

DUBE TRADEPORT CORPORATION

F3 SUPPLY CHAIN MANAGEMENT POLICY

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SUPPLY CHAIN MANAGEMENT POLICY

1. Policy Statement / Preamble

The Public Finance Management Act, 1999 (Act No.1 of 1999), as amended, provides that the Dube TradePort Corporation (DTPC) has a duty to take effective and active measures to be financially efficient, effective, transparent and economical through its supply chain management (SCM) processes.

2. Purpose

The purpose of this policy is to regulate the supply chain management functions and systems of DTPC.

3. Objective

- To provide a framework to implement the provisions of section 217 of the Constitution of the Republic of South Africa in order to:
- Implement a policy that is fair, equitable, transparent, competitive and cost effective and complies with all the applicable provisions of the Public Finance Management Act (PFMA).
- Ensure consistency with the legal framework for SCM.
- Ensure that the DTPC's strategic objectives are achieved.

4. Definitions

Term	Definition
Accounting authority	Means the authority which is accountable in terms of section 49 of the PFMA in particular, read with section 49(2) (a) of the PFMA.
Acquisition management	Acquisition management is the process of procurement of goods and services and includes inter alia the following: <ul style="list-style-type: none"> Identification of preferential policy objectives; Determination of market strategy; Application of depreciation rates; Application of total cost of ownership principle; Compilation of bid documentation, including conditions; Determination of evaluation criteria;

Term	Definition
	Evaluation of bids and tabling of recommendations; Compilation and signing of contract documents; Contract administration
All applicable taxes	Includes value added tax, pay as you earn, income tax, unemployment, insurance fund contributions and skills development levies
Assets	Is a resource controlled by DTPC as a result of past events and from which future economic benefits or service potential are expected to flow to DTPC.
Bid	A written offer submitted in a prescribed or stipulated form, in response to an invitation.
Broad-Based Black Economic Empowerment	Means the economic empowerment of all black people including women, workers, youth, people with disabilities and people living in rural areas through diverse but integrated socio-economic strategies that include, but are not limited to— <i>(a)</i> increasing the number of black people that manage, own and control enterprises and productive assets; <i>(b)</i> facilitating ownership and management of enterprises and productive assets by communities, workers, cooperatives and other collective enterprises; <i>(c)</i> human resource and skills development; <i>(d)</i> achieving equitable representation in all occupational categories and levels in the workforce; <i>(e)</i> preferential procurement; and <i>(f)</i> investment in enterprises that are owned or managed by black people.
B-BBEE status level of contributor	The B-BBEE status received by a measured entity based on its overall performance using the relevant scorecard contained in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act.
Collusive Bidding/tendering	Collusive bidding/tendering (or bid rigging) occurs when business, that would otherwise be expected to compete, secretly conspire to raise prices or lower the quality of goods and/ or services for purchasers who wish to acquire goods and /or services through a bidding process. Bid rigging is, therefore, an agreement between competitors not to compete.
Competitive Bid	A bid in terms of a competitive bidding process

Term	Definition
Consultant	A professional service provider.
Contract	The written agreement.
Contractor	Any person whose bid or quotation has been accepted for the execution of work.
Delegation	A written authorisation by a delegating authority to a delegated body to act in his stead.
Disposal	The doing away with items that are no longer needed. This includes redundant and obsolete items.
EME	Exempted Micro Enterprise as defined in the B-BBEE Act
Goods	Those raw materials or commodities which are available for general sale
Irregular expenditure	Irregular expenditure means expenditure, other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including the PFMA.
Long Term Contract	A duration period exceeding one year
Preferential Procurement Legislation	The Preferential Policy Framework Act, 2000 (Act No 5 of 2000) and its associated Preferential Procurement Regulations of 2011
Procurement	The acquiring of goods, services and engineering and constructions works, or the acquiring of capital assets by means of a purchase, lease or donation; and "procuring" has a similar meaning
Professional services	Services provided by a qualified Professional within the scope of the practice of accounting, architecture, land surveying, landscape architecture, or Professional engineering and shall also include, but not be limited to, land surveyors, Geotechnical Engineers, interior design Services, and Soils Engineers etc.
Public Private Partnership	<p>A Public Private Partnership (PPP) means a commercial transaction between an institution and a private party in terms of which the private party:</p> <ul style="list-style-type: none"> • Performs an institutional function on behalf of the institution; and/or • Acquires the use of state property for its own commercial purposes; and • Assumes substantial financial, technical and operational risks in connection with the performance of the institutional function and/or use of state property; and

Term	Definition
	<ul style="list-style-type: none"> • Receives a benefit for performing the institutional function or from utilising the state property, either by way of: <ul style="list-style-type: none"> ○ Consideration to be paid by the institution which derives from a revenue; or ○ Charges or fees to be collected by the private party from users or customers of a service provided to them; or ○ A combination of such consideration and such charges or fees.
Quotation	A written offer which is not submitted in the form of a bid document.
Relevant authority	Relevant authority means: <ul style="list-style-type: none"> • The person or institution whose approval would have been required prior to entering into that transaction or incurring such expenditure or • the institution responsible for the relevant legislation. (Context: Irregular expenditure)
Risk appetite	The level of residual risk that the company is prepared or willing to accept without further mitigation action being put in place, or the amount of risk the company is willing to accept in pursuit of value. A company's risk appetite will vary from risk to risk. Risk appetite is different from risk bearing capacity
Risk management	The level of residual risk that the company is prepared or willing to accept without further mitigation action being put in place, or the amount of risk the company is willing to accept in pursuit of value. A company's risk appetite will vary from risk to risk. Risk appetite is different from risk bearing capacity.
Services	The provision of labour and work carried out by hand, or with the assistance of plant and equipment.
Service Provider	A current or potential supplier, manufacturer, contractor, vendor, agent or consultant
Single Source Purchase	Where the procurement is made directly from one company through a 16A6.4 deviation instead of obtaining three quotations or pursuing an open tender. This process may only be supported by "an urgent or emergency situation" or where it is impractical to follow normal procedure.

Term	Definition
Sole Source Purchase	Means where there is only one service provider that is able to provide that service or good in the market or that the supplier has sole distribution rights for that service or product. The service provider has exclusive/patent rights or unique original equipment manufacturer. The product is of a proprietary nature and can only be sourced from a specific supplier.
Supply Chain Management Policy	The SCM Policy contained in this document
Supply Chain Management Unit	This is under the management and control of the Chief Financial Officer.
Unsolicited proposals/concepts	Any proposal/concept received by the DTPC outside the normal procurement process that is not an unsolicited bid (a submission that must be innovative, unique and provided by a sole supplier).

