of section 82 of the Act.

8. Training of Supply Chain Management officials

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

7. Voorsieningskanaalbestuurseenheid

- (1) Die rekenpligtige beampte moet 'n voorsieningskanaal-bestuurseenheid stig om hierdie voorsieningskanaalbestuursbeleid te implementeer.
- (2) Die voorsieningskanaalbestuurseenheid moet onder die direkte toesig van die hoof finansiële beampte funksioneer of 'n amptenaar aan wie hierdie plig gedelegeer is kragtens artikel 82 van die Wet.

8. Opleiding van voorsieningskanaalbestuursamptenare

Die opleiding van amptenare wat gemoeid is met die implementering van die voorsieningskanaalbestuursbeleid behoort in ooreenstemming te wees met enige Tesourie-riglyne oor voorsieningskanaal-bestuursopleiding.

CHAPTER 2

SUPPLY CHAIN MANAGEMENT SYSTEM

9. Format of Supply Chain Management System

This Policy provides systems for

- (i) Demand Management;
- (ii) Acquisition Management;
- (iii) Logistics Management;
- (iv) Disposal Management;
- (v) Risk Management; and
- (vi) Performance Management.

Part 1: Demand Management

10. System of Demand Management

- (1) The accounting officer must establish and implement an appropriate demand management system in order to ensure that the resources acquired by Prince Albert Municipality support its operational commitments and its strategic goals outlined in the Integrated Development Plan.
- (2) The demand management system must -
 - (a) include planning and management processes to ensure that the resources required by the municipality are;
 - (i) quantified;
 - (ii) budgeted for;
 - (iii) timely and effectively delivered at the right locations and at the critical dates;
 - (iv) of the appropriate quality and quantity; and
 - (v) at fair cost;
 - (b) provide for the compilation of clearly articulated requirements and specifications that meet the needs and expectations of multiple users. The specifications shall be unbiased, functional and not brand specific; and
 - (c) take into account any benefits of economies of scale that may be derived in the case of acquisitions of a repetitive nature.
- (3) Officials should undertake appropriate industry analysis and research, where necessary, to ensure that innovations and technological benefits are maximized.

HOOFSTUK 2

VOORSIENINGSKANAAL-BESTUUR STELSEL

9. **Formaat van voorsieningskanaal-bestuur stelsel**

Hierdie voorsieningskanaal-bestuursbeleid voorsien stelsels vir –

- (i) Vraag-bestuur;
- (ii) Aankope-bestuur;
- (iii) Logistieke-bestuur;
- (iv) Verkope-bestuur;
- (v) Risiko-bestuur; en
- (vi) Prestasie-bestuur.

Deel 1: Vraag-bestuur

10. **Stelsel van vraag-bestuur**

- (1) Die rekenpligtige beampte moet, deur middel van operasionele prosedures, 'n effektiewe stelsel van vraagbestuur skep en implimenteer om te kan verseker dat die vereiste hulpbronne om die operasionele verpligtinge en strategiese doelwitte, soos uiteengesit in die Geïntegreerde Ontwikkelingsplan bekom word.
- (2) Die vraag-bestuur stelsel moet -
 - (a) beplanning en bestuursprosesse insluit ten einde te verseker dat die hulpbronne deur die munisipaliteit benodig;
 - (i) gekwantifiseer is;
 - (ii) voor begroot is;
 - (iii) effektief afgelewer word by die regte bestemming op die regte tydstip;
 - (iv) voldoen aan die nodige kwaliteit en kwantiteit; en
 - (v) teen 'n billike prys gelewer word;
 - (b) voorsiening maak vir die opstel van duidelik uiteengesitte behoeftes en spesifikasies, wat voldoen aan die verwagtinge van vele verbruikers. Die spesifikasies sal onbevooroordeeld, funksioneel en nie handelsmerk-spesifiek wees nie; en
 - (c) die voordele van grootmaat-aankope in berekening bring, wat mag voorkom by aankope van 'n herhalende aard.
- (3) Voldoende ondersoek moet, waar toepaslik, gedoen word, ten einde te verseker dat maksimum nuwighede en tegnologiese voordele bekom word.

Part 2: Acquisition Management

11. System of Acquisition Management

- (1) The accounting officer must implement the system of acquisition management set out in this Part in order to ensure -
 - (a) that goods and services are procured by the 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 contract, are in accordance with any applicable legislation; and
 - (e) that any Treasury guidelines on acquisition management are properly taken into account.
- (2) The following information will be made public when procuring goods and services contemplated in section 110(2) of the Act other than through its supply chain management system:
 - (a) the kind of goods or services; and
 - (b) the name of the supplier.

12. Range of Procurement Processes

- (1) Prince Albert Municipality shall only procure goods and services by way of –
 - (a) petty cash purchases, up to a transaction value of R 1 000 (VAT included);
 - (b) written quotations for procurements of a transaction value over R 1 000 up to R 10 000 (VAT included);
 - (c) formal written price quotations for procurements of a transaction value over R 10 000 up to R 30 000 (VAT included);
 - (d) informal tenders for procurements of a transaction value over R 30 000 up to R 200 000 (VAT included); and
 - (e) a competitive bidding process for –
 - (i) procurements above a transaction value of R 200 000 (VAT included); and
 - (ii) the procurement of long term contracts.
- (2) The accounting officer may, in writing -
 - (a) lower, but not increase, the different threshold values specified in subparagraph (1); or

Deel 2: Aankope-bestuur

11. Stelsel van aankope-bestuur

- (1) Die rekenpligtige beampte moet, deur middel van operasionele prosedures, 'n effektiewe stelsel van aankope-bestuur skep ten einde te verseker –
 - (a) dat goedere en dienste deur die munisipaliteit verkry word slegs in ooreenstemming met goedgekeurde prosesse;
 - (b) dat uitgawes aan goedere en dienste aangegaan word ingevolge 'n goedgekeurde begroting kragtens artikel 15 van die Wet;
 - (c) dat die drempelwaardes vir die verskillende aankope-prosesse nagekom word;
 - (d) dat tender-dokumentasie, evaluering- en beoordelingskriteria, en algemene voorwaardes van 'n kontrak, in ooreenstemming is met enige toepaslike wetgewing; en -
 - (e) dat enige Tesourie-riglyne oor aankope-bestuur behoorlik in ag geneem word.
- (2) Die volgende inligting moet openbaar gemaak word wanneer ookal goedere of dienste in artikel 110(2) van die Wet beoog verkry word anders as deur die voorsieningskanaal-bestuurstelsel -
 - (a) die soort goedere of dienste; en -
 - (b) die naam van die verskaffer.

12. Omvang van verkrygings-prosesse

- (1) Prince Albert Munisipaliteit sal slegs goedere en dienste verkry deur middel van –
 - (a) kleinkas-aankope, tot op 'n transaksiewaarde van R 1 000 (BTW ingesluit);
 - (b) geskrewe kwotasies vir aankope met 'n transaksiewaarde van meer as R 1 000 tot op R 10 000 (BTW ingesluit);
 - (c) formele geskrewe pryskwotasies vir aankope met 'n transaksiewaarde van meer as R 10 000 tot op R 30 000 (BTW ingesluit);
 - (d) informele tenders vir aankope met 'n transaksiewaarde van meer as R 30 000 tot op R 200 000 (BTW ingesluit);
 - (e) 'n mededingende tender-proses vir–
 - (i) aankope met 'n transaksiewaarde bo R200 000 (BTW ingesluit); en
 - (ii) die verkryging van langtermyn kontrakte.
- (2) Die rekenpligtige beampte mag, skriftelik
 - (a) die verskillende drempelwaardes in sub-paragraaf (1) verlaag, maar nie verhoog nie ; of

- (b) direct that –
 - (i) formal written price quotations be obtained for any specific procurement of a transaction value lower than R 10 000; or
 - (ii) a competitive bidding process be followed for any specific procurement of a transaction value lower than R 200 000.
- (3) Goods or services may not deliberately be split into parts or items of a lesser value merely to avoid complying with the requirements of the policy. When determining transaction values, a requirement for goods or services consisting of different parts or items must as far as possible be treated and dealt with as a single transaction.

13 General preconditions for consideration of written quotations or bids

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

- (a) has furnished that provider's –
 - (i) full name;
 - (ii) identification number or company or other registration number; and
 - (iii) tax reference number and VAT registration number, if any:
- (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 stakeholders 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.

14. List of accredited prospective providers

- (1) Supply Chain Management must -
 - (a) keep a list of accredited prospective providers of goods and services that must be used for the procurement requirements through written or verbal quotations and formal written price quotations; and
 - (b) at least once a year through newspapers commonly circulating locally, the website and any other appropriate ways, invite prospective providers of goods or services to apply for evaluation and listing as accredited prospective providers;
 - (c) specify the listing criteria for accredited prospective providers; and
 - (d) disallow the listing of any prospective provider whose name appears on the National Treasury's database as a person prohibited from doing business with the public sector.

- (b) opdrag gee dat –
 - (i) formele geskrewe prys-kwotasies verkry word vir enige spesifieke aankope met 'n transaksiewaarde laer as R10 000; of
 - (ii) 'n mededingende tender-proses gevolg word vir enige spesifieke aankope met 'n transaksiewaarde laer as R200 000.
- (3) Goedere of dienste mag nie opsetlik opgedeel word in dele of items met 'n kleiner waarde bloot om die nakoming van die vereistes van die beleid te vermy nie. By die bepaling van transaksiewaardes, moet 'n behoefte aan goedere of dienste wat bestaan uit verskillende dele of items so ver moontlik behandel en hanteer word as 'n enkele transaksie.

13. Algemene voorvereistes vir oorweging van geskrewe kwotasies of tenders

'n Geskrewe kwotasie of tender mag nie oorweeg word tensy die verskaffer wat die kwotasie of tender ingedien het –

- (a) daardie verskaffer se –
 - (i) volle naam;
 - (ii) identiteitsnommer of maatskappy- of ander registrasienommer; en
 - (iii) belasting-verwysingsnommer en BTW-registrasienommer, indien enige, voorsien het nie.
- (b) die munisipaliteit gemagtig het om 'n belasting-klaringsertifikaat vanaf die Suid-Afrikaanse Inkomstediens te bekom dat die verskaffer se belastingsake in orde is; en -
- (c) aangedui het –
 - (i) of hy of sy in diens van die staat is, of gedurende die afgelope twaalf maande in diens van die staat was;
 - (ii) indien die verskaffer nie 'n natuurlike persoon is nie, of enige van sy direkteure, bestuurders, hoof-aandeelhouders of insethouders in diens van die staat is, of gedurende die afgelope twaalf maande in diens van die staat was; of
 - (iii) of 'n eggenoot, kind of ouer van die verskaffer of van 'n direkteur, bestuurder, aandeelhouer of insethouer waarna verwys word in sub-paragraaf (ii) in diens van die staat is, of gedurende die afgelope twaalf maande in diens van die staat was.

14. Lys van geakkrediteerde voornemende verskaffers

- (1) Voorsieningskanaal-bestuur moet –
 - (a) 'n lys aanhou van geakkrediteerde voornemende verskaffers van goedere en dienste wat gebruik moet word vir die verkrygings-vereistes van die deur geskrewe of mondelingse kwotasies en formele geskrewe prys-kwotasies; en -
 - (b) minstens een maal per jaar, deur middel van koerante wat algemeen plaaslik sirkuleer, die webwerf en enige ander toepaslike manier, voornemende verskaffers van goedere of dienste uitnoui om aansoek te doen vir evaluering en lysing as geakkrediteerde voornemende verskaffers;
 - (c) die lysing-kriteria vir geakkrediteerde voornemende verskaffers spesifiseer; en -
 - (d) die lysing van enige voornemende verskaffer wie se naam op die Nasionale Tesourie se databasis verskyn as 'n persoon wat verbied is om handel te dryf met die openbare sektor, te weier.

- (2) The list must be updated at least quarterly to include any additional prospective providers and any new commodities or types or 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.

15. Petty cash purchases

The conditions for the procurement of goods by means of petty cash purchases referred to in paragraph 12 (1) (a) of this Policy, are as follows:

- (a) the Chief Financial Officer must determine the terms on which a manager may delegate responsibility for petty cash to an official reporting to the manager;
- (b) the Chief Financial Officer must determine the maximum number of petty cash purchases or the maximum amounts per month for each manager;
- (c) the Municipality must determine any types of expenditure from petty cash purchases that are excluded, where this is considered necessary; and
- (d) a monthly reconciliation report from each manager must be provided to the Chief Financial Officer, including:
 - (i) the total amount of petty cash purchases for that month; and
 - (ii) receipts and appropriate documents for each purchase.
- (e) the Accounting Officer may determine conditions on the use of the petty cash.

16. Written or verbal quotations

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

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

- (2) Die lys moet minstens kwartaalliks bygewerk word om enige addisionele voornemende verskaffers en enige nuwe kommoditeite of tipes van dienste in te sluit. Voornemende verskaffers moet toegelaat word om aansoeke vir lysing te eniger tyd in te dien.
- (3) Die lys moet opgestel word per kommoditeit en per tipe diens.