5. Abbreviations

Abbreviation	Description
B-BBEE	Broad-Based Black Economic Empowerment
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIDB	Construction Industry Development Board
DTPC	Dube TradePort Corporation
ED	Enterprise Development
PFMA	Public Finance Management Act
PO	Purchase Order
PPP	Public Private Partnership
PPPFA	Preferential Procurement Policy Framework Act
SCM	Supply chain management
TOR	Terms of Reference
BAC	Bid Adjudication Committee
BEC	Bid Evaluation Committee
BSC	Bid Specification Committee
TEC	Technical Evaluation Committee

6. Legal Framework for SCM

6.1 This policy is underpinned by the following pieces of legislation:

- The Constitution of the RSA, Act 108 of 1996, as amended
- KwaZulu-Natal Dube TradePort Corporation Act, 2010 (Act No. 2 of 2010)
- Public Finance Management Act, 1999 (Act No. 1 of 1999), as amended (PFMA)
- Treasury Regulations, 2005 (TR)
- All National Treasury and KwaZulu-Natal Provincial Treasury Practice Notes, circulars, letters and instruction notes issued from time to time
- The Preferential Procurement Policy Framework Act (PPPFA), Act 5 of 2000
- The PPPFA Regulations issued in 2011
- The Broad-based Black Economic Empowerment Act, the Strategy and the Codes of Good Practice
- Construction Industry Development Board Act No 38 of 2000 and its Regulations
- The Prevention and Combating of Corrupt Activities Act
- Promotion of Administrative Justice Act, Act No 3 of 2000
- Promotion of Access to Information Act, Act No 2 of 2000
- Protected Disclosures Act, Act No 26 of 2000
- The Competition Act, Act No 89 of 1998
- The King III Report on Corporate Governance for South Africa
- All other relevant acts, as well as the general legal environment within which contracts will be executed.

7. Applicability

7.1 This policy will apply to:

- All DTPC staff and management; and
- DTPC Board and all sub-committees

8. Policy Provisions

8.1 Disclosure of Interest

8.1.1 Staff involved in the procurement process must

- disclose any conflict of interest that may arise;
- may not use their position for private gain or to improperly benefit another person;
- not compromise the integrity of the procurement system through the acceptance of gifts or hospitality or any other act.

- 8.1.2 If a staff member involved in the procurement process (or any family member, partner, associate of such staff member) has any private or business interest in any contract to be awarded, that member must
- Disclose that interest; and
 - Withdraw from participating in the procurement process leading up to that contract.
- 8.1.3 Failure to disclose any interest/ relationship with any of the bidders is a dismissible offence.
- 8.1.4 DTPC staff member may not compete for any tender/ quotation issued by DTPC/ LMJV or both and any bid(s) received from DTPC staff member(s) shall be disqualified.
- 8.1.5 If a bidder/director/ shareholder/ trustee declare that he/she is an employee of the state and furnishes proof that appropriate authority exists for him or her to undertake remunerative work outside his or her employment in the public service, such a bid must be evaluated in accordance with the normal procurement processes.
- 8.1.6 If a bidder/director /shareholder /trustee is found to be an official who is in the service of the state and has failed to declare in the bid documents, the bidder must be disqualified and the matter must be dealt with as financial misconduct.

8.2 Supply Chain Management Unit

- 8.2.1 The Supply Chain Management Unit shall implement and execute an appropriate Supply Chain Management system which is fair, equitable, transparent, competitive and cost effective.
- 8.2.2 The Supply Chain Management Unit shall be subject to the management control of, and accountable to, the CFO.
- 8.2.3 The procurement of all goods and services shall be the responsibility of the Supply Chain Management Unit and this policy shall provide for the six elements, namely:
- Demand Management
 - Acquisition Management
 - Logistics Management
 - Disposal Management
 - Risk Management
 - Performance Management

8.3 Demand Management

8.3.1 A system of demand management shall translate the annual performance plans of the DTPC into current and future needs, to cost and budget for it.

8.3.2 Demand management entails the planning for all requirements for goods and services, as well as the disposal of redundant and obsolete assets and starts during the strategic planning phase.

8.3.3 Annual procurement plan

8.3.3.1 The DTPC shall draft a consolidated procurement plan for all bids above R500 000 for budgeted goods, works and services before commencement of each financial year. This plan must be submitted to the relevant Treasury through the designated department before the cut-off each year. The plan must be updated as changes occur. With effect from 1 November 2014, the relevant Treasury must be informed of changes to the procurement plan on a quarterly basis.

8.3.3.2 This procurement plan must specify all required goods and services, estimated cost, critical delivery dates and commencement dates of required works and services and must be signed off by the CEO.

8.3.3.3 The approved annual consolidated procurement plan shall be used by the Supply Chain Management Unit to draft a consolidated procurement programme that will ensure that the required quality and quantity goods and services are delivered at the appropriate time and place to ensure optimal service delivery.

8.3.4 Scoping through a request for information

8.3.4.1 If sufficient information is not readily available with which to draft terms of reference/specifications, where practical and feasible, a request for information (RFI) process may be followed in order to obtain more market information. The information collected in this fashion may not be used to lead to sourcing from one supplier only nor may it be used to write the ultimate specification/terms of reference around just one specific product.

8.3.4.2 It should be stated clearly in the RFI that the result of this process will not lead to an award and does not constitute a commitment.

8.3.5 Compilation of a Bid Register

8.3.5.1 The SCM Unit should compile a bid register for all bids in excess of R500 000.

8.4 Compilation of the List of Prospective Suppliers

- 8.4.1 The SCM Unit shall establish and manage a list of prospective suppliers to be used for the procurement requirements by means price quotations.
- 8.4.2 Prospective suppliers must be invited annually through advertisement in local representative newspapers and any other means deemed necessary to apply for evaluation and listing as prospective suppliers.
- 8.4.3 Once the list has been compiled per commodity and type of service, price quotations should be invited therefrom on a rotation basis (provided sufficient suppliers appear on the database) to promote on-going competition.
- 8.4.4 Prospective suppliers must be allowed to submit applications for listing at any time, but the list must be updated at least quarterly in order to accommodate especially newly established black empowered businesses and for adding or amending categories of requirements.
- 8.4.5 New categories should not be added to the list if there is a valid contract for the required service which covers all requirements.
- 8.4.6 Prospective suppliers may be removed from the list on request or for non-compliance with relevant legislation, proven non-delivery or proven fraud and/or corruption.
- 8.4.7 It should be noted that in addition to the above, where necessary DTPC shall use the Provincial Treasury approved database to access additional suppliers. Such supplier(s) shall thereafter be invited to register onto DTPC Supplier Database
- 8.4.8 Suppliers already registered on the Provincial Treasury database are not required to be registered on DTPC's supplier database

8.5 Acquisition Management (Quotations and Bids)

8.5.1 System of acquisition management

- 8.5.1.1 Goods and services must be procured in accordance with authorised procurement processes and within the threshold values determined by National Treasury. In the event that a prescribed procurement process cannot be followed (due to cost effectiveness or impracticality) permission must be sought by the CFO from the CEO (in his capacity as the delegated Accounting Authority) to deviate from the procurement process.

8.5.1.2 The accounting authority shall not increase the different National Treasury threshold values, but may reduce them.

8.5.1.3 Expenditure on goods and services may only be incurred in terms of an approved budget and within the limits of the amounts appropriated for the different line items.

8.5.2 Procurement from abroad

8.5.2.1 Should a requirement not be available from a local supplier(s) within South Africa, DTPC shall consider international sourcing.

8.5.2.2 Strategic partnerships and partnerships on international contracts shall be noted by the board before any agreement is finalised.

8.5.3 General requirements

8.5.3.1 Before inviting tenders, DTPC must properly plan for, and, as far as possible, accurately estimate the costs of the provision of the services, works or goods for which an invitation for tenders is to be made. To achieve this, a proper market research and budget computation process must be provided for all procurements equal to or in excess of R2000

8.5.3.2 Services provided by only tertiary institutions can be procured through a tendering process where practical. Such tertiary institution will be required to submit their B-BBEE status in terms of the specialised scorecard.

8.5.4 Procedure : Procurement Management Threshold

Threshold	Procurement Value	Assessment Level	Authority Level	Procedure
5	Above 500 000	BEC	Authorized by BAC and / or CEO	Open Tender
4	30 000 to 50 0000	SCM and/ or TEC	CFO	Three (3) Quotations
3	10 000 to 30 000	SCM and/ or TEC	CFO	Three (3) Quotations
2	2000 to 10 000	SCM and/ or TEC	CFO	Three (3) Quotations
1	Up to 2000	User	Immediate supervisor	One (1) verbal Quotation

8.5.5 First Threshold – Up to a transaction value of R2,000 (incl. VAT)

8.5.5.1 These purchases should be facilitated via Petty Cash where practical. The petty cash policy must stipulate for which items and under which circumstances petty cash may not be utilised.

8.5.5.2 The petty cash procedure may not be used for items available on contract.

8.5.6 Second Threshold – Up to R10,000 (incl. VAT)

8.5.6.1 Verbal or written quotations must be obtained from at least 3 different service providers, preferably from providers whose names appear on the list of prospective suppliers on a rotation basis within cost-effective limits. In cases where at least three quotations cannot be obtained from the list, quotations may be sourced from other suppliers, provided that they be evaluated against the same criteria as the listed suppliers and be registered on the list of prospective suppliers before an order is placed with them.

8.5.6.2 Written confirmation of the preferred supplier's price must be obtained before placing of an order.

8.5.6.3 If it is not possible to obtain at least 3 quotations, the reasons must be recorded and submitted as part of the evaluation and recommendation report. These transactions must also be reported to the CFO. No exception approval is required. The official may extend the closing date of the submission of quotations in an attempt to solicit enough quotations.

8.5.7 Third Threshold – From above R10,000 to R500,000 (incl. VAT)

8.5.7.1 Written quotations must be requested from as many as possible suppliers but at least three whose names appear on the list of prospective suppliers, on a rotation basis, within cost-effective limits.

8.5.7.2 In cases where at least 3 written quotations cannot be obtained from the database, written quotations may be obtained from providers who are not listed, provided such service providers are evaluated against the same criteria as the listed suppliers and be registered on the list before an order is placed with them.

8.5.7.3 If it is not possible to obtain at least 3 written quotations, the reasons must be recorded and approved by the CEO. These transactions must also be reported to the CFO.

8.5.7.4 Prospective suppliers from which quotations are invited must be provided with and/or be requested to complete or submit the following forms under the following circumstances:

- The B-BBEE preference form for transactions equal to and exceeding R30 000 as the quote must be evaluated on this basis in accordance with the PPPFA.
- Declaration of Interest form.
- Certificate of Independent Bid Determination form.
- Bidders Past SCM Practices form.
- An original valid tax clearance certificate for all transactions exceeding R30,000. If an original valid tax clearance certificate is already in the DTPC's possession it is regarded as acceptable and the cross-reference of where it is must be recorded.

8.5.7.5 The evaluation of quotations must be done on a point's basis in accordance with the stipulations of the PPPFA and its accompanying regulations.

8.5.8 **Fourth Threshold – Above the transaction value of R500,000 (Incl. VAT)**

8.5.8.1 No goods or services above R500, 000 (VAT included) may deliberately be split into parts or items of lesser value to avoid procuring through competitive bidding.

8.5.9 **Bidding process and documentation**

8.5.9.1 The bidding process includes:

- Compilation of bidding documentation
- Public invitation of bids
- Site meetings/Briefing Sessions if applicable
- Receiving and processing of bids
- Evaluation of bids
- Adjudication of bids and awarding of contracts

8.5.9.2 Administration of contracts should include a written agreement between the DTPC and the bidder after approval of the bid and appropriate vendor monitoring and management must be effected.

8.5.9.3 Original/legal copies of written agreements must be kept in a secure place for legal and reference purposes.

8.5.9.4 Bid documentation must be compiled in accordance with National and KZN Treasury directives.

8.5.9.5 Bids relating to construction work must use the bid forms and the prescripts of the Construction Industry Development Board (CIDB).