15. Kleinkas-aankope

Die voorwaardes vir die verkryging van goedere deur middel van kleinkas-aankope waarna in paragraaf 12 (1) (a) van hierdie beleid verwys word, is as volg:

- (a) die hoof finansiële beampte moet die voorwaardes bepaal waaronder 'n bestuurder die verantwoordelikheid vir die kleinkas aan 'n amptenaar wat aan die bestuurder rapporteer mag delegeer;
- (b) die hoof finansiële beampte moet die maksimum aantal kleinkas-aankope of die maksimum bedrae per maand vir elke bestuurder bepaal;
- (c) enige tipe uitgawe wat, waar dit nodig geag word, van kleinkas-aankope uitgesluit word, moet bepaal word;
- (d) maandelikse rekonsiliasie verslae vanaf elke bestuurder moet aan die hoof finansiële beampte voorsien word, insluitend –
 - (i) die totale bedrag van kleinkas-aankope vir daardie maand; en -
 - (ii) kwitansies en toepaslike dokumente vir elke aankoop; en
- (e) die rekenpligtige beampte moet die voorwaardes vir die gebruik van die kleinkas bepaal.

16. Geskrewe of mondelinge kwotasies

Die vereistes vir die verkryging van goedere of dienste deur geskrewe of mondelinge kwotasies, is as volg:

- (a) kwotasies moet bekom word vanaf ten minste drie verskillende verskaffers verkieslik van, maar nie beperk nie tot, verskaffers wie se name op die lys van geakkrediteerde voornemende verskaffers van die munisipaliteit of munisipale liggaam verskyn, op voorwaarde dat, indien kwotasies bekom word vanaf verskaffers wat nie gelys is nie, sodanige verskaffers aan die lysings-kriteria in die voorsieningskanaal-bestuursbeleid deur paragrawe 14(1)(b) en (c) van hierdie beleid bepaal, moet voldoen;
- (b) sover doenlik, moet verskaffers versoek word om sodanige kwotasies skriftelik in te dien;
- (c) indien dit nie moontlik is om ten minste drie kwotasies te bekom nie, moet die redes daarvoor aangeteken word en kwartaalliks aan die rekenpligtige beampte of ander amptenaar aangewys deur die rekenpligtige beampte gerapporteer word;
- (d) die rekenpligtige beampte moet die name van die moontlike verskaffers wat versoek is om sodanige kwotasies te voorsien aanteken saam met hulle gekwoteerde pryse; en
- (e) indien 'n kwotasie mondelings ingedien was, mag die bestelling slegs geplaas word met skriftelike bevestiging deur die verkose verskaffer.

17. Formal written price quotations

- (1) The conditions for the procurement of goods or services through formal written price quotations are as follows:
 - (a) quotations must be obtained in writing from at least three different providers whose names 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 paragraphs 14 (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) that the accounting officer must record the names of the potential providers and their written quotations.
- (2) A designated official referred to in subparagraph (1)(c) must within three days of the end of each month report to the Chief Financial Officer on any approvals given during that month by that official in terms of that subparagraph.

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

The procedure for the procurement of goods or services through written or verbal quotations or formal written price quotations is as follows:

- (a) when using the list of accredited prospective providers the accounting officer must promote ongoing competition amongst providers by inviting providers to submit quotations on a rotation basis;
- (b) that all requirements in excess of R10 000.00 (VAT included) procured by means of formal written price quotations, must in addition to the requirements of paragraph 17, be advertised for at least seven days with a predetermined closing date and time on the website and an official notice board of the municipality;
- (c) offers received must be evaluated on a comparative basis taking into account unconditional discounts;
- (d) the accounting officer or chief financial officer must on a monthly basis be notified in writing of all written or verbal quotations and formal written price quotations accepted by an official acting in terms of a sub-delegation;
- (e) offers equal to or below R10 000 (VAT included) must be awarded based on compliance to specification and conditions of contract, ability and capability to deliver the goods and services and lowest price;
- (f) acceptable offers, which are subject to the preference points system (PPPFA and associated regulations), must be awarded to the bidder who scored the highest points; and
- (g) proper records must be kept.

17. Formeel geskrewe prys kwotasies

- (1) Die vereistes vir die verkryging van goedere of dienste deur formeel geskrewe prys-kwotasies is as volg:
 - (a) kwotasies moet skriftelik bekom word vanaf ten minste drie verskillende verskaffers wie se name op die lys van geakkrediteerde voornemende verskaffers van die munisipaliteit verskyn;
 - (b) kwotasies mag bekom word vanaf verskaffers wat nie gelys is nie, op voorwaarde dat sodanige verskaffers aan die lystings-kriteria in die voorsieningskanaal-bestuursbeleid deur paragrawe 14(1)(b) en (c) van hierdie beleid bepaal, moet voldoen;
 - (c) indien dit nie moontlik is om ten minste drie kwotasies te bekom nie, moet die redes daarvoor aangeteken en goedgekeur moet word deur die hoof finansiële beampte of 'n amptenaar deur die hoof finansiële beampte aangewys; en
 - (d) dat die rekenpligtige beampte die name van die moontlike verskaffers en hulle geskrewe kwotasies moet aanteken.
- (2) 'n Aangewese amptenaar waarna in sub-paragraaf (1)(c) verwys word moet binne drie dae na die einde van elke maand verslag doen aan die hoof finansiële beampte oor enige goedkeurings gedurende daardie maand deur daardie amptenaar kragtens daardie sub-paragraaf toegestaan.

18. Prosedures vir aanskaf van goedere of dienste deur geskrewe of mondelinge kwotasies en formeel geskrewe prys-kwotasies

Die operasionele prosedure vir die verkryging van goedere of dienste deur geskrewe of mondelinge kwotasies of formeel geskrewe prys-kwotasies, is as volg:

- (a) wanneer die lys van geakkrediteerde voornemende verskaffers gebruik word, moet die rekenpligtige beampte deurlopende mededinging onder die verskaffers aanmoedig, deur verskaffers te nooi om kwotasies op 'n rotasie-basis in te dien;
- (b) dat alle behoeftes wat R 10 000 (BTW ingesluit) oorskry, wat verkry gaan word deur middel van formeel geskrewe prys-kwotasies, bo en behalwe die vereistes van paragraaf 17, geadverteer word vir ten minste sewe dae op die webwerf en 'n amptelike kennisgewingbord van die munisipaliteit;
- (c) botte ontvang moet op 'n vergelykende basis evalueer word, met inagneming van onvoorwaardelike kortings;
- (d) die rekenpligtige beampte of hoof finansiële beampte op 'n maandelikse basis skriftelik kennis gegee moet word van alle geskrewe of mondelinge kwotasies en formeel geskrewe prys-kwotasies wat deur 'n amptenaar aanvaar is kragtens 'n sub-delegasie;
- (e) botte benede of gelyk aan R 10 000 (BTW ingesluit) moet toegeken word op 'n basis van voldoening aan spesifikasies en kontrakvoorwaardes, vermoë en bevoegdheid om die goedere en dienste te lewer en laagste prys;
- (f) aanvaarbare botte, wat onderworpe is aan die "preference points system" (PPPFA en verwante regulasies), moet toegeken word aan die tenderaar wat die hoogste punt behaal het; en
- (g) behoorlike rekords moet gehou word.

19. Competitive bids

- (1) Goods or services above a transaction value of R200 000.00 (VAT included) and long term contracts may only be procured through a competitive bidding process, subject to paragraph 11 (2) of this Policy.
- (2) No requirement for goods or services above an estimated transaction value of R200 000.00 (VAT included), may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods and services otherwise than through a competitive bidding process.

20. Process for competitive bidding

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

- (a) Compilation of bidding documentation as detailed in paragraph 21;
- (b) Public invitation of bids as detailed in paragraph 22;
- (c) Site meetings or briefing sessions as mentioned in paragraph 22;
- (d) Handling of bids submitted in response to public invitation as detailed in par. 23;
- (e) Evaluation of bids as detailed in paragraph 28;
- (f) Award of contracts as detailed in paragraph 29;
- (g) Administration of contracts;
 - (i) 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.

21. Bid documentation for competitive bids

- (1) The criteria to which bid documentation for a competitive bidding process must comply, must:
 - (a) take into account -
 - (i) the general conditions of contract and any special conditions of contract, if specified;
 - (ii) any Treasury guidelines on bid documentation; and
 - (iii) the requirements of the Construction Industry Development Board, in the case of a bid relating to construction, upgrading or refurbishment of buildings or infrastructure;
 - (b) include the preference points system to be used , goals as contemplated in the Preferential Procurement Regulations and evaluation and adjudication criteria, including any criteria required by other applicable legislation;
 - (c) compel bidders to declare any conflict of interest they may have in the transaction for which the bid is submitted;

19. Mededingende tenders

- (1) Goedere of dienste bo 'n transaksiewaarde van R200 000 (BTW ingesluit) en langtermyn kontrakte mag alleen verkry word deur middel van 'n mededingende tender-proses, onderworpe aan paragraaf 11(2) van hierdie beleid; en -
- (2) Geen behoefte aan goedere of dienste bo 'n geskatte transaksie-waarde van R200 000 (BTW ingesluit), mag opsetlik opgedeel word in dele of items met 'n kleiner waarde bloot om die goedere of dienste te verkry anders as deur middel van 'n mededingende tender-proses nie.

20. Mededingende tender proses

Die prosedures vir die volgende stappe van 'n mededingende tender-proses is as volg:

- (a) die opstel van tender-dokumentasie, soos uiteengesit in paragraaf 21;
- (b) die openbare uitnodiging van tenders, soos genoem in paragraaf 22;
- (c) vergaderings ter plaatse of voorligtingsessies, soos genoem in paragraaf 22;
- (d) die hantering van tenders ingedien ingevolge openbare uitnodiging, soos uiteengesit in paragraaf 23;
- (e) die evaluering van tenders, soos uiteengesit in paragraaf 28;
- (f) die toekenning van kontrakte, soos uiteengesit in paragraaf 29;
- (g) die administrasie van kontrakte; en -
- (h) behoorlike rekordhouding.

21. Tender-dokumentasie vir mededingende tenders

- (1) Die kriteria waaraan tender-dokumentasie vir 'n mededingende tender-proses moet voldoen, moet;
 - (a) in ag neem –
 - (i) die algemene- en enige spesifieke kontrakvoorwaardes;
 - (ii) enige Tesourie-riglyne oor tender-dokumentasie; en
 - (iii) die vereistes van die Konstruksienywerheid-Ontwikkelingsraad, in geval van 'n tender in verband met konstruksie, opgradering of opknop van geboue of infrastruktuur;
 - (b) die “preference points system” wat gebruik gaan word insluit, doelwitte soos voorgeneem in die Preferential Procurement Regulations en evaluering- en beoordelingskriteria bevat, insluitend enige kriteria deur ander toepaslike wetgewing vereis;
 - (c) tenderaars dwing om enige belange-botsings wat hulle mag hê in die transaksie waarvoor die tender ingedien word te verklaar;

- (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
 - (aa) for the past three years; or
 - (bb) since their establishment, if established during the past three years;
 - (ii) a certificate signed by the bidder certifying that the bidder has no undisputed commitments for municipal services towards a municipality or other service provider in respect of which payment is overdue for more than 30 days;
 - (iii) particulars of any contracts awarded to the bidder by an organ of state during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract;
 - (iv) a statement indicating whether any portion of the goods or services are expected to be sourced from outside the Republic, and, if so, what portion and whether any portion of payment from the municipality 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.

22. Public invitation for competitive bids

- (1) The procedure for the invitation of competitive bids is as follows:
 - (a) Any invitation to prospective providers to submit bids must be by means of a public advertisement in newspapers commonly circulating locally, Prince Albert Municipality's website or any other appropriate ways (which may include an advertisement in the Government Tender Bulletin); and
 - (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 where it is impractical or impossible to follow the official process.
- (3) Bids submitted must be sealed.
- (4) Where bids are requested in electronic format, such bids must be supplemented by sealed hard copies.

- (d) indien dit verwag word dat die waarde van die transaksie R10 miljoen (BTW ingesluit) sal oorskry, voorskryf dat die tenderaars sal voorsien –
 - (i) indien die tenderaar deur die wet verplig is om jaarlikse finansiële state vir ouditering voor te berei, hul geouditeerde jaarlikse finansiële state –
 - (aa) vir die afgelope drie jaar; of
 - (bb) vanaf hul stigting, indien gedurende die afgelope drie jaar gestig;
 - (ii) 'n sertifikaat, onderteken deur die tenderaar, wat sertifiseer dat die tenderaar geen onbestrede verpligtinge het vir munisipale dienste teenoor 'n munisipaliteit of ander diensverskaffer in verband waarmee betaling agterstallig is vir meer as 30 dae nie;
 - (iii) besonderhede van enige kontrakte aan die tenderaar toegeken deur 'n staatsorgaan gedurende die afgelope vyf jaar, insluitend besonderhede van enige wesenlike nie-nakoming of dispuut rakende die uitvoering van sodanige kontrak;
 - (iv) 'n verklaring wat aandui of daar verwag word of enige deel van die goedere of dienste van buite die Republiek verkry gaan word, en, indien so, watter deel en of daar verwag word dat enige deel van die betaling vanaf die munisipaliteit na buite die Republiek oorgeplaas sal word; en
- (e) stipuleer dat dispute deur middel van onderlinge beraadslaging, bemiddeling (met of sonder regsverteenwoordiging), of, wanneer onsuksesvol, in 'n Suid-Afrikaanse geregshof geskik moet word.