- 8.5.9.6 With effect from 1 November 2014, where practical, all other bids must be subject to the General Conditions of Contract and SCM guidelines of the National Treasury, as well as any legal enforceable, approved Special Conditions of Contract (SCC).
- 8.5.9.7 The relevant standard bid forms as indicated by National Treasury shall be used when inviting bids, where practical to do so.
- 8.5.9.8 Bid documents shall clearly indicate the terms and conditions of contract, weighted criteria for evaluation and procedures to be followed, including the criteria prescribed in terms of the Preferential Procurement legislation.
- 8.5.9.9 Bid documentation must compel all bidders to declare any conflict of interest bidders may have in a specific bid, and must prescribe that bidders must furnish valid, original tax clearance certificates.
- 8.5.9.10 The bid documentation must prescribe that appeals be settled within 5 days through prescribed processes, consultation, mediation (with or without legal presentation), or arbitration or when unsuccessful, set down by Provincial and/or National Treasury.
- 8.5.9.11 The specifications and evaluation criteria shall ensure fair, equitable, transparent, competitive and cost effective bidding.
- 8.5.9.12 The specifications shall not mention trade names unless these are the only acceptable products, or a particular product is dictated in a DTPC policy to achieve efficiencies and economies of scale or where an indication is given that a similar product is required.
- 8.5.9.13 The CFO in consultation with the Supply Chain Management officer may communicate with bidders and prospective bidders prior to bid closing. Such communication shall be in the form of a prescribed notice and shall, where possible, be issued at least 5 working days prior to the bid closing date.
- 8.5.9.14 The bid documentation must, if the value of the transaction is expected to exceed R10 million (VAT included), require bidders to furnish;
- Statement indicating whether any portion of the goods or services are expected to be sourced from outside the Republic of South Africa, and if so, what portion and whether any portion of payment from the DTPC is expected to be transferred out of the Republic of South Africa; and
 - Information regarding their obligation towards the National Industrial Participation Program (NIPP) of the Department of Trade and Industry

8.5.10 Invitation of Competitive Bids

8.5.10.1 All bids must be advertised at least in the Government Tender Bulletin. In addition, bids may be advertised in the media and/or DTPC's website. The information contained in a public advertisement, must include the address where bid documents may be collected, the cost of the bid document if applicable, and the bid closing time and date. Should a briefing session be held, the date and time of the session must also be indicated.

8.5.10.2 Extension of the validity of bids in the prescribed manner, in cases where it is expected that contracts cannot be awarded prior to the expiry of the initial validity period must be authorized by the Senior Manager: Supply Chain Management.

8.5.10.3 A closing date for the submission of bids which is less than the 21 days required may be approved by CEO but only if such shorter period can be justified on the grounds of urgency or emergency or any exceptional case where it is impossible or impracticable to follow the official procurement process.

8.5.10.4 All correspondence in regard to bid documents shall be addressed to the Procurement officer.

8.5.11 Process for Issuing, Receiving, Opening and Recording

8.5.11.1 Bid documents shall only be issued by the Supply Chain Management Unit.

8.5.11.2 Bid documentation shall be available for collection during normal office hours on the days stipulated.

8.5.11.3 Unless otherwise indicated in the bid documents, the DTPC shall not be liable for any expenses incurred in the preparation and submission of a bid.

8.5.11.4 A non-refundable bid charge, as required in the bid notice, may be raised by the DTPC for bid documents.

8.5.11.5 Details of all bidders who have been issued with bid documents shall be recorded by the SCM Unit. Such details shall include:

- The legal and full name of the person/company/closed corporation/firm drawing documents;
- A contact person;
- A contact telephone number;
- A contact fax number;
- A postal address; and

- An e-mail address.

8.5.11.6 Details recorded as required above shall remain confidential during and after the bid period.

8.5.11.7 The procedures for opening and recording of bids are as follows;-

8.5.11.8 Tenders must be opened in public, unless the responses are received via the two stage bidding process; and it must be opened by at least 2 officials at the specified time and place;

8.5.11.9 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 including each bidders total bidding price (where practical);

8.5.11.10 The official must authenticate each bid/quotation and record in a register all bids/quotation received in time. All bids/quotation received after the closing date and time must be rejected and where practical be returned to the bidder unopened.

8.5.11.11 Where practical, within 10 days after the closure of the bids, DTPC will publish on its website the names of all bidders that submitted bids. This information should remain on the website for at least 30 days.

8.5.12 **Negotiations with Preferred Bidders**

8.5.12.1 The CEO (or a delegated official) may negotiate the final terms of a contract with preferred bidders identified through the normal open bidding process provided that it-

- Does not allow any preferred bidder a second or unfair opportunity;
- Is not to the detriment of any other bidder; and
- Does not lead to a higher price than the bid submitted, unless a later variation of scope is agreed with the supplier.

8.5.12.2 Where practical, minutes of such negotiations must be kept for record purposes.

8.5.12.3 Prior to signing a formal contract and/or service level agreement with a contractor, the CEO must ensure that such contracts or agreements are legally sound to avoid potential litigation and to minimize possible fraud and corruption. This must include legal vetting by the contract management unit and/or legal services.

8.5.12.4 Such contracts must be actively managed in order to ensure that DTPC and the contractors meet their respective obligations.

8.5.13 Two-Stage Bidding Process

8.5.13.1 A two-stage bidding process is allowed for:

- Large complex projects;
- Projects where it may be undesirable to prepare complete detailed technical specifications.
- Sophisticated IT systems

8.5.14 Establishment of a list of approved suppliers

8.5.14.1 Where goods or services of a specialised nature are required on a recurring basis, a list of approved suppliers for the supply of the goods or services may be established through the competitive bidding process.

8.5.15 Limited bidding

8.5.15.1 Limited bidding is only to be used if justification exists and the necessary approval has been obtained within the framework of the Delegation of Authority document.

8.5.15.2 DTPC may use limited bidding under the following circumstances:

- Where DTPC applied the competitive (open) bidding process, but the bids received were all non-responsive, thus the time required to go out on the same process has elapsed.
- Where DTPC can buy under exceptionally advantageous conditions that only arise in the very short term.
- In the event that a change of provider would compel DTPC to obtain spare parts or additional equipment or services that are not compatible or interchangeable with existing equipment or services that were obtained from an original provider.
- The goods, services or works to be bought have to be designed by the supplier.
- When goods, services or works can only be supplied or rendered by a particular supplier and no reasonable alternative or substitute exists.
- There are legislative, technological or safety reasons to restrict purchases to providers who have proven their capability.
- In cases of urgency due to unforeseen circumstances where lack of planning or negligence did not play a role.

- In cases of emergency.
- In cases where it is not practical to follow the prescribed bidding process and approval has been obtained from the CEO.

8.5.15.3 The 3 categories of limited bidding which may be used are multiple source, single source and sole source.

8.6 Preferential Procurement

8.6.1.1 Preferential procurement will be applied in line with the PPPFA and its Regulations, 2011.

8.6.1.2 Preference points will be calculated using the 80/20 or 90/10 system. The applicable preference point system must be stipulated in all bid documentation.

8.6.1.3 The 80/20 preference point system is applicable to bids with a Rand value equal to, or above R30 000 and up to a Rand value of R1 million (all applicable taxes included)

8.6.1.4 The 90/10 preference point system is applicable to bids with a Rand value above R1 million (all applicable taxes included)

8.6.1.5 No system has to be applied in respect of procurement with a Rand value of less than R30 000.

8.6.1.6 DTPC may develop preferential targets once DTPC B-BBEE status has been verified.

8.6.1.7 All procurements equal to or more than R 30 000 where local content is applicable will be evaluated based on the rules of the particular sector as issued in the practice notes and circulars of National Treasury where applicable to DTPC

8.7 Committee System for Competitive Bids

8.7.1 The CEO is required to –

- Establish a committee system for competitive bids consisting of at least –
- Ad-hoc bid specification committees; (BSC)
- Ad-hoc bid evaluation committees; (BEC) and
- A standing bid adjudication committee (BAC);
- Standing SCM Officials within the SCM Unit

8.7.2 Appoint the members of each committee in writing.

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- 8.7.3 Provide for an attendance or oversight process by a neutral or independent observer, appointed by the CEO, when this is appropriate for ensuring fairness and promoting transparency.
- 8.7.4 The CEO may compile pre-qualifying criteria in the case of specialized complex work. Only those service providers who met the pre-qualified criteria will be invited to submit tenders.
- 8.7.5 **Bid Specification Committee (BSC)**
- 8.7.5.1 The BSC must compile the specifications for the procurement of goods and ToR for services by DTPC.
- 8.7.5.2 The BSC must identify and develop the relevant evaluation criteria to align with the specification as bids may only be evaluated according to the criteria stipulated in the bid documentation.
- 8.7.5.3 Specifications –
- Must be drafted in an unbiased manner.
 - 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;
 - May not create trade barriers in contract requirements in the forms of specifications, plans, drawings, designs, packaging, marking or labeling of conformity certification;
 - 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;
 - Must be approved by the CEO or BAC prior to publication of the invitation for bids
- 8.7.5.4 The BSC must be composed of multi-disciplinary teams of DTPC officials which include at least one supply chain management representative, one technical representative, and may when appropriate, may include an external specialist advisor.
- 8.7.5.5 No person, advisor or corporate entity involved with the BSC, or director of such a corporate entity, may bid for any resulting contracts.
- 8.7.5.6 An official from the SCM Unit must be made available to render the secretariat function for the BAC meeting.

8.7.6 Bid Evaluation Committee (BEC)

8.7.6.1 The BEC must –

- Evaluate each bidder's ability to execute the contract and this must be done according to financial and technical capability.
- Check in respect of the recommended bidder whether the taxes are in order
- Check that a duly completed and signed confidentiality undertaking, declaration of interest, declaration of bidders past SCM practices and certificate of independent bid determination have been submitted as well as all other requirements stipulated in the bid document.
- Submit to the adjudication committee a report and recommendations regarding the award of the bid or any other related matter.
- make known to the BAC any deviation, amendment or alternatives proposed by the recommended bidder.

8.7.6.2 The CEO must establish an ad hoc BEC as necessary per requirement. The BEC must be appointed before the closing date for bids that must be evaluated by the Committee. Should a member declare a conflict of interest at any stage, the member may no longer form part of the BEC and must be replaced by a member of suitable expertise.

8.7.6.3 The BEC must be cross-functional and must be composed of at least five members including one supply chain management representative, three technical representative with suitable expertise, and may when appropriate, include an external specialists advisor. If considered necessary, the CEO or delegate may appoint additional experts in an advisory capacity only with no voting rights. The BEC must appoint one of the members of the BEC as the chairperson of the Committee.

8.7.6.4 No person, advisor or corporate entity involved with the BEC, or director of such a corporate entity, may bid for any resulting contracts.

8.7.6.5 Where an external consultant is invited to be a member of the BEC such consultant must declare any interest or family relations or friendships, business associates/ sub-contracting/ partnerships/ joint venture with any of the prospective contractors/service providers.

8.7.6.6 An official from the SCM Unit must be made available to render the secretariat function for the BEC meeting.

8.7.7 Bid Adjudication Committee (BAC)

8.7.7.1 The BAC must –

- consider the report and recommendations of the BEC; and

- make a final award, or
- if it decides not to make a final award, then provide another recommendation to the CEO on how to proceed with the relevant procurement.
- approve any deviations, amendment or alternatives proposed by the recommended bidder.
- Where delegated, approve variations in line with the delegation of authority.

8.7.7.2 The BAC must assess the process followed in making the recommendation to ensure that the SCM Policy has been complied with in full. It must therefore ensure that:

- All necessary bid documents have been submitted.
- Disqualifications are justified and that valid and accountable reasons/motivations were furnished for passing over of quotes/bids.
- Scoring, as applicable, has been fair, consistent and correctly calculated and applied in line with the relevant PPPFA scoring system.
- Bidders' declarations of interest have been taken cognisance of.
- All bidders confirmed that they were not involved in any form of collusive bidding (or bid rigging).

8.7.7.3 The BAC must consist of at least four senior officials of the DTPC which must include:

- The CFO, the chairperson;
- Where practical, at least one senior Supply Chain Management practitioner who is an official of the DTPC; and
- A technical expert in the relevant field who is an official, if such an expert exists in an advisory capacity.

8.7.7.4 Where it is impractical for the CFO to be the chairperson of the BAC, the BAC 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 the members to preside at the meeting.

8.7.7.5 Neither a member of a BEC, nor an advisor or person assisting the evaluation committee, may be a member of a BAC when that specific requirement is being discussed.

8.7.7.6 No advisor may form part of the final decision-making process.

8.7.7.7 The BAC may only proceed if at least sixty percent (60%) if its members are present (quorum).

8.7.7.8 The CEO may second another senior official to temporarily replace members that are absent due to illness, leave, etc. The CEO will also decide whether or not such secondees will have the same powers as members.

8.7.7.9 If the BAC does not agree with the recommendation of the BEC, such recommendation must be returned to the BEC for reconsideration. If consensus cannot be reached between the BEC and the BAC, the case must be referred to the CEO for a decision.