22. Openbare uitnodiging vir mededingende tenders

- (1) Die prosedure vir die vra van mededingende tenders is as volg:
 - (a) Enige uitnodiging aan voornemende verskaffers om tenders in te dien moet plaasvind deur middel van 'n openbare advertensie in koerante wat algemeen plaaslik sirkuleer, die webwerf van die munisipaliteit of munisipale entiteit of enige ander toepaslike maniere (wat 'n advertensie in die Staats-tenderbulletin mag insluit); en -
 - (b) die inligting in 'n openbare advertensie vervat, moet insluit –
 - (i) die sluitingsdatum vir die indien van tenders, wat nie minder as 30 dae mag wees nie in die geval van transaksies bo R10 miljoen (BTW ingesluit), of wat langtermyn van aard is, of 14 dae in enige ander geval, vanaf die datum waarop die advertensie in 'n koerant geplaas word, onderhewig aan sub-paragraaf (2) van hierdie beleid;
 - (ii) 'n verklaring dat tenders slegs ingedien mag word op die tenderdokumentasie deur die munisipaliteit voorsien; en
 - (iii) datum, tyd en plek van enige voorgestelde terrain-vergadering of inligtingssessie.
- (2) Die rekenpligtige beampte mag 'n sluitingsdatum vir die indien van tenders bepaal wat minder is as die vereiste 30 of 14 dae, maar alleenlik indien sodanige korter tydperk geregverdig kan word op grond van dringendheid of nood of enige uitsonderlike geval waar dit onprakties of onmoontlik is om die amptelike verkrygings-proses te volg.
- (3) Ingediende tenders moet verseël wees.
- (4) Waar tenders in elektroniese formaat versoek is, moet sodanige tenders aangevul word deur verseëelde harde kopieë.

23. Procedure for handling, opening and recording of bids

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

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

24. Negotiations with preferred bidders

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

25. Two-stage bidding process

- (1) A two-stage bidding process is allowed for –
 - (a) large complex projects;
 - (b) projects where it may be undesirable to prepare complete detailed technical specifications; or
 - (c) long term projects with a duration period exceeding three years.
- (2) In the first stage technical proposals on conceptual design or performance specifications should be invited, subject to technical as well as commercial clarifications and adjustments.
- (3) In the second stage final technical proposals and priced bids should be invited.

23. Prosedure vir hantering, opening en aantekening van tenders

Die prosedures vir die hantering, opening en aantekening van tenders is as volg:

- (a) Tenders–
 - (i) mag slegs in die openbaar geopen word;
 - (ii) moet op dieselfde tydstip geopen word en so gou doenlik na verstryking van die tydperk vir die indien van tenders; en
 - (iii) ontvang na die sluitingstyd behoort nie oorweeg te word nie en dadelik ongeopen teruggestuur word.
- (b) Enige tenderaar of lid van die publiek het die reg om te versoek dat die name van die tenderaars wat tenders betyds ingedien het uitgelees word en, indien prakties, ook elke tenderaar se totale tender-prys;
- (c) Geen inligting met betrekking tot die tender, behalwe die voorsienings in sub-paragraaf (b), mag aan tenderaars of ander persone bekendgemaak word alvorens die suksesvolle tenderaar van die toekenning in kennis gestel is nie; en
- (d) Die rekenpligtige beampte moet –
 - (i) alle tenders wat betyds ontvang is in 'n register aanteken;
 - (ii) die register beskikbaar stel vir openbare besigtiging; en -
 - (iii) die aantekeninge in die register en die tender-uitslae op die webwerf publiseer.

24. Onderhandelings met voorkeurtenderaars

- (1) Die rekenpligtige beampte mag die finale bepalings van 'n kontrak onderhandel met tenderaars wat geïdentifiseer is as voorkeurtenderaars deur middel van 'n mededingende tender-proses, op voorwaarde dat sodanige onderhandeling:
 - (a) nie enige voorkeurtenderaar 'n tweede of onbillike geleentheid toelaat nie;
 - (b) nie tot nadeel van enige ander tenderaar is nie; en
 - (c) nie sal lei na 'n hoër prys as die tender soos ingedien nie.
- (2) Notules van sodanige onderhandelinge moet vir rekord-doeleindes gehou word.

25. Twee-fase tender-proses

- (1) 'n Twee-fase tender-proses word toegelaat vir –
 - (a) groot ingewikkelde projekte;
 - (b) projekte waar dit ongewens mag wees om volledig gedetailleerde tegniese spesifikasies voor te berei; of
 - (c) langtermyn projekte met 'n tydsduur van meer as drie jaar.
- (2) In die eerste fase behoort tegniese voorstelle op konsepsionele ontwerp- of prestasie-spesifikasies gevra te word, onderhewig aan tegniese so wel as kommersiële verduidelikings en aanpassings.
- (3) In die tweede fase behoort finale tegniese voorstelle en tenders met vasgestelde pryse gevra te word.

26. Committee system for competitive bids

- (1) The Committee system for competitive bids consists 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 only when this is appropriate for ensuring fairness and promoting transparency.
- (4) The committee system must be consistent with –
 - (a) Paragraph 27, 28 and 29 of this Policy; and
 - (b) any other applicable legislation.
- (5) The accounting officer may apply the committee system to formal written price quotations.

27. Bid Specification Committees

- (1) A bid specification committee must compile the specifications (for competitive bidding or any other procurement of a technical nature) for goods or services by the municipality.
- (2) Specifications –
 - (a) must be drafted in an unbiased manner to allow all potential suppliers to offer their goods or services;
 - (b) must take account of any accepted standards such as those issued by Standards South Africa, the International Standards Organization, or an authority accredited or recognized by the South African National Accreditation System with which the equipment or material or workmanship should comply;
 - (c) must, where possible, be described in terms of performance required rather than in terms of descriptive characteristics for design;
 - (d) may not create trade barriers in contract requirements in the forms of specifications, plans, drawings, designs, testing and test methods, packaging, marking or labeling of conformity certification;
 - (e) may not make reference to any particular trade mark, name, patent, design, type, specific origin or producer unless there is no other sufficiently precise or intelligible way of describing the characteristics of the work, in which case such reference must be accompanied by the word “equivalent”;
 - (f) must indicate each specific goal for which points may be awarded in terms of the points system set out in the Preferential Procurement Regulations 2001; and
 - (g) must be approved by the accounting officer prior to publication of the invitation for bids in terms of Public invitation for competitive bids.

26. Komiteestelsel vir mededingende tenders

- (1) Die komiteestelsel vir mededingende tenders bestaan uit die volgende komitees vir elke verkryging of groep-verkryging, soos die rekenpligtige beampte mag bepaal;
 - (a) 'n tenderspesifikasiekomitee;
 - (b) 'n tenderevaluasiekomitee; en -
 - (c) 'n tender-beoordelingskomitee;
- (2) Die rekenpligtige beampte stel die lede van elke komitee aan, met inagneming van artikel 117 van die Wet; en
- (3) 'n Onpartydige of onafhanklike waarnemer, aangestel deur die rekenpligtige beampte, moet 'n komiteevergadering slegs bywoon wanneer dit gepas is om billikheid te verseker en deursigtigheid te bevorder.
- (4) Die komiteestelsel moet nie strydig wees met –
 - (a) paragrawe 27, 28 en 29 van hierdie beleid nie; en
 - (b) enige ander toepaslike wetgewing nie.
- (5) Die rekenpligtige beampte mag die komiteestelsel toepas by formeel geskrewe prys-kwotasies.

27. Tenderspesifikasiekomitee

- (1) Die tenderspesifikasiekomitee moet die spesifikasies vir elke verkryging van goedere of dienste deur die munisipaliteit opstel.
- (2) Spesifikasies –
 - (a) moet opgestel word op 'n onbevooroordeelde manier om alle moontlike verskaffers toe te laat om hul goedere of dienste aan te bied;
 - (b) moet enige aanvaarde standaard in ag neem soos dié uitgereik deur Standaard Suid-Afrika, die Internasionale Standaardorganisasie, of 'n gesag deur die Suid-Afrikaanse Nasionale Akkrediterings-stelsel geakkrediteer of erken waaraan die toerusting of materiaal of vakmanskap behoort te voldoen;
 - (c) moet, waar moontlik, beskryf word in terme van vereiste prestasie eerder as van beskrywende ontwerp-eienskappe;
 - (d) mag nie handels-versperrings in kontrak-vereistes in die vorms van spesifikasies, planne, tekeninge, ontwerpe, toetsing en toets metodes, verpakking, bemarking of etikettering van insiklikheid-sertifikasie instel nie;
 - (e) mag nie verwys na enige spesifieke handelsmerk, naam, patent, ontwerp, tipe, spesifieke oorsprong of produsent tensy daar geen ander voldoende noukeurige of verstaanbare manier is om die eienskappe van die werk te beskryf nie, in welke geval sodanige verwysing deur die woorde “soortgelyk” gepaard moet gaan;
 - (f) moet elke spesifieke doelwit uitwys waarvoor punte kragtens die punte-stelsel soos uiteengesit in die Voorkeur-Verkrygingsregulasies, 2001, toegeken mag word; en
 - (g) moet deur die rekenpligtige beampte goedgekeur word, voor die bekendmaking van die uitnodiging vir tenders, in terme van openbare uitnodiging vir mededingende tenders.

- (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.

28. Bid Evaluation Committees

- (1) A bid evaluation committee must –
 - (a) evaluate bids in accordance with –
 - (i) the specifications for a specific procurement; and
 - (ii) the points system ;
 - (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 awarding 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.

29. Bid Adjudication Committees

- (1) A bid adjudication committee must consider the report and recommendations of the bid evaluation committee and either –
 - (a) make a final award; or
 - (b) make another recommendation to the accounting officer how to proceed with the relevant procurement.
- (2) A bid adjudication committee must consist of at least three senior managers of the municipality, which must include –
 - (a) the chief financial officer or, if he/she is not available, another manager in the budget and treasury office, reporting directly to the chief financial officer and designated by him/her; 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.

- (3) Die tenderspesifikasiekomitee moet bestaan uit een of meer amptenare van die munisipaliteit, verkieslik die bestuurder verantwoordelik vir die betrokke funksie, en mag, wanneer paslik, eksterne spesialis-raadgewers insluit.
- (4) Geen persoon, raadgewer of korporatiewe liggaam met die tenderspesifikasiekomitee gemoeid, of direkteur van so 'n korporatiewe liggaam, mag vir enige gevolglike kontrakte tender nie.

28. Tender-evaluasie-komitee

- (1) Die tender-evaluasie-komitee moet –
 - (a) tenders evalueer in ooreenstemming met –
 - (i) die spesifikasies vir 'n spesifieke verkryging; en -
 - (ii) die puntestelsel uiteengesit kragtens paragraaf 27(2)(f)
 - (b) elke tenderaar se vermoë om die kontrak uit te voer evalueer;
 - (c) ten opsigte van die aanbevole tenderaar, nagaan of munisipale belasting en munisipale diensteheffings nie agterstallig is nie, en;
 - (d) 'n verslag en aanbevelings aangaande die toekenning van die tender of enige ander verwante aangeleentheid aan die beoordelingskomitee indien.
- (2) Die tenderevaluasiekomitee moet sover moontlik bestaan uit –
 - (a) amptenare uit departemente wat die goedere of dienste benodig; en -
 - (b) ten minste een voorsieningskanaal-bestuurspraktisyn van die munisipaliteit.

29. Tender-beoordelingskomitee

- (1) Die tender-beoordelingskomitee moet oorweging skenk aan die verslag en aanbevelings van die tender-evaluasie-komitee; en óf –
 - (a) afhangende van sy delegasies, 'n finale toekenning maak of 'n aanbeveling maak aan die rekenpligtige beampte om die finale toekenning te maak; of -
 - (b) 'n ander aanbeveling maak aan die rekenpligtige beampte hoe om met die verwante verkryging voort te gaan.
- (2) Die tender-beoordelingskomitee moet bestaan uit ten minste drie senior bestuurders van die munisipaliteit of munisipale liggaam, wat moet insluit –
 - (a) die hoof finansiële beampte of, indien die hoof finansiële beampte nie beskikbaar is nie, 'n ander bestuurder in die begroting- en tesourie-kantoor wat direk aan die hoof finansiële beampte rapporteer en deur die hoof finansiële beampte aangewys is; en
 - (b) ten minste een senior voorsieningskanaal-bestuurspraktisyn wat 'n amptenaar van die munisipaliteit is; en
 - (c) 'n tegniese deskundige in die betrokke gebied wat 'n amptenaar is, indien so 'n deskundige bestaan.
- (3) Die rekenpligtige beampte moet die voorsitter van die komitee aanstel. Indien die voorsitter afwesig is van 'n vergadering, moet die komiteedele wat aanwesig is een van hulle verkies om op die vergadering voor te sit.
- (4) Nóg 'n lid van 'n tenderevaluasiekomitee, nóg 'n raadgewer of persoon wat die evaluasiekomitee assisteer, mag 'n lid wees van 'n tender-beoordelingskomitee.