8.7.7.10 If the BAC decides to award any bid other than that recommended by the BEC this needs to be reported to Provincial and National Treasury and the Auditor-General within 10 working days.

8.7.7.11 An official from the SCM Unit must be made available to render the secretariat function for the BAC meeting.

8.7.7.12 The award must be made available on DTP website and the government tender bulletin and where practical, also other media where the bids were advertised.

8.8 Appointment of Consultants

8.8.1.1 The CEO may procure consulting services provided that any Treasury Guidelines in respect of consulting services are taken into account when such procurements are made.

8.8.1.2 Consultancy services must be procured through competitive bids if

- The value of the contract exceeds R500 000 (VAT included) and/or
- The duration period of the contract exceeds one year.

8.8.1.3 In addition to any requirements prescribed by this policy for competitive bids, bidders must furnish particulars of all consultancy services provided to the DTPC during the last five years.

8.8.1.4 The CEO must ensure that copyright in any document produced, and the patent rights or ownership in any plant, machinery, system or process designed or devised, by a consultant in the course of the consultancy service is vested in the DTPC.

8.8.2 A consultant cannot be involved in both the design and the construction of the same project (except for turnkey projects).

8.9 Deviation from and ratification of procurement process

8.9.1 The CEO/Accounting Authority may in terms of Treasury Regulations 16A.6.4 dispense with the official procurement processes and procure required goods or services which may include direct negotiations, but only:

- In cases of urgency or emergency;

- If such goods or services are produced or available from a single provider only;
- In any other exceptional case where it is impossible or impractical to follow the official procurement processes; and

8.9.2 The reasons for deviating from compliance with the competitive bidding system must be recorded and approved by the CEO. A list of all deviations must be presented to the Board on a quarterly basis.

8.9.3 The CEO may ratify any minor breaches of the supply chain management processes by an official or committee acting in terms of delegated powers which are purely of a technical nature.

8.9.4 The CEO must report, within 10 days, the reasons for any deviations in excess of R500 000 (VAT inclusive) to Provincial Treasury and the Auditor-General.

8.10 Urgent and emergency cases

8.10.1 Urgency

8.10.1.1 Urgent procurement occurs in cases that were not previously known and could therefore not have been planned for. Confirmation that the urgency of the particular requirement is not due to poor, or lack of planning, must be certified on senior management level at the time of authorisation for procurement.

8.10.1.2 For certified urgent cases competitive bidding may be disposed of. Irrespective of the amount involved the requirement may be satisfied by obtaining at least three written price quotations from the list of prospective suppliers.

8.10.1.3 All supporting information with the written authorisation for procurement must be submitted to SCM Unit within 7 days of the urgent event taking place. All reasons for the deviation must be clearly documented for the user department in the deviation memo to be approved by both their executive and the CEO.

8.10.2 Emergency

8.10.2.1 Emergency occurs in urgent cases where there is a possibility of loss of life, or misery or want. In cases of emergency one written quotation may be obtained preferably from the list of prospective suppliers. Verbal authorisation to proceed may be given by the CEO, provided that all supporting documentation is submitted together with the written authorisation for procurement to the SCM Unit as soon as possible, but definitely within 48 hours of order. The reasons for the emergency must be investigated and a report must be attached to the authorisation.

8.10.3 Cancellation and re-invitation of tenders

8.10.3.1 In the event that, in the application of the 80/20 or 90/10 preference point system as stipulated in the tender documents, all tenders received exceed the estimated Rand value for the stipulated preference point, the tender invitation must be cancelled.

8.10.3.2 If one or more of the acceptable tenders received are within the prescribed threshold for the stipulated preference point, all tenders must be evaluated according to the preference point stipulated in the tender document.

8.10.3.3 Tenders may be cancelled in any one or more of the following events

- Due to changes within the operational requirements of DTPC, there is no longer a need for the goods or services
- Funds are no longer available to cover the total envisaged expenditure
- No acceptable bid has been received
- There are gross errors in the bid invitation documents

8.10.3.4 Such decision to cancel the tender will be advertised in all respected media that the original advert was placed

8.10.4 Evaluation process

8.10.4.1 The first stage of evaluation is the minimum compliance check that must be executed. This check must be in line with the bid document requirements.

8.10.4.2 Where local content is applicable all responses received must be evaluated in terms of the circular for the applicable sector. Only those responses that meet the threshold requirements may be further evaluated

8.10.4.3 Compliant bidders must then be evaluated on functionality if the bid is to be evaluated on functionality. Only bidders achieving the prescribed minimum qualifying score for functionality may be further evaluated.

8.10.4.4 The final stage for evaluation will be calculation of a score for price and B-BBEE status level of contributor according to the formulae and instructions in the PPPFA. A bid must not be disqualified if the bidder does not submit a certificate substantiating the B-BBEE status level of contribution or is a non-compliant contributor, but must only score 0. The combined score will determine the potential winner.

8.10.5 Evaluation of bids scoring equal points

8.10.5.1 When two or more offers have scored equal total points, the successful bid must be the one scoring the highest number of preference points for B-BBEE as stated in part 3,11(5)(a) of the PPPFA Regulations.

8.10.5.2 However, when functionality is part of the evaluation process and two or more bids have scored equal points including equal preference points for B-BBEE, the successful tender must be the one scoring the highest score for functionality.

8.10.5.3 Should two or more offers still be equal in all respects, the award shall be decided by the drawing of lots in accordance with the delegated powers.

8.10.6 Award based on points

8.10.6.1 The award of a bid should be awarded to the bidder who scored the highest total number of points for price and B-BBEE contribution level combined.

8.10.6.2 In exceptional circumstances a contract may, on reasonable and justifiable grounds, be awarded to a bidder that did not score the highest number of points. The reasons for such a decision must be approved and recorded for audit purposes.

8.10.6.3 With effect from the implementation date of this policy, should a quote/bid not be awarded to the highest scorer, DTPC should, within 7 working days, in writing, notify the Auditor-General and the relevant Treasury, and the designated department of the reasons for deviating. This is applicable to all quotes/bids that exceed R30,000.00 only.

8.10.6.4 With effect from the implementation date of this policy, DTPC must, prior to award, verify the tax clearance certificate submitted by the potential contractor at any SARS branch office countrywide. Such verification should be recorded for audit purposes.