- (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 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 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 the committee for reconsideration of the recommendation.
- (7) The accounting officer must shall, in terms of section 114 of the Act, notify the Auditor-General, the Provincial Treasury and National Treasury within 10 working days where a bid, other than the one recommended in the normal course of implementing this Policy, has been approved.

30. Procurement of banking services

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

31. Procurement of IT related goods or services

- (1) The accounting officer may request the State Information Technology Agency (SITA) to assist with the acquisition of IT related goods or services through a competitive bidding process.
- (2) Both parties must enter into a written agreement to regulate the services rendered by, and the payments to be made to, SITA.
- (3) The accounting officer must notify SITA together with a motivation of the IT needs if –

- (5) (a) Indien die tender-beoordelingskomitee besluit om 'n tender toe te ken anders as die een wat deur die evaluasiekomitee aanbeveel is, moet die tender-beoordelingskomitee, voordat die tender toegeken word –
 - (i) nagaan, ten opsigte van die voorkeurtenderaar, of daardie tenderaar se munisipale belasting en munisipale diensteheffings nie agterstallig is nie, en;
 - (ii) die rekenpligtige beampte in kennis stel.
- (b) Die rekenpligtige beampte mag –
 - (i) na behoorlike oorweging van die redes vir die afwyking, die besluit van die tender-beoordelingskomitee waarna verwys word in paragraaf (a) bekragtig of afkeur; en -
 - (ii) indien die besluit van die tender-beoordelingskomitee afgekeur word, die besluit van die beoordelingskomitee na daardie komitee terugverwys vir her-oorweging.
- (6) Die rekenpligtige beampte mag te enige stadium van 'n tenderproses, enige aanbeveling gemaak deur die evaluasiekomitee of die beoordelingskomitee na daardie komitee terugverwys vir heroorweging van die aanbeveling.
- (7) Waar 'n ander tender aanvaar word as die tender wat deur die normale loop van die implementering van hierdie Beleid aanbeveel word, moet die rekenpligtige beampte die Ouditeur-Generaal, Provinsiale Tesourie en Nasionale Tesourie, in terme van artikel 114 van die Wet, binne 10 werksdae daarvan verwittig. .

30. Verkryging van bankdienste

- (1) Bankdienste –
 - (a) moet verkry word deur middel van mededingende tenders;
 - (b) moet ooreenstem met artikel 7 of 85 van die Wet; en -
 - (c) mag nie vir 'n tydperk van meer as vyf jaar op 'n keer wees nie.
- (2) Die proses om 'n kontrak vir bankdienste te verkry moet minstens nege maande voor die verstryking van 'n bestaande kontrak begin.
- (3) Die sluitingsdatum vir die indien van tenders mag nie minder wees nie as 60 dae vanaf die datum waarop die advertensie in 'n koerant geplaas is kragtens paragraaf 22(1). Tenders moet beperk word tot banke wat geregistreer is kragtens die Wet op Banke, 1990 (Wet Nr. 94 van 1990).

31. Verkryging van IT-verwante goedere of dienste

- (1) Die rekenpligtige beampte mag die Staats Inligting Tegnologie Agentskap (SITA) versoek om te help met die verkryging van IT-verwante goedere of dienste deur middel van 'n mededingende tenderproses.
- (2) Albei partye moet 'n geskrewe ooreenkoms aangaan om die dienste wat gelewer word deur, en die betalings wat gemaak moet word aan, SITA te reguleer.
- (3) Die rekenpligtige beampte moet SITA in kennis stel, saam met 'n motivering, van die IT-behoefte indien –

- (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) If SITA comments on the submission and Prince Albert 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.

33. Procurement of goods necessitating special safety arrangements

- (1) The acquisition and storage of goods in bulk (other than water), which necessitate special safety arrangements, including gasses and fuel, should be avoided where ever possible.
- (2) Where the storage of goods in bulk is justified, such justification must be based on sound reasons, including the total cost of ownership, cost advantages and environmental impact and must be approved by the accounting officer.

34. Proudly SA Campaign

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

- Firstly - suppliers and businesses within the municipality;
- Secondly - suppliers and businesses within the province; and
- Thirdly - suppliers and businesses within the Republic.

- (a) die transaksiewaarde van IT-verwante goedere of dienste in enige finansiële jaar benodig R50 miljoen (BTW ingesluit) sal oorskry; of
 - (b) die transaksiewaarde van 'n kontrak verkry te word, hetsy vir een of meer jare, R50 miljoen (BTW ingesluit) sal oorskry.
- (4) Indien SITA kommentaar lewer oor die voorlegging en die munisipaliteit met sodanige kommentaar verskil, moet die kommentaar en die redes waarom sodanige kommentaar verwerp of nie gevolg word nie ingedien word by die raad, die Nasionale Tesourie, die toepaslike Provinsiale Tesourie en die Ouditeur-Generaal.

32. Verkryging van goedere en dienste onder kontrakte aangegaan deur ander staatsorgane

- (1) Die rekenpligtige beampte mag goedere of dienste verkry onder 'n kontrak wat aangegaan is deur 'n ander staatsorgaan, maar slegs indien –
- (a) die kontrak aangegaan is deur daardie ander staatsorgaan deur middel van 'n mededingende tenderproses van toepassing op daardie staatsorgaan;
 - (b) daar geen rede bestaan om te glo dat sodanige kontrak nie geldiglik verkry was nie;
 - (c) daar bewysbare kortings of voordele bestaan om so te doen; en
 - (d) dat ander staatsorgane en die verskaffer skriftelik tot sodanige verkryging ingewillig het.

33. Verkryging van goedere wat besondere veiligheids-maatreëls vereis

- (1) Die verkryging en berging van goedere in grootmaat (anders as water) wat besondere veiligheids-maatreëls vereis, insluitend gasse en brandstof, behoort waar ook moontlik vermy te word.
- (2) Waar die berging van goedere in grootmaat geregverdig is, moet sodanige regverdiging gebaseer word op gesonde redes, insluitend die totale koste van eienaarskap, koste voordele en omgewings-impak, en moet goedgekeur word deur die rekenpligtige beampte.

34. Trots Suid Afrikaanse veldtog

Prince Albert Munisipaliteit ondersteun die Trots SA-veldtog tot so 'n mate dat, in gelyke omstandighede, voorkeur gegee word om plaaslike goedere en dienste te verkry vanaf:

- Eerstens – verskaffers en besighede binne die munisipaliteit of distrik;
- Tweedens – verskaffers en besighede binne die toepaslike provinsie; en
- Derdens – verskaffers en besighede binne die Republiek van Suid-Afrika.

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 will be procured through competitive bids if -
 - (a) the value of the contract exceeds R200 000 (VAT included); or
 - (b) the duration period of the contract exceeds one year.
- (3) In addition to any requirements prescribed by this policy for competitive bids, bidders must furnish particulars of –
 - (a) all consultancy services provided to an organ of state in the last five years; and
 - (b) any similar consultancy services provided to an organ of state in the last five years.
- (4) The accounting officer must ensure that copyright in any document produced, and the patent rights or ownership in any plant, machinery, thing, system or process designed or devised, by a consultant in the course of the consultancy service is vested in the Prince Albert Municipality.

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

- (1) The accounting officer may –
 - (a) dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –
 - (i) in an emergency;
 - (ii) if such goods or services are produced or available from a single provider only;
 - (iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile; or
 - (iv) in any other exceptional case where it is impractical or impossible to follow the official procurement processes; and
 - (b) ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.
- (2) The accounting officer must record the reasons for any deviations in terms of subparagraphs (1) (a) and (b) of this policy and report them to the next meeting of the 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.

35. Aanstel van konsultante

- (1) Die rekenpligtige beampte mag raadgewende dienste verkry, op voorwaarde dat enige Tesourie-riglyne in verband met raadgewende dienste in ag geneem word wanneer sodanige verkrygings aangegaan word.
- (2) Raadgewende dienste moet verkry word deur middel van mededingende tenders indien–
 - (a) die waarde van die kontrak R200 000 (BTW ingesluit) oorskry; of
 - (b) die tydsduur van die kontrak een jaar oorskry.
- (3) Bo en behalwe enige vereistes deur hierdie beleid vir mededingende tenders voorgeskryf, moet tenderaars besonderhede verskaf van –
 - (a) alle konsuleringsdienste aan 'n staatsorgaan voorsien gedurende die afgelope vyf jaar; en
 - (b) enige soortgelyke konsuleringsdienste aan 'n staatsorgaan voorsien gedurende die afgelope vyf jaar.
- (4) Die rekenpligtige beampte moet verseker dat kopiereg in enige dokument opgelewer, en die patentregte of eienaarskap in enige aanleg, masjinerie, ding, stelsel of proses ontwerp of bedink, deur 'n konsultant in die loop van die konsuleringsdiens, by die munisipaliteit gevestig is.

36. Afwyking van, en bekragtiging van kleiner skendings van verkrygings-prosesse

- (1) Die rekenpligtige beampte mag –
 - (a) afsien van die amptelike verkrygingsprosesse deur hierdie beleid geskep en enige vereiste goedere of dienste deur enige geskikte proses, wat direkte onderhandelings mag insluit, verkry, maar slegs –
 - (i) in 'n nood-toestand;
 - (ii) Indien sodanige goedere of dienste slegs deur 'n enkele verskaffer vervaardig of verkrygbaar is;
 - (iii) vir die verkryging van besondere kunswerke of geskiedkundige voorwerpe waar spesifikasies moeilik is om op te stel; of
 - (iv) in enige ander uitsonderlike geval waar dit onprakties of onmoontlik is om die amptelike verkrygingsprosesse te volg; en
 - (b) enige kleiner skendings van die verkrygingsprosesse deur 'n amptenaar of komitee wat optree kragtens gedelegeerde magte of pligte, wat geheel en al van 'n tegniese aard is, bekragtig.
- (2) Die rekenpligtige beampte moet die redes vir enige afwykings ingevolge sub-paragrafe (1)(a) en (b) van hierdie beleid aanteken en hulle by die eersvolgende raadsvergadering rapporteer en insluit as 'n nota tot die jaarlikse finansiële state.
- (3) Sub-paragraaf (2) is nie van toepassing op die verkryging van goedere en dienste in paragraaf 11(2) van hierdie beleid beoog nie.

37. Unsolicited bids

- (1) In accordance with section 113 of the Municipal Finance Management, 2003 (Act 56 of 2003), there is no obligation to consider unsolicited bids received outside a normal bidding process.
- (2) The accounting officer may decide in terms of section 113(2) of the Act to consider an unsolicited bid, only if –
 - (a) the product or service offered in terms of the bid is a demonstrably or proven unique innovative concept;
 - (b) the product or service will be exceptionally beneficial to, or have exceptional cost advantages;
 - (c) the person who made the bid is the sole provider of the product or service; and
 - (d) the reasons for not going through the normal bidding processes are found to be sound by the accounting officer.
- (3) If the accounting officer decides to consider an unsolicited bid that complies with subparagraph (2) of this policy, the decision must be made public in accordance with section 21A of the Municipal Systems Act, 2000 (Act 32 of 2000), together with –
 - (a) reasons as to why the bid should not be open to other competitors;
 - (b) an explanation of the potential benefits if the unsolicited bid were accepted; and
 - (c) an invitation to the public or other potential suppliers to submit their comments within 30 days of the notice.
- (4) The accounting officer must submit all written comments received pursuant to subparagraph (3), including any responses from the unsolicited bidder, to the National Treasury and the relevant provincial treasury for comment.
- (5) The adjudication committee must consider the unsolicited bid and may award the bid or make a recommendation to the accounting officer, depending on its delegations.
- (6) A meeting of the adjudication committee to consider an unsolicited bid must be open to the public.
- (7) When considering the matter, the adjudication committee must take into account –
 - (a) any comments submitted by the public; and
 - (b) any written comments and recommendations of the National Treasury or the relevant Provincial Treasury.
- (8) If any recommendations of the National Treasury or provincial treasury are rejected or not followed, the accounting officer must submit to the Auditor General, the relevant provincial treasury and the National Treasury the reasons for rejecting or not following those recommendations.
- (9) Such submission must be made within seven days after the decision on the award of the unsolicited bid is taken, but no contract committing Prince Albert Municipality to the bid may be entered into or signed within 30 days of the submission.

37. Ongevraagde tenders

- (1) In ooreenstemming met artikel 113 van die Wet is daar geen verpligting om ongevraagde tenders wat ontvang is buite 'n normale tenderproses te oorweeg nie.
- (2) Die rekenpligtige beampte mag besluit, kragtens artikel 113(2) van die Wet, om 'n ongevraagde tender te oorweeg, slegs indien –
 - (a) die produk of diens ingevolge die tender aangebied 'n bewysbare of beproefde unieke nuwe konsep is;
 - (b) die produk of diens uitsonderlik voordelig sal wees, of uitsonderlike kostevoordele het;
 - (c) die persoon wat die tender gemaak het die enigste verskaffer van die produk of diens is; en
 - (d) die redes om nie deur die normale tenderprosesse te gaan nie as grondig beskou word deur die rekenpligtige beampte.
- (3) Indien die rekenpligtige beampte besluit om 'n ongevraagde tender te oorweeg wat met sub-paragraaf (2) van hierdie beleid ooreenstem, moet die besluit openbaar gemaak word ingevolge artikel 21A van die Wet op Munisipale Stelsels, tesame met –
 - (a) redes waarom die tender nie oop behoort te wees aan ander mededingers nie;
 - (b) 'n uiteensetting van die moontlike voordele indien die ongevraagde tender aangeneem sou word; en -
 - (c) 'n uitnodiging aan die publiek of ander moontlike verskaffers om hul kommentaar binne 30 dae vanaf die kennisgewing in te dien.
- (4) Alle geskrewe kommentaar ontvang ingevolge sub-paragraaf (3), insluitend enige reaksie vanaf die ongevraagde tenderaar, moet ingedien word by die Nasionale Tesourie en die toepaslike Provinsiale Tesourie vir kommentaar.
- (5) Die beoordelingskomitee moet die ongevraagde tender oorweeg en mag die tender toeken of 'n aanbeveling maak aan die rekenpligtige beampte, afhangende sy delegasies.
- (6) 'n Vergadering van die beoordelingskomitee om 'n ongevraagde tender te oorweeg moet oop wees vir die publiek.
- (7) Wanneer die aangeleentheid oorweeg word, moet die beoordelingskomitee in ag neem
 - (a) enige kommentaar deur die publiek ingedien; en -
 - (b) enige geskrewe kommentaar en aanbevelings van die Nasionale Tesourie of die toepaslike Provinsiale Tesourie.
- (8) Indien enige aanbevelings van die Nasionale Tesourie of Provinsiale Tesourie verwerp of nie gevolg word nie, moet die rekenpligtige beampte aan die Ouditeur-Generaal, die toepaslike Provinsiale Tesourie en die Nasionale Tesourie, die redes indien waarom daardie aanbevelings verwerp of nie gevolg is nie.
- (9) Sodanige indiening moet gedoen word binne sewe dae na die besluit oor die toekenning van die ongevraagde tender geneem is, maar geen kontrak wat die munisipaliteit aan die tender verbind mag aangegaan word nie binne 30 dae van die indiening nie.

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, favouritism, unfair or irregular practices or failure to comply with this Policy, and when justified –
 - (i) take appropriate steps against such official or other role player; or
 - (ii) report any alleged criminal conduct to the South African Police Service;
 - (c) check the National Treasury’s database prior to awarding any contract to ensure that no recommended bidder, or any of its directors, is listed as a person prohibited from doing business with the public sector;
 - (d) reject any bid from a bidder–
 - (i) if any municipal rates and taxes or municipal service charges owed by that bidder or any of its directors to Prince Albert 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 to a person if –
 - (i) the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract; or
 - (ii) an official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of the contract that benefited that person; and
 - (g) reject the bid of any bidder if that bidder or any of its directors –
 - (i) has abused the supply chain management system of the 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 Bid Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act, 2004 (Act 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.

38. Bekamping van misbruik van die voorsieningskanaal-bestuurstelsel

(1) Die rekenpligtige beampte moet–

- (a) alle redelike stappe neem om misbruik van die voorsieningskanaal-bestuurstelsel te voorkom;
- (b) enige aantygings teen 'n amptenaar of ander rolspeler van bedrog, korrupsie, partydigheid, onbillike of onreëlmatige praktyke of versuim om hierdie voorsieningskanaal-bestuursbeleid na te kom, te ondersoek, en wanneer geregverdig –
 - (i) toepaslike stappe te neem teen sodanige amptenaar of ander rolspeler; of
 - (ii) enige beweerde kriminele gedrag aan die Suid-Afrikaanse Polisie diens rapporteer;
- (c) die Nasionale Tesourie se databasis nagaan voor die toekenning van enige kontrak om te verseker dat geen aanbevole tenderaar, of enige van sy direkteure, 'n gelyste persoon is wat verbied is om handel te dryf met die openbare sektor nie;
- (d) enige tender vanaf 'n tenderaar verwerp –
 - (i) indien enige munisipale belasting of munisipale diensfooie deur daardie tenderaar of enige van sy direkteure aan die munisipaliteit, of aan enige ander munisipaliteit of munisipale liggaam, agterstallig is vir meer as drie maande; of
 - (ii) wie gedurende die afgelope vyf jaar versuim het om bevredigend op te tree op 'n vorige kontrak met die munisipaliteit of enige ander staatsorgaan nadat geskrewe kennisgewing aan daardie tenderaar gegee is dat prestasie onbevredigend was;
- (e) 'n aanbeveling vir die toekenning van 'n kontrak verwerp indien die aanbevole tenderaar, of enige van sy direkteure, 'n korrupte of bedrieglike daad gepleeg het by mededinging om die spesifieke kontrak;
- (f) 'n kontrak wat aan 'n persoon toegeken is kanselleer indien –
 - (i) die persoon enige korrupte of bedrieglike daad gedurende die tenderproses of die uitvoering van die kontrak gepleeg het; of -
 - (ii) 'n amptenaar of ander rolspeler enige korrupte of bedrieglike daad gepleeg het gedurende die tenderproses of die uitvoering van die kontrak, wat daardie persoon bevoordeel het; en
- (g) die tender van enige tenderaar verwerp indien daardie tenderaar of enige van sy direkteure –
 - (i) die voorsieningskanaal-bestuurstelsel van die munisipaliteit misbruik het of enige onbehoorlike gedrag gepleeg het teenoor sodanige stelsel;
 - (ii) skuldig bevind is vir bedrog of korrupsie gedurende die afgelope vyf jaar;
 - (iii) opsetlik versuim, verloën of nagelaat het om te voldoen aan enige goewerments-, munisipale of ander openbare sektor kontrak gedurende die afgelope vyf jaar; of -
 - (iv) gelys is in die Register vir Tender-Wanpresteerders kragtens artikel 29 van die Wet op Voorkoming en Bekamping van Korrupte Dade (Nr. 12 van 2004).

(2) Die rekenpligtige beampte moet die Nasionale Tesourie en die toepaslike Provinsiale Tesourie skriftelik in kennis stel van enige optrede geneem kragtens sub-paragrafe (1)(b)(ii), (e) of (f) van hierdie beleid.

Part 3: Logistics Management

39. Logistics Management

- (1) The accounting officer must establish and implement an effective system of logistics management that provides for the placing of orders, receiving and distribution of goods, inventory management, speedy settlement of orders, transport management, monitoring of supplier performances, maintenance and contract administration.

Deel 3: Logistieke Bestuur

39. Logistieke bestuur

Die rekenpligtige beampte moet 'n effektiewe stelsel van logistieke bestuur skep en implementeer om voorsiening te maak vir die plasing van bestellings, ontvangs en verspreiding van goedere, stoor- en pakhuisbestuur, vinnige afhandeling van bestellings, vervoerbestuur, verskafferprestasie, instandhouding en kontrak-administrasie.

Part 4: Disposal Management

40. Asset Disposal Management

- (1) The accounting officer must establish and implement an effective system for the disposal and letting of assets, including inadaptable, redundant or obsolete assets, subject to sections 14 and 90 of the Act.
- (2) Assets may be disposed of by –
 - (a) transferring the asset to another organ of state in terms of a provision of the Act enabling the transfer of assets;
 - (b) transferring the asset to another organ of state at market related value or, when appropriate, free of charge;
 - (c) selling the asset; or
 - (d) destroying the asset.
- (3) The accounting officer must ensure that –
 - (a) immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise;
 - (b) 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;
 - (c) 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;
 - (d) where assets are traded in for other assets, the highest possible trade-in price is negotiated; and
 - (e) in the case of 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.
- (4) Letting of Assets:
 - (a) All immovable property is let at market related rates, except when the public interest or the plight of the poor demands otherwise, and unless the relevant provincial treasury determines otherwise or approves the letting of property free of charge.
 - (b) All fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed.
 - (c) The following process needs to be followed for the letting of immovable property:
 - (i) An item must be submitted to Council to obtain decision in principle to proceed with negotiations and agreement.
 - (ii) A request must be forwarded to Supply Chain Management to advertise a request for proposals (always a competitive process).
 - (iii) All requirements of the Supply Chain regulations will apply inclusive of preferential points and final award by the Supply Chain Committee System.
 - (iv) Contractual requirements need to be drafted and finalized.

Deel 4: Verkope-bestuur

40. Bate-verkope bestuur

- (1) Die rekenpligtige beampte moet 'n effektiewe stelsel van verkope-bestuur vir die beskikking of verhuring van bates instel, insluitend onbruikbare, oortollige of verouderde bates, onderhewig aan artikels 14 en 90 van die Wet
- (2) Die beskikking van bates moet plaasvind deur middel van -
 - (a) oordrag van die bate na 'n ander staatsorgaan, kragtens 'n voorsiening van die Wet wat die oordrag van bates magtig;
 - (b) oordrag van die bate na 'n ander staatsorgaan, teen markverwante waarde of, wanneer paslik, kosteloos;
 - (c) die bate verkoop; of -
 - (d) die bate vernietig;
- (3) Die rekenpligtige beampte moet verseker dat –
 - (a) vaste eiendom slegs teen markverwante pryse verkoop word, behalwe wanneer die openbare belang of die nood van die armes andersins vereis;
 - (b) roerende bates verkoop word óf deur middel van geskrewe pryskwotasies, 'n mededingende tenderproses, veiling óf teen markverwante pryse, welke ook die mees voordeligste is;
 - (c) in geval van die beskikking van vuurwapens, die Nasionale Konvensionele Wapen-Beheerkomitee enige verkoping of skenking van vuurwapens aan enige persoon of instelling binne of buite die Republiek goedgekeur het;
 - (d) waar bates ingeruil word vir ander bates, die hoogste moontlike inruilprys beding word; en
 - (e) in geval van die kostelose beskikking van rekenaar-toerusting, die provinsiale departement van onderwys eers genader word om binne 30 dae aan te dui of enige van die plaaslike skole belangstel in die toerusting.
- (4) Verhuring van bates:
 - (a) Alle vaste eiendom word verhuur teen markverwante koerse, behalwe wanneer openbare belang of die toestand van die armes andersins vereis en wanneer die betrokke provinsiale tesourie anders bepaal of die kostelose verhuring van eiendom goedkeur.
 - (b) Alle fooie, heffings, belastings, tariewe of ander heffings ten opsigte van die verhuring van vaste eiendom moet jaarliks hersien word.
 - (c) Die volgende procedures moet gevolg word by die verhuring van vaste eiendom:
 - (i) 'n Item moet aan die Raad voorgelê word ten einde 'n beginsel-besluit te kan bekom om voort te gaan met onderhandelings en ooreenkoms.
 - (ii) Verskaffingskanaal-bestuur moet versoek word om te adverteer vir voorstelle (altyd 'n mededingende proses).
 - (iii) Alle vereistes van die verskaffingskanaal regulasies is van toepassing, insluitende voorkeur punte en finale toekenning deur middel van die komitee stelsel.
 - (iv) Kontraktuele vereistes moet opgestel en finaliseer word.

Part 5: Risk Management

41. Risk Management

- (1) The accounting officer must develop and implement an effective system of risk management in order to identify, consider and avoid possible risks in the supply chain management system.
- (2) Risk management must include:
 - (a) the identification of risks on a case-by-case basis;
 - (b) the allocation of risks to the party best suited to manage such risks;
 - (c) acceptance of the cost of the risk where the cost of transferring the risk is greater than that of retaining it;
 - (d) the management of risks in a pro-active manner and the provision of adequate cover for residual risks; and
 - (e) the assignment of relative risks to the contracting parties through clear and unambiguous contract documentation.
- (3) General risk management measures that will be applied by Prince Albert Municipality include the following:
 - (a) Business Plans where applicable will be required for approval prior to the commencement of all projects.
 - (b) Feasibility and/or design reports will be required by the municipality before bid for projects are called.
 - (c) As far as possible tender documents will be specific and detailed.
 - (d) The applicable project standards will be made available for public perusal.
 - (e) Consultants and/or municipal officials will ensure time, cost and quality control while projects are being implemented.
 - (f) Bidders, where applicable, will be required to take public liability insurance to cover the Prince Albert Municipality.
 - (g) Variation orders to projects will require the approval of the municipal manager or a municipal official prior to execution on site.
- (4) Additional risk management mechanisms applicable to construction projects includes surety, retention and cessions.
 - (a) **Sureties** are normally required for construction projects.
 - (i) Surety requirements are classified under the following categories:

| AMOUNT | PERCENTAGE |
|--------------------------|-------------------|
| Up to R300 000 | Nil |
| R 300 000 to R1 000 000 | 2,5 % |
| R1 000 000 to R3 000 000 | 5,0 % |
| R3 000 000 to R5 000 000 | 7,5 % |
| Above R5 000 000 | 10,0 % |

Deel 5: Risiko Bestuur

41. Risiko bestuur

- (1) Die rekenpligtige beampte moet 'n effektiewe stelsel van risiko-bestuur skep vir die uitkenning, oorweging en vermyding van moontlike risiko's in die voorsieningskanaal-bestuurstelsel.
- (2) Risiko-bestuur moet insluit –
- (a) die uitkenning van risiko's deur 'n geval-op-geval basis;
 - (b) die toewysing van risiko's aan die mees geskikte party om sodanige risiko's te bestuur;
 - (c) aanvaarding van die koste van die risiko waar die koste om die risiko te verplaas groter is as om dit te behou;
 - (d) die bestuur van risiko's op 'n pro-aktiewe manier en die voorsiening van voldoende dekking vir oorblywende risiko's; en
 - (e) die toekenning van relatiewe risiko's na die kontrakterende partye deur duidelike en ondubbelsinnige kontrakdokumentasie.
- (3) Algemene risiko bestuur maatreëls wat deur Prince Albert Munisipaliteit toegepas gaan word sluit in:
- (a) Besigheidsplanne sal, waar toepaslik, vereis word vir goedkeuring voor die aanvang van alle projekte;
 - (b) Uitvoerbaarheid en/of ontwerp-verslae sal deur die munisipaliteit vereis word alvorens tenders vir projekte aangevra word;
 - (c) Tender dokumente sal sover moontlik gespesifiseerd wees;
 - (d) Die toepaslike projek standarde sal beskikbaar gestel word vir openbare besigtiging;
 - (e) Konsultante en/of munisipale amptenare sal tyd, koste en kwaliteit beheer verseker terwyl projekte implementeer word;
 - (f) Daar sal, waar toepaslik, van tenderaars verwag word om openbare aanspreeklikheid versekering uit te neem om Prince Albert Munisipaliteit te dek; en
 - (g) Afwykende bestellings vir projekte vereis die vooraf goedkeuring van die munisipale bestuurder of 'n munisipale beampte.
- (3) Verdere risiko bestuur meganismes van toepassing op konstruksie-projekte sluit in, waarborge, retensie en sessies:
- (a) Waarborge word gewoonlik vir konstruksie projekte vereis.