8.10.6.5 It must also be verified that the potential contractor's name or those of its directors, do not appear on the National Treasury's database of Restricted Suppliers (for bids in excess of R10 000) or on the Register for Tender Defaulters as companies, directors or persons prohibited from doing business with the public sector. This is effective from the implementation of this policy

8.11 Unsolicited Bids

8.11.1 The DTPC is not obliged to consider an unsolicited bid received outside the normal competitive bidding process.

8.11.2 In accordance with National Treasury Practice Note 11 of 2008/2009 unsolicited bids may be considered, but only:

- If the need for the product or service by the DTPC has been established during its strategic planning and budgeting process;
- If the product or service involves a unique innovative concept to project development and management and will be uniquely beneficial to, or have exceptional cost advantages for the DTPC
- The bidder is the sole provider of the product or service.

8.11.3 The adjudication committee must consider the unsolicited bid and make a recommendation to the CEO.

8.11.4 If it is an unsolicited proposal that is received and it is a PPP, the DTPC must comply with the requirements of Treasury Regulation 16 and the practice notes relevant hereto. If the unsolicited proposal is not a PPP, the DTPC must undertake a comprehensive evaluation of the unsolicited proposal and if it decides to proceed, the DTPC must negotiate an unsolicited proposal agreement with the proponent. Upon receipt of an unsolicited proposal, the DTPC must (in writing) notify the National Treasury contact person within ten working days of such receipt. This is applicable from the implementation date of this policy

8.12 Subscriptions and exemptions

8.12.1 Competitive bidding shall not apply where it is impractical to apply competitive bidding and/or where regulatory/statutory rates apply. This shall only apply in the following inimitable circumstances:

- Utility bills
- Licenses
- Subscriptions
- Conferences/ seminars
- Membership fees
- Payment of regulated amounts to the Municipality (e.g. assessment and/or approval of building plans)
- Further studies through tertiary institutions.

8.13 Combating of Abuse of the SCM System

8.13.1 The CEO must–

- 8.13.1.1 Investigate any allegations against an official or other role player of fraud, corruption, favouritism, unfair or irregular practices or failure to comply with this Supply Chain Management policy. The available dedicated telephone line must be utilised for the anonymous reporting of any form of abuse of the SCM system.
- 8.13.1.2 Institute disciplinary action against any official who has abused the SCM system and report any suspected criminal behaviour to the SAPS.
- 8.13.1.3 Take all reasonable steps to ensure that no recommended bidder, or any of its directors, is listed as a person prohibited from doing business with the public sector;
- 8.13.1.4 Reject any bid from a bidder if their tax matters are not in order.
- 8.13.1.5 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;
- 8.13.1.6 Reject the bid of any bidder if that bidder or any of its directors has abused the SCM system of DTPC.
- 8.13.1.7 The CEO must inform the National Treasury and relevant provincial treasury in writing of any actions taken in terms of paragraph 8.13.1.5 of this policy.

8.14 Logistics Management

- 8.14.1 The DTPC must implement a logistics management system that provides for the accurate recording, accounting and control of fixed and movable assets in terms of the approved asset management policy as well as for consumable items.
- 8.14.2 The asset manager shall be responsible for the establishment and management of an appropriate asset register.

8.15 Disposal Management

- 8.15.1 The CEO must establish an effective system of disposal management for the disposal or letting of assets, including unserviceable, redundant or obsolete assets.
- 8.15.2 The disposal of assets must be by one of the following methods –
- transferring the asset to another organ of state in terms of a provision of the Act enabling the transfer of assets;
 - transferring the asset to another organ of state at market related value or, when appropriate, free of charge;
 - selling the asset; or

- destroying the asset;

- 8.15.3 Immovable property may be sold only through a competitive bidding process or the plight of the poor demands otherwise.
- 8.15.4 Movable assets may be sold either by way of written price quotations, competitive bidding process, auction or at market related prices, whichever is the most advantageous.
- 8.15.5 In the case of the free disposal of computer equipment, the provincial department of education must first be approached to indicate within 30 days whether any of the local schools are interested in the equipment.
- 8.15.6 The letting of immovable state property must be at market-related tariffs, unless Treasury approves otherwise. No state property may be let free of charge without the prior approval of Treasury.
- 8.15.7 All fees, charges, rates, tariffs or scales of fees relating to the letting of immovable property must be reviewed annually.
- 8.15.8 Where assets are traded in for other assets, the highest possible trade-in price must be negotiated.
- 8.15.9 The EXCO serves as the Disposal Committee. Disposal process and outlined in the fixed asset policy must be followed.

8.16 Risk Management

- 8.16.1 All risk within SCM are managed in terms of DTPC's Risk Management Policy and Framework.

8.17 Supply Chain Performance Management

- 8.17.1 The CEO must establish an effective internal monitoring system in order to determine whether the authorised Supply Chain Management processes were followed and whether the desired objectives were achieved. This includes performance management of contracts concluded.

8.18 Prohibition on Awards

- 8.18.1 The DTPC may not make any award above R30 000 to a person whose tax matters are not in order.

8.18.2 Before making an award to a person, the responsible official must ensure that a valid tax clearance certificate is in the possession of the DTPC.

8.19 Ethical Standards

8.19.1 In the event that an official abuses or does not comply with the Supply Chain Management Policy, action against the official shall be taken in terms of the disciplinary procedures as outlined in Corporate Policy on Managing Discipline in the Workplace.

8.19.2 Officials and other role players involved in the Supply Chain Management system:

- Must treat all information as confidential;
- May not use his or her position for private gain or to improperly benefit another person;
- May not accept gifts that are contradictory to the Gift Policy of DTPC;
- Must declare to the CEO details of any private or business interest which any close family member, partner or associate, may have in any proposed procurement process;
- Must immediately withdraw from participating in the procurement process or in the award of a contract in which person, or any close family member, partner or associate, has any private or business interest;
- Must assist the CEO in combating fraud, corruption, favouritism and unfair and irregular practices;
- Must report to the CEO any alleged irregular conduct;
- All declarations in terms of 38(e) of the PFMA must be recorded in a register which the CEO must keep for this purpose.
- All declarations by the CEO must be recorded in the register and submitted to the Provincial Treasury.