- (i) Waarborg vereistes word in die volgende kategorieë geklassifiseer:

| BEDRAG | PERSENTASIE |
|---------------------------|--------------------|
| Tot met R300 000 | Nul |
| R 300 000 tot R1 000 000 | 2,5 % |
| R1 000 000 tot R3 000 000 | 5,0 % |
| R3 000 000 tot R5 000 000 | 7,5 % |
| Bo R5 000 000 | 10,0 % |

- (ii) In the event that a contractor is unable to raise the required surety, the Chief Financial Officer may allow such surety to be deducted in full or part from monies that are to become due to the contractor. This may take the form of deductions from the first three [3] payment certificates due to the contractor.
- (iii) At the discretion of Prince Albert Municipality, it may waive the requirement for a surety on construction contracts that are estimated to be equal to or lower than one million rand [R1 000 000]. The municipality would only consider waiver of sureties to assist and facilitate the entry of emerging entrepreneurs in the small works sector of the construction industry. The *waiver* will be allowed in exceptional cases where a surety, guarantee or bridging finance cannot be accessed through any financial institution and written proof thereof must be submitted to the municipality. In the event surety is waived Prince Albert Municipality will underwrite the risk of such contracts in order to provide opportunities that will target HDIs. Service providers/Contractors will not be allowed to engage in more than two contracts at a time where sureties have been waived.
- (iv) Surety will be released on application to the municipality, subsequent to the municipality approving the completion certificate for the contract.

(b) Retention

- (i) The municipality requires a percentage of the project costs for all construction projects to be set aside as retention. A 10% retention fee up to a maximum of 5% of the contract sum will be applied on all contracts.
- (ii) Half of the retention amount will be released on issue of the completion certificate for the contract.
- (iii) The balance of the retention will be released on the completion of the defects liability period of the contract.
- (iv) All contracts must include a penalty clause.

(c) Cession of Payment

To provide an opportunity to service providers who cannot raise the necessary capital to procure services and goods, the municipality may at its discretion, enter into a cession of payment agreement with a service provider once approval has been received from the participating service provider and the Municipal Manager.

- (ii) In die geval waar 'n kontrakteur nie in staat is om die verlangde waarborg te verkry nie, mag die hoof finansiële beampte dat sodanige waarborg gedeeltelik of ten volle verhaal word van gelde wanneer dit betaalbaar sal wees aan die kontrakteur. Dis mag gedoen word in die vorm van aftrekkings vanaf die eerste drie [3] betaalsertifikate verskuldig aan die kontrakteur.
- (iii) Prince Albert Munisipaliteit mag afstand doen van die vereiste waarborg ten opsigte van konstruksie kontrakte wat verwag word om minder as een miljoen rand [R1 000 000] te beloop. Die munisipaliteit sal dit slegs oorweeg om afstand te doen van die sekerheidstelling ten einde opkomende entrepreneurs in die kleiner werke sektor van die konstruksie bedryf te help. Afstanddoening sal toegelaat word in buitengewone gevalle waar 'n waarborg of oorbruggingsfinansiering nie bekom kan word vanaf enige finansiële instelling nie en waar skriftelike bewys daarvan deur die munisipaliteit vereis word. In gevalle waar afstand gedoen word van sekerheidstelling, sal Prince Albert Munisipaliteit die risiko van sodanige kontrakteurs onderskryf ten einde geleentheid te skep aan HDIs. Diensverskaffers/Kontrakteurs sal nie toegelaat word om betrokke te wees in meer as twee kontrakte op 'n sekere tydperk, waar afstand gedoen is van sekerheidstelling nie.
- (iv) Afstand sal van die waarborg gedoen word wanneer aansoek by die munisipaliteit gedoen word, onderhewig daaraan dat die munisipaliteit die completion certificate vir die kontrak goedkeur.

(b) Retensie

- (i) Die munisipaliteit vereis dat 'n persentasie van die projekkoste vir alle konstruksie projekte teruggehou word as retensie. 'n 10% Retensie fooi op tot 'n maksimum van 5% van die kontrakbedrag sal toegepas word met alle kontrakte.
- (ii) Die helfte van die retensiegeld sal betaal word wanneer die completion certificate uitgereik word.
- (iii) Die balans van die retensiegeld sal betaal word wanneer die defekte aanspreeklikheid tydperk van die kontrak verstryk het.
- (iv) Alle kontrakte moet 'n boete klousule insluit.

(c) Sessie van Betaling

In gevalle waar diensverskaffers nie in staat is om die nodige kapitaal te bekom om goedere en dienste aan te skaf nie, mag die munisipaliteit met sy diskresie 'n sessie van betaling ooreenkoms met die diensverskaffer aangaan, sodra goedkeuring van die winsdelende diensverskaffer en munisipale bestuurder verkry is, ten einde aan sodanige diensverskaffer die geleentheid te bied.

Part 6 : Performance Management

42. Performance Management

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

Deel 6: Prestasie-bestuur

42. Prestasie bestuur

Die rekenpligtige beampte moet 'n effektiewe interne moniteringstelsel skep en implementeer om te bepaal, op die basis van 'n retrospektiewe ontleding, of die gemagtigde voorsieningskanaal-bestuursprosesse gevolg is en of die doelwitte van hierdie Beleid bereik is.

Part 7 : Other Matters

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

- (1) No award above R 15 000 may be made in terms of this Policy to a person whose tax matters have not been declared by the South African Revenue Service to be in order.
- (2) Before making an award to a person the SCM unit 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.

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, principle shareholder or stakeholder is a person in the service of the state; or
- (c) a person who is an advisor or consultant contracted with Prince Albert 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 R 2 000 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months, including –

- (a) the name of that person;
- (b) the capacity in which that person is in the service of the state; and
- (c) the amount of the award.

46. Ethical standards

- (1) A code of ethical standards as set out in the “**National Treasury's code of conduct for supply chain management practitioners and other role players**”, attached as Annexure 1, is hereby established for officials and other role players in the supply chain management system of Prince Albert Municipality, in order to promote -
 - (a) mutual trust and respect; and
 - (b) an environment where business can be conducted with integrity and in a fair and reasonable manner.
- (2) A breach of the code of ethics must be dealt with as follows –
 - (a) in the case of an employee, in terms of the disciplinary procedures of Prince Albert Municipality, envisaged in section 67 (1)(h) of the Municipal Systems Act; and
 - (b) in the case of a role player who is not an employee, through other appropriate means in recognition of the severity of the breach.
 - (c) In all cases, financial misconduct must be dealt with in terms of Chapter 15 of the Act.

Deel 7: Ander aangeleenthede

43. Verbod op toekennings aan persone wie se belastingsaangeleenthede nie in orde is nie

- (1) Die rekenpligtige beampte moet verseker dat, ongeag die verkrygingsproses wat gevolg is, geen toekenning bo R15 000 gemaak word aan 'n persoon wie se belastingaangeleenthede nie as in orde verklaar is deur die Suid-Afrikaanse Inkomstediens nie.
- (2) Alvorens 'n toekenning aan 'n persoon gemaak word moet die rekenpligtige beampte eers nagaan by SAID of daardie persoon se belastingaangeleenthede in orde is.
- (3) Indien SAID nie binne 7 dae reageer nie mag aangeneem word dat sodanige persoon se belastingaangeleenthede ten behoeve van sub-paragraaf (1) in orde is.

44. Verbod op toekenning aan persone in diens van die staat

Die rekenpligtige beampte moet verseker dat, ongeag die verkrygingsproses wat gevolg is, geen toekenning mag gemaak word nie aan 'n persoon –

- (a) wie in die diens van die staat is; of -
- (b) indien daardie persoon nie 'n natuurlike persoon is nie, waarvan enige direkteur, bestuurder, hoof-aandeelhouer of belangelhouer 'n persoon is in diens van die staat; of
- (c) 'n persoon wie 'n raadgewer of konsultant is wat aan die munisipaliteit of munisipale entiteit gekontrakteeer is.

45. Toekennings aan naverwante familieledede van persone in diens van die staat

Die notas tot die jaarlikse finansiële state moet besonderhede verklaar van enige toekenning van meer as R2000 aan 'n persoon wie 'n eggenoot, kind of ouer van 'n persoon in diens van die staat is, of binne die afgelope twaalf maande in diens van die staat was, insluitend –

- (a) die naam van daardie persoon;
- (b) die hoedanigheid waarin daardie persoon in diens van die staat is; en
- (c) die bedrag van die toekenning.

46. Etiese standaarde

- (1) Die munisipaliteit aanvaar hiermee die Nasionale Tesourie se gedragkode vir voorsieningskanaal-bestuurspraktisyns en ander rolspelers wat betrokke is by voorsieningskanaal-bestuur, aangeheg as Aanhangsel 1, ten einde -
 - (a) onderlinge vertroue en agting te bevorder; en
 - (b) 'n omgewing te skep waar besigheid met integriteit en op 'n billike en redelike manier gevoer kan word.
- (2) 'n Oortreding van die gedragkode moet as volg hanteer word -
 - (a) in die geval van 'n werknemer, in terme van die dissiplinêre prosedures van Prince Albert Munisipaliteit, soos beoog in artikel 67 (1)(h) van die Munisipale Stelselwet; en
 - (b) in die geval van 'n rolspeler wat nie 'n werknemer is nie, deur ander toepaslike middele, na gelang van die ernstigheid van die oortreding.
 - (c) Finansiële wangedrag moet in alle gevalle hanteer word ooreenkomstig Hoofstuk 15 van die Wet.

47. Inducements, rewards, gifts and favours to the municipality, 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 reward of a contract; or
 - (b) any reward, gift, favour or hospitality to –
 - (i) any official; or
 - (ii) any other role player involved in the implementation of this Policy.
- (2) The accounting officer must promptly report any alleged contravention of subparagraph (1) to the National Treasury for considering whether the offending person, and any representative or intermediary through which such person is alleged to have acted, should be listed in the National Treasury's database of persons prohibited from doing business with the public sector.
- (3) Subparagraph (1) does not apply to gifts less than R 350 in value.

48. Sponsorships

The accounting officer must promptly disclose to the National Treasury and 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 Prince Albert Municipality and any other person(s) regarding –
 - (i) any decisions or actions taken in the implementation of the supply chain management system; or
 - (ii) any matter arising from a contract awarded in the course of the supply chain management system; or
 - (b) to deal with objections, complaints or queries regarding any such decisions or actions or any matters arising from such contract.
- (2) The accounting officer or another official designated by the accounting officer is responsible for assisting the person appointed in subparagraph (1) to perform his/her functions effectively.

47. Gunswerwingsvoordele, belonings, geskenke en gunste aan munisipaliteite, amptenare en ander rolspelers

- (1) Geen persoon wat 'n verskaffer of voornemende verskaffer van goedere of dienste is, of 'n ontvanger of voornemende ontvanger is van beskikte goedere of goedere geskik te word, mag of direk of deur 'n verteenwoordiger of tussenganger beloof, aanbied of toestaan –
- (a) enige gunswerwingsvoordele of beloning aan die munisipaliteit vir of in verbinding met die toekenning van 'n kontrak; of -
 - (b) enige beloning, geskenk, guns of gasvryheid aan –
 - (i) enige amptenaar; of
 - (ii) enige ander rolspeler betrokke by die implementering van die voorsieningskanaal-bestuursbeleid nie.
- (2) Die rekenpligtige beampte moet stiptelik enige beweerde oortreding van sub-paragraaf (1) aan die Nasionale Tesourie rapporteer vir oorweging of die skuldige persoon, en enige verteenwoordiger of tussenganger deur wie sodanige persoon beweer is om op te getree het, behoort gelys te word in die Nasionale Tesourie se databasis van persone wat verbied is om handel te dryf met die openbare sektor.
- (3) Sub-paragraaf (1) is nie van toepassing op geskenke van minder as R350 in waarde nie.

48. Borgskappe

Die rekenpligtige beampte moet stiptelik aan die Nasionale Tesourie en die toepaslike Provinsiale Tesourie verklaar enige beloofde borgskap, aangebied of toegestaan, of direk of deur 'n verteenwoordiger of tussenganger, deur enige persoon wat –

- (a) 'n verskaffer of voornemende verskaffer van goedere of dienste is; of
- (b) 'n ontvanger of voornemende ontvanger van beskikte goedere of goedere beskik te word.

49. Besware en klagtes

Persone gegrief deur besluite geneem of optredes gedoen met die implementering van hierdie voorsieningskanaal-bestuurstelsel, mag 'n geskrewe beswaar of klagte teen die besluit of optrede indien binne 14 dae vanaf die besluit of optrede indien.

50. Oplossing van dispute, besware, klagtes en vraagpunte

- (1) Die rekenpligtige beampte moet 'n onafhanklike en onpartydige persoon, nie direk betrokke by die voorsieningskanaal-bestuursprosesse nie, aanstel –
- (a) om by die oplossing van dispute tussen die munisipaliteit en ander persone te help aangaande –
 - (i) enige besluite geneem of optredes gedoen met die implementering van die voorsieningskanaal-bestuurstelsel; of -
 - (ii) enige aangeleentheid voortspruitend uit 'n kontrak toegeken in die loop van die voorsieningskanaal-bestuurstelsel; of
 - (b) om aandag te gee aan besware, klagtes of vraagpunte aangaande enige sodanige besluite of optredes of enige aangeleenthede voortspruitend uit sodanige kontrak.
- (2) Die rekenpligtige beampte, of ander amptenaar deur die rekenpligtige beampte aangewys, is verantwoordelik om die aangestelde persoon te help om sy of haar funksies effektief uit te oefen.

- (3) The person appointed must –
 - (a) strive to promptly resolve 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 and/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 a municipality to provide any service or act as 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 based.

52. Commencement

This Policy takes effect on **1 June 2010**.

- (3) Die aangestelde persoon moet –
- (a) streef om alle dispute, besware, klagtes of vraagpunte ontvang stiptelik op te los, en
 - (b) maandelikse verslae aan die rekenpligtige beamppte indien oor alle dispute, besware, klagtes of vraagpunte ontvang, waaraan aandag gegee is of opgelos.
- (4) 'n Dispuut, beswaar, klagte of vraagpunt mag verwys word na die toepaslike Provinsiale Tesourie indien –
- (a) die dispuut, beswaar, klagte of vraagpunt nie binne 60 dae opgelos is nie; of -
 - (b) geen reaksie binne 60 dae vanaf die munisipaliteit ontvang is nie.
- (5) Indien die Provinsiale Tesourie die aangeleentheid nie- of nie kan oplos nie, mag die dispuut, beswaar, klagte of vraagpunt na die Nasionale Tesourie vir oplossing verwys word.
- (6) Hierdie paragraaf moet nie gelees word as om 'n persoon se regte om 'n hof ter eniger tyd te nader, te affekteer nie.

51. Kontrakte wat voorsiening maak vir vergoeding op omset gegrond

Indien 'n diensverskaffer namens 'n munisipaliteit optree om enige diens te verskaf of optree as 'n kollektant van fooie, diensgelde of belasting en die vergoeding aan die diensverskaffer bepaal word as 'n ooreengekome persentasie van omset vir die diens of die ingevorderde bedrag, moet die kontrak tussen die diensverskaffer en die munisipaliteit stipuleer dat –

- (a) 'n perk gesit word op die vergoeding aan die diensverskaffer betaalbaar; en -
- (b) dat sodanige vergoeding prestasie-gebaseerd moet wees.

52. Inwerkingtreding

Hierdie beleid tree in werking op **1 Junie 2010**.

Prince Albert Municipality

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

BYLAAG 1

Prince Albert Munisipaliteit

**GEDRAGSKODE VIR VOORSIENINGSKANAALBESTUUR
PRAKTISYNS EN ANDER ROLSPELERS**

Prince Albert Municipality

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

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

1. General Principles

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

2. Conflict of interest

- 2.1 An official or other role player involved with supply chain management -
 - (a) must treat all providers and potential providers equitably;
 - (b) may not use his/her position for private gain or improperly benefit another person;
 - (c) may not accept any reward, gift, favour, hospitality or other benefit directly or indirectly, including to any close family member, partner or associate of that person, of a value more than R350;
 - (d) 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 to any close family member, partner or associate, may have in any proposed procurement or disposal process, or in any award of a contract by Prince Albert Municipality;

Prince Albert Munisipaliteit

GEDRAGSKODE VIR VOORSIENINGSKANAALBESTUUR PRAKTISYNS EN ANDER ROLSPELERS

Die **doel** van hierdie Gedragskode is om wedersydse vertroue en respek te bevorder, asook 'n omgewing waar sake met integriteit en op 'n regverdig en billike wyse behartig word,.

1. Algemene Beginsels

- 1.1 Prins Albert Munisipaliteit verbind hom tot 'n beleid van billike handel en integriteit in die uitvoering van sy besigheid. Amptenare en ander rolspelers wat betrokke is by voorsieningskanaalbestuur (SCM) is in 'n posisie van vertroue, wat 'n plig om in openbare belang op te tree impliseer. Amptenare en ander rolspelers behoort nie hul pligte uit te voer ten einde onwettig enige vorm van vergoeding, betaling of gratifikasie van enige persoon of verskaffer of kontrakteur vir hulself, hul familie of hul vriende te verkry nie.
- 1.2 Amptenare en ander rolspelers wat betrokke is by SCM moet verseker dat hulle hul pligte deeglik, doeltreffend en met integriteit verrig, in ooreenstemming met die toepaslike wetgewing, beleide en riglyne. Hulle moet verseker dat openbare hulpbronne op 'n verantwoordelike wyse administreer word.
- 1.3 Amptenare en ander rolspelers wat betrokke is by SCM moet eerlik en onpartydig wees in die uitvoering van hul funksies. Hulle moet in geen stadium enige onbehoorlike voorkeur behandeling aan enige groep of individu verskaf of onbillik diskrimineer teen enige groep of individu nie. Hulle mag nie misbruik maak van die bevoegdhede en gesag aan hulle verleen nie.

2. Botsing van belange

- 2.1 'n Amptenaar of ander rolspeler wat betrokke is by voorsieningskanaalbestuur -
 - (a) moet alle voorsieners en potensiële voorsieners regverdig behandel;
 - (b) mag nie sy/haar posisie vir eie wins gebruik nie of 'n ander persoon onbehoorlik bevoordeel nie;
 - (c) mag nie enige beloning, geskenk, gunste, gasvryheid of ander voordeel ter waarde van meer as R350 direk of indirek aanvaar nie, insluitende aan 'n direkte familielid, vennoot of medewerker van daardie persoon;
 - (d) moet besonderhede van 'n beloning, geskenk, guns, gasvryheid of ander voordeel belowe, aangebied of toegestaan aan daardie persoon of aan 'n naby familielid, vennoot of medewerker van daardie persoon, aan die rekenpligtige beamppte verklaar;
 - (e) moet besonderhede van enige privaat- of sake-belang wat daardie persoon of enige naby familielid, vennoot of medewerker, kan hê in enige voorgestelde verkryging- of beskikking proses, of in 'n toekenning van 'n

kontrak deur Prins Albert Munisipaliteit, aan die rekenpligtige beampte verklaar;

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- (f) must immediately withdraw from participating in any manner whatsoever in a procurement or disposal process or in the award of a contract in which that person, or any close family member, partner or associate, has any private or business interest;
- (g) must declare any business, commercial and financial interests or activities undertaken for financial gain that may raise a possible conflict of interest;
- (h) should not place him/herself under any financial or other obligation to outside individuals or organizations that might seek to influence them in the performance of their official duties; and
- (i) should not take improper advantage of their previous office after leaving their official position.

3. Accountability

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

4. Openness

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

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- (f) moet onmiddellik onttrek van deelname op enige wyse hoegenaamd in 'n verkryging of vervreemding proses of in die toekenning van 'n kontrak waarin daardie persoon, of 'n naby familielid, vennoot of medewerker, 'n privaat of besigheid belang het;
- (g) moet enige sake-, handels- en finansiële belange of aktiwiteite wat vir die finansiële voordeel onderneem word, wat kan aanleiding gee tot 'n moontlike belange botsing, verklaar;
- (h) behoort hom/haarself nie onder enige finansiële of ander verpligting ten opsigte van buitelanders of organisasies te plaas, wat moontlik kan probeer om hom/haar te beïnvloed in die uitvoering van sy/haar amptelike pligte nie; en
- (i) mag nie onbehoorlike voordeel trek uit hul vorige kantoor, nadat hulle sodanige amptelike posisie verlaat het nie.

3. Aanspreeklikheid

- 3.1 Voorsieningskanaal beamptes is teenoor die publiek aanspreeklik vir hul besluite en optredes.
- 3.2 Voorsieningskanaal beamptes moet openbare eiendom sorgvuldig gebruik.
- 3.3 Slegs die rekeningkundige beampte of sy/haar gevolmagtigdes het die gesag om die munisipaliteit te verbind tot enige transaksie vir die verkryging van goedere en/ of dienste;
- 3.4 Alle transaksies wat deur 'n beampte uitgevoer word, moet aangeteken en verklaar word in 'n toepaslike rekeningkundige stelsel. Geen vals of misleidende inskrywings, om enige rede hoegenaamd, mag in sodanige stelsel gemaak word nie.
- 3.5 Amptenare moet die rekenpligtige beampte help in die stryd teen bedrog, korrupsie, nepotisme en onbillike en onreëlmatige praktyke in die voorsieningskanaalbestuur-stelsel.
- 3.6 Amptenare moet enige beweerde onreëlmatige gedrag in die voorsieningskanaalbestuur-stelsel, waarvan daardie persoon bewus word, aan die rekenpligtige beampte rapporteer, insluitend -
 - (i) enige beweerde bedrog, korrupsie, nepotisme of oneerlike gedrag;
 - (ii) enige beweerde oortreding van die beleid op die aansporings, belonings, geskenke en gunste aan munisipaliteite of munisipale entiteite, amptenare of ander rolspelers, en
 - (iii) enige beweerde oortreding van hierdie gedragskode.
- 3.7 Enige verklarings wat gemaak word, moet aangeteken word in 'n register wat die rekenpligtige beampte vir hierdie doel hou. Enige verklarings deur die rekenpligtige beampte gemaak moet gerig word aan die burgemeester, wat moet seker maak sodanige verklaring is in die register aangeteken.

4. Openheid

- 4.1 Beamptes moet so openhartig as moontlik wees oor al die besluite en aksies wat hulle maak. Hulle moet redes gee vir hulle besluite en inligting slegs weerhou indien dit in die openbare belang is om dit te doen.

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5. Confidentiality

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

6. Bid Specification / Evaluation / Adjudication Committees

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

7. Combative Practices

- 7.1 Combative practices are unethical and illegal and should be avoided at all cost. They include but are not limited to:
- (i) Suggestions to fictitious lower quotations;
 - (ii) Reference to non-existent competition;
 - (iii) Exploiting errors in price quotations / bids;
 - (iv) Soliciting price quotations / bids from bidders / contractors whose names appear on the Register for Tender Defaulters.

5. Vertroulikheid

- 5.1 Enige inligting wat die eiendom van Prins Albert Munisipaliteit of sy verskaffers is moet ten alle tye beskerm word. Geen inligting ten opsigte van enige bod / kontrak / tenderaar / kontrakteur mag openbaar gemaak word indien so 'n aksie sal inbreuk maak op die betrokke tenderaar / kontrakteur se persoonlike regte nie.
- 5.2 Sake van vertroulike aard in die besit van die amptenare en ander rolspelers wat betrokke is by voorsieningskanaalbestuur moet vertroulik gehou word, tensy wetgewing, pligsvervulling of die bepalinge van die reg anders vereis. Sodanige beperkings geld ook na diensverlating vir die amptenare en ander rolspelers wat betrokke was by voorsieningskanaalbestuur.

6. Tender-spesifikasie / -evaluasie / -beoordeling komitees

- 6.1 Tenderspesifikasie, -evaluasie en -beoordeling komitees moet voorsieningskanaalbestuur namens Prins Albert Munisipaliteit implementeer op 'n eerlike, regverdig, onpartydig, deursigtig, koste-effektiewe en verantwoordelike wyse.
- 6.2 Tender-evaluering / beoordeling komitees moet vertrouwd wees met en voldoen aan die voorgeskrewe wetgewing, riglyne en prosedures ten opsigte van voorsieningskanaalbestuur ten einde effektief en doeltreffend te kan optree.
- 6.3 Alle lede van die tender beoordelingskomitees moet klaring van die rekenpligtige beampte verkry op die vlak van "vertroulik" en moet jaarliks hul finansiële belange verklaar.
- 6.4 Geen persoon mag -
- (a) inmeng met die voorsieningskanaalbestuur stelsel van Prins Albert Munisipaliteit nie; of
 - (b) verander aan, of peuter met, enige prys kwotasie / tender na voorlegging nie.