8.19.3 The DTPC Code of conduct and the national treasury's code of conduct for Supply Chain Management Practitioners applies to all SCM practitioners

8.19.4 A breach of the code of conduct shall be dealt with in accordance with DTPC disciplinary procedure

8.20 Irregular expenditure

- 8.20.1 In terms of Section 54 (1) (g) of the PFMA, and National Treasury Practice Note 4 of 2008/09, the DTPC must immediately report all cases of irregular expenditure involving the procurement of goods and services to the National Treasury with effect from, the implementation date of this policy.
- 8.20.2 An irregular expenditure register must be maintained and the DTPC must take appropriate disciplinary steps in cases of irregular expenditure.
- 8.20.3 The DTPC may forward submissions to the relevant authority to request the condoning of the non-compliance with the PFMA or other legislation respectively where good reasons exist and where steps can be highlighted to avoid reoccurrence of this type of irregular expenditure. In instances where the condoning of the irregular expenditure is not considered relevant or where the relevant authority does not condone the irregular expenditure, immediate steps must be taken to recover the irregular expenditure from the responsible employee, if he/she is liable in law.
- 8.20.4 Forward all irregular expenditure incurred to the Finance Division to disclose as a note to the annual financial statements.

8.21 Resolution of Disputes, Objections, Complaints and Queries

- 8.21.1 Persons aggrieved by decisions taken by DTPC in the implementation of this SCM system may lodge, within five (5) days of the decision or action a written objection or compliant to the CEO against the decision or action.
- 8.21.2 DTPC must respond to the aggrieved party promptly on all objections, complaints or queries.
- 8.21.3 The CEO may appoint an independent and impartial person not directly involved in the Procurement processes of the DTPC to assist in the resolution of disputes between the DTPC and other persons regarding its Procurement system.
- 8.21.4 The CEO, or official designated, is responsible for assisting the appointed person to perform his or her functions effectively.
- 8.21.5 The person so appointed must:
- Strive to resolve promptly all disputes.
 - Submit monthly reports to the CEO on all disputes, attended to or resolved.
 - Report to the Provincial Treasury if the dispute, objection, complaint or query is not resolved within 60 days or no response is received from DTPC within 60 days.

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

8.21.7 This clause must not be read as affecting a person's rights to approach a court of law at any time.

8.22 Reporting of Procurement Information

8.22.1 The CFO must submit to the Provincial and the National Treasuries and other stakeholders such Procurement information as the relevant Treasury may require from time to time.

8.23 Compliance with Provisions of Construction Industry Development Board Act (CIDB)

8.23.1 The DTPC may not award a contract for construction work to a contractor that is not suitably registered with the CIDB and that cannot supply sufficient proof of such registration.

8.23.2 The DTPC may, in addition to its own register of accredited prospective suppliers, apply the national register of construction contractors established in terms of the Construction Industry Development Board Act, 2000 (Act No.38 of 2000) when contracting for construction work.

8.24 Public Private Partnerships

8.24.1 The DTPC may enter into a public-private partnership agreement, but only if it can demonstrate that the agreement will provide value for money.

8.24.2 A public-private partnership must comply with any prescribed regulatory framework for public- private partnerships as per Treasury Regulation 16.

8.24.3 The appointment of transaction advisors to assist with the preparation, concluding and/or implementation should be done in accordance with the prescripts of the PPP Practice Note number 4 of 2004.

8.25 Access to Information

8.25.1 Every bidder must be informed of final bid results (for competitive bids)

8.25.2 On written request, any bidder should be provided with the reasons why his/ her own bid was unsuccessful.

8.25.3 Bids relating to the construction industry must be registered on the CIDB Register of Projects on award and progressively be updated until project completion for the promotion, assessment and evaluation of best practices on construction projects.

8.26 Enterprise Development

8.26.1 DTPC may include on each or all bid/ quotation requests an element of Enterprise Development in order to achieve specific socio and developmental goals.

8.26.2 Enterprise development (ED): means a process aimed to address certain key challenges facing black businesses that struggle to take their business from survivalist and/or micro level to a level of sustainability and profitability. The ED element is designed to assist with the development, sustainability and financial/operational independence of the ED beneficiaries.

9. Termination

9.1 Only the CEO or her delegate may terminate the contract of any supplier, contractor or service provider contracted with DTPC.

10. Responsibility Framework

10.1 Development And Review

The Finance Department will be responsible for the development and or review of this policy at least by the designated date for review or earlier if required.

10.1.1 Role of The CEO

10.1.1.1 In terms of section 51 of the PFMA, the Accounting Authority (delegated to the CEO) must ensure that the public entity has and maintains: :

- an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost-effective;
- A system for properly evaluating all major capital projects prior to a final decision on the project.
- Ensures that all employees receive the appropriate and relevant supply chain management training.

In addition, the CEO should:

- Approve the inclusion of a service provider on the DTPC list of prospective suppliers after rehabilitation of the service provider according to statutory requirements.
- Appoint the members of the bid committees.

10.1.2 Role of Senior Management Members

10.1.2.1.1 Each Senior Management member within DTPC shall be responsible and accountable for:

- Implementing the Supply Chain Management Policy, including the demand and risk management processes;
- Developing specifications and terms of reference for his area of responsibility; and
- Managing contracts in terms of vendor performance and compliance with contractual commitments.

10.1.3 Role of Chief Financial Officer (CFO)

10.1.4 The CFO is the custodian of the supply chain management policy :

- Reports on progress regarding its implementation
- Ensures that procurements and disposals are effected through practices that demonstrate compliance to all relevant legislation.
- Managing procurements and disposals
- Ensures that the procurements and disposal process followed adheres to preference requirements without compromising price, quality, service delivery and developmental objectives.
- Ensures that all employees receive the appropriate and relevant supply chain management training.
- Responsible for establishing the amount to be paid by prospective service providers as a non-refundable deposit for enquiry documents.
- Responsible for the verification of the applications of service providers inclusion in the Register.
- Responsible for compliance and other audits.
- Submits regular statutory and management reports to senior management regarding progress and any matters of importance relating to the Supply Chain Management Policy.

10.2 Implementation and Monitoring

10.2.1 Implementation

The Finance Department has a responsibility for upholding DTPC's policy on Supply Chain Management. Line managers and all employees are responsible for complying with the policy.

10.2.2 Monitoring

The CEO or his/her delegated official, must monitor and report on compliance with this policy.

10.3 Enforcement

All Executives and line Managers must ensure that these provisions are strictly complied with. Employees themselves should also ensure that the policy is adhered to and that disciplinary action is taken against officials who do not comply with the policy.

11. Information and Education

11.1 Information

11.1.1 A copy of this policy and procedures should be placed on the DTPC internal network.

11.2 Education

11.2.1 Education on this policy will be included in the induction for new staff, (Refer to the recruitment policy). A workshop will be held to inform staff of all changes to this policy. Attendance at the workshop is voluntary.