7. Strydende Praktyke

- 7.1 Strydende praktyke is oneties en onwettig en moet ten alle koste vermy word. Dit sluit in, maar is nie beperk nie, tot:
- (i) Voorstelling van fiktiewe laer kwotasies;
 - (ii) Die verwysing na nie-bestaande mededinging;
 - (iii) Uitbuiting van foute in prys kwotasies / tenders;
 - (iv) Werf van kwotasies / tenders vanaf tenderaars/kontraakteurs wie se name op die Register vir Tender Oortreders verskyn.

EVALUATION OF TENDERS

1. Preference Points System

- 1.1 The principles embodied in the Preferential Procurement Policy Framework Act, 2000 (Act No 5 of 2000) (PPPFA) and the Preferential Procurement Regulations, 2001, form the basis of the evaluation criteria for quotations and formal bids.
- 1.2 Formal and informal tenders will be evaluated and adjudicated by means of a points scoring system.
- 1.3 The limits set in the PPPFA regulations are as follows:
 - ◆ The 80/20 system for requirements with a Rand value of up to R 500 000.
 - ◆ The 90/10 system for requirements with a Rand value above R 500 000.
- 1.4 Preference points for any bid or quotation above R 10 000 shall be awarded for:
 - (a) Price; and
 - (b) Specific contract participation goals
- 1.5 Regarding specific contract participation goals, points are awarded for:
 - (a) Historically Disadvantaged Individuals (HDI's):
 - (i) who had no franchise in national elections before the 1983 and 1993 constitutions;
 - (ii) who is a female; and/or
 - (iii) who has a disability; and
 - (b) Other specific goals (RDP goals):
 - (i) Promotion of SMMEs;
 - (ii) Human resource development;
 - (iii) Upliftment of communities; and
 - (iv) Enterprises located within Prince Albert municipal area.
- 1.6 Subject to Regulations 9 and 10 of the Preferential Procurement Regulations, 2001, the tender obtaining the highest amount of points will be awarded the Contract.
- 1.7 Points scored will be rounded off to two decimal places.
- 1.8 In the event that two or more tenders have scored equal points, the successful tender must be the one scoring the highest number of preference points for a specific goal. Should this also be equal, the tender will be awarded on an equitable distribution basis to the tenderer who has done the least work for Prince Albert Municipality in the past.

EVALUERING VAN TENDERS

1. Voorkeerpunte Stelsel

- 1.1 Die beginsels vervat in die Raamwerk vir Voorkeurverkrygingsbeleid Wet, 2000 (Wet No 5 van 2000) (PPPFA) en die Voorkeurverkrygingsregulasies, 2001, vorm die basis van die evaluering kriteria vir kwotasies en formele tenders.
- 1.2 Formele en informele tenders sal geëvalueer en toegeken word deur middel van 'n puntetelling stelsel.
- 1.3 Die perke wat in die PPPFA regulasies gestel word, is soos volg:
 - Die 80/20 stelsel vir die vereistes met 'n Rand waarde van tot R 500 000.
 - Die 90/10 stelsel vir die vereistes met 'n Rand waarde bo R 500 000.
- 1.4 Voorkeerpunte vir enige tender of kwotasie bo R 10 000 sal toegeken word vir:
 - (a) Prys, en
 - (b) Spesifieke kontrak deelname doelwitte.
- 1.5 Met betrekking tot spesifieke kontrak deelname doelwitte, word punte toegeken vir:
 - (a) Histories Benadeelde Individue (HBI's):
 - (i) wat geen stemreg in nasionale verkiesings gehad het voor die 1983 en 1993 grondwette nie;
 - (ii) wat 'n vrou is, en/of
 - (iii) wat 'n gestremdheid het, en
 - (b) Ander spesifieke doelwitte (HOP doelwitte):
 - (i) Bevordering van die KMMO's;
 - (ii) Menslike hulpbron-ontwikkeling;
 - (iii) Opheffing van gemeenskappe, en
 - (iv) Ondernemings geleë in Prince Albert munisipale gebied.
- 1.6 Onderhewig aan Regulasies 9 en 10 van die Voorkeurverkrygingsregulasies, 2001, sal die kontrak toegeken word aan die tender wat die hoogste aantal punte behaal.
- 1.7 Punte behaal sal afgerond word tot twee desimale plekke.
- 1.8 In die geval waar twee of meer tenders gelyke punte behaal het, sal die suksesvolle tender die een wees wat die hoogste aantal voorkeerpunte vir 'n spesifieke doelwit behaal het. Indien dit ook gelyk is, sal die tender toegeken

word, op grond van 'n billike verspreiding, aan die tenderaar wat in die verlede die minste werk vir Prins Albert Munisipaliteit gedoen het.

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2. Allocation of points

Subject to a good rating by Council, points will be allocated for the following criteria to the maxima as indicated:

| CRITERIA | POINTS FOR PROJECTS UP TO R 500 000 | POINTS FOR PROJECTS OVER R 500 000 |
|--|--|---|
| PRICE (Value for money substantially to specification) | 80 | 90 |
| EQUITY OWNERSHIP AND CONTROL | 12 | 6 |
| % owned by HDI's – no franchise in elections prior to 1983 | 4 | 2 |
| % owned by disabled persons | 2 | 1 |
| % owned by women | 4 | 2 |
| % HDI's in executive management and/or executive board and board committees | 2 | 1 |
| RDP GOALS | 8 | 4 |
| Promotion of SMME's | 3 | 1½ |
| Skills development expenditure as a proportion (%) of total payroll | 1 | ½ |
| Contribution towards upliftment of communities as a proportion (%) of turnover | 1 | ½ |
| Enterprise located within Prince Albert area | 3 | 1½ |
| MAXIMUM TOTAL POINTS | 100 | 100 |

The total number of tender adjudication points awarded is the sum of the points attained by the tender from each section listed in the above mentioned table.

2. Toekenning van punte

Onderworpe aan 'n goeie evaluasie deur die Raad, sal punte toegeken word vir die volgende kriteria tot die maksimums soos aangedui:

| KRITERIA | PUNTE VIR PROJEKTE TOT R 500 000 | PUNTE VIR PROJEKTE OOR R 500 000 |
|---|---|---|
| PRYS (Waarde vir geld weselik aan spesifikasie) | 80 | 90 |
| EIENAARSKAP EN BEHEER VAN ONDERNEMING | 12 | 6 |
| % besit deur HBI's – geen stemreg in die verkiesings voor 1983 nie | 4 | 2 |
| % besit deur gestremde persone | 2 | 1 |
| % besit deur vroue | 4 | 2 |
| % HBI's in uitvoerende bestuur en/of uitvoerende direksie en direksie komitees | 2 | 1 |
| HOP DOELWITTE | 8 | 4 |
| Bevordering van KMMO's | 3 | 1½ |
| Vaardigheidontwikkelingsuitgawes as 'n persentasie (%) van die totale betaalstaat | 1 | ½ |
| Bydrae tot die opheffing van gemeenskappe as 'n persentasie (%) van omset | 1 | ½ |
| Ondernemings geleë in Prince Albert gebied | 3 | 1½ |
| MAKSIMUM TOTALE PUNTE | 100 | 100 |

Die totale getal tender toekenning punte toegeken is die som van die punte behaal deur die tender vir elke afdeling in bogenoemde tabel.

2.1 Points awarded for price

- 2.1.1 The following formula must be used to calculate the points for price in respect of quotations/bids with a Rand value between R 30 000 and R 500 000.

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

Where

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

- 2.1.2 For all quotations and bids with a value above R 500 000, the following formula must be used.

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

- 2.1.3 The lowest acceptable tender will thus be allocated maximum points for this section, since

P_t is equal to P_{\min} for that tender.

2.2 Points awarded for equity ownership and control

- 2.2.1 Regulation 13 stipulates that the formula that must be applied to calculate the number of points for equity ownership by an HDI is:

$$NEP = NOP \times \frac{EP}{100}$$

Where

- NEP = Points awarded for equity ownership by an HDI
 NOP = The maximum number of points awarded for equity ownership by an HDI
 EP = The percentage of equity ownership by an HDI within the enterprise or business, determined in accordance with regulation 13 (1), (2), (3) and (4).

- 2.2.2 The following formulas must thus be used to calculate the points for the various criteria that can earn points under this section.

2.1 Punte toegeken vir prys

- 2.1.1 Die volgende formule moet gebruik word om die punte te bereken vir prys ten opsigte van kwotasies/tenders met 'n Rand waarde tussen R 30 000 en R 500 000.

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

Waar

P_s = Punte behaal vir prys van die tender onder oorweging

P_t = Rand waarde van die tender onder oorweging

P_{\min} = Rand waarde van die laagste aanvaarbare bod

- 2.1.2 Vir alle kwotasies en tenders met 'n waarde hoër as R 500 000, moet die volgende formule gebruik word.

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

- 2.1.3 Die laagste aanvaarbare tender sal dus die maksimum punte toegeken word vir hierdie afdeling, aangesien

P_t gelyk is aan P_{\min} vir dié tender.

2.2 Punte toegeken vir eienaarskap en beheer

- 2.2.1 Regulasie 13 bepaal dat die formule wat toegepas moet word om die punte te bereken vir die getal aandeelbesit deur 'n HBI is:

$$NEP = NOP \times \frac{EP}{100}$$

Waar

NEP = Punte toegeken vir die aandeelbesit deur 'n HBI

NOP = Die maksimum aantal punte toegeken vir aandeelbesit deur 'n HBI

EP = Die persentasie van die aandeelbesit deur 'n HBI binne die onderneming of maatskappy, soos bepaal in ooreenstemming met regulasie 13 (1), (2), (3) en (4).

- 2.2.2 Die volgende formules moet dus gebruik word om die punte te bereken vir die verskillende kriteria wat punte onder hierdie afdeling kan verdien.

| EQUITY OWNERSHIP AND CONTROL | PROJECTS UP TO R 500 000 | PROJECTS OVER R 500 000 |
|---|---|--|
| % owned by HDI's | 4points $\left(\frac{\% \text{ HDI own}}{100}\right)$ | 2points $\left(\frac{\% \text{ HDI own}}{100}\right)$ |
| % owned by disabled persons (DP) | 2 points $\left(\frac{\% \text{ DP}}{100}\right)$ | 1 point $\left(\frac{\% \text{ DP}}{100}\right)$ |
| % owned by women(W) | 4 points $\left(\frac{\% \text{ W}}{100}\right)$ | 2 point $\left(\frac{\% \text{ W}}{100}\right)$ |
| % HDI's in executive management and/or executive board and board committees | 2 points $\left(\frac{\% \text{ HDI exec}}{100}\right)$ | 1 point $\left(\frac{\% \text{ HDI exec}}{100}\right)$ |

2.2.3 In the event that the HDI's / Equity ownership and control status changes prior to award or during the contract, the tenderer must submit changes to Prince Albert Municipality in writing for evaluation and consideration. The outcome may result in the municipality cancelling the contractor and/or imposing penalties on the tenderer. The sanction will be decided based on information submitted to the municipality for consideration.

2.3 Points awarded for other specific goals

A separate form must be completed and submitted for each RDP goal. Examples are included in the addendums:

- Promotion of SMME's (MBD 6.3);
- Skills development (MBD 6.5);
- Upliftment of communities (MBD 6.7); and
- Promotion of enterprises located within Prince Albert (MBD 6.10).

| EIENAARSKAP EN BEHEER | PROJEKTE TOT R 500 000 | PROJEKTE OOR R 500 000 |
|--|--|--|
| % besit deur HBI's | 4punte $\left(\frac{\% \text{ HBI besit}}{100}\right)$ | 2punte $\left(\frac{\% \text{ HBI besit}}{100}\right)$ |
| % besit deur gestrem- de persone (GP) | 2 punte $\left(\frac{\% \text{ GP}}{100}\right)$ | 1 punt $\left(\frac{\% \text{ GP}}{100}\right)$ |
| % besit deur vroue(V) | 4 punte $\left(\frac{\% \text{ V}}{100}\right)$ | 2 punte $\left(\frac{\% \text{ V}}{100}\right)$ |
| % HBI's in uitvoerende bestuur en/of die uitvoerende direksie en direksiekomitees | 2 punte $\left(\frac{\% \text{ HBI uitv}}{100}\right)$ | 1 punt $\left(\frac{\% \text{ HBI uitv}}{100}\right)$ |

2.2.3 In die geval dat die HBI's / Eienaarskap- en beheer status verander voor toekenning of tydens die kontrak, moet die tenderaar die veranderings skriftelik aan Prins Albert Munisipaliteit verskaf vir evaluering en oorweging. Die uitslag kan lei tot die kansellasië van die kontrakteur en/of die instelling van boetes op die tenderaar. Die straf sal bepaal word op grond van inligting aan die munisipaliteit voorgelê word vir oorweging.

2.3 Punte toegeken vir ander spesifieke doelwitte

'n Afsonderlike vorm moet voltooi en ingedien word vir elke HOP doel. Voorbeelde is ingesluit in die addendums:

- Bevordering van KMMO's (MBD 6.3);
- Die ontwikkeling van vaardighede (MBD 6.5);
- Opheffing van gemeenskappe (MBD 6.7), en
- Bevordering van ondernemings binne Prins Albert gebied (MBD 6.10).

