



# **POLICY GUIDELINES ON THE PROCUREMENT AND TENDER PROCESS**

## **POLICY GUIDELINES ON THE PROCUREMENT AND TENDER PROCESS**

### **1. THE FOLLOWING KEY PRINCIPLES UNDERLIE THE POLICY:**

- 1.1 Promotion of social and economic development.
- 1.2 Accountability and Accessibility.
- 1.3 The management system is fair, equitable, transparent, competitive and cost effective.
- 1.4 Protects and advances persons and categories of persons, disadvantaged by unfair discrimination especially women.
- 1.5 Monitoring and evaluation mechanism.

### **2. THE FOLLOWING SUPPLEMENTARY GUIDING PRINCIPALS BE ADOPTED TO ENSURE:**

Procurement reform and to facilitate engagement of previously disadvantaged enterprises and communities.

The substitution of labour for capital is given preference.

The use of labour friendly technologies where circumstances allow.

The development of small scale enterprises and the encouragement of the implementation of employment intensive practices and labour friendly technologies.

That participation by target group does not result in a failure in delivering, or deterioration in quality goods, service and works, which are procured.

Participation measures do not go beyond the point at which they are no longer justifiable.

Only businesses currently in operation in a particular industry or individuals with potential capable of successfully completing a given contract, at the point in time when goods, service and works are required, be considered.

That competition for participation in contracts be encouraged.

Those businesses reaching the determined turnover milestones be excluded from the target groups.

That business enterprises falling within target groups: -

add value for money;

be controlled and managed by those individuals falling within the target groups.

- 2.11 That the database of Suppliers for the Region be kept.
- 2.12. That there should be a single contact point in Council for SMME'S.
- 2.13 Those skills be developed locally through partnership and joint ventures.
- 2.14 Empowering of women, disabled people and youth must be focussed on.
- 2.15 Total procurement be shared equally in the area.
- 2.16 Rotational buying from approved suppliers.
- 2.17 That companies falling outside the target groups: -
  - 2.17.1 are not excluded from participation provided that they comply with certain human resource requirements;
  - 2.17.2 are rewarded for implementing affirmative action programs within their companies should they achieve specific milestones in terms of their companies shareholding [private companies], executive directorship and senior management profiles.
- 2.18 That the policy facilitate growth in terms of the efficiency and effectiveness of delivery as well as numbers and size of businesses owned and controlled by previously disadvantaged individuals.

- 2.19 That emerging businesses contribute to the tax base and adhere to safety and environmental standards associated with those of developed countries.
- 2.20 That wealth should not only be redistributed but be created.
- 2.21 That standards set are definable, measurable, quantifiable, verifiable and auditable.
- 2.22 That living wages in terms of the International Labour Standards are paid to employees of tenderers.
- 2.23 It be a principle that the Tender Committee ensure a fair distribution of the allocation of tenders.

### 3. **TARGETED PROCUREMENT**

To support the development of SMME's that might not be able to afford to tender for large/high requirements, it is acceptable to break out these large demands into smaller more manageable units when inviting proposals. This could be done e.g. through labour only contracts etc.

### 4. **GENDER AND THE PROCUREMENT / TENDER POLICY**

The procurement policy provides an excellent vehicle by the Municipality for redressing gender imbalances in terms of access to tenders, and the households they may support. The policy will serve as a means of creating opportunities to enable women to develop in numerous spheres of life thus giving them security against poverty and providing them independent economic status, e.g. plot clearing and verge cutting.

### 5. **CONSTITUTIONAL AND LEGISLATIVE FACTORS IMPACTING ON POLICY**

- 5.1 The constitution of the Republic of South Africa, 1996 see 195 [1]; 217 [1][2][3];
- 5.2 LGTA [Regulation];
- 5.3 Ordinance 25 of 1974;
- 5.4 Preferential Policy Framework Act 5 of 2000.
- 5.5 Municipal Finance Management Act 56 of 2003.

### 6. **PROPOSED SYSTEMS AND PROCEDURES FOR THE IMPLEMENTATION OF THE PROCUREMENT / TENDER POLICY OF THE ENDUMENI MUNICIPALITY**

The process is applicable in respect of any contract, which is for the execution of any work for or the supply of any goods or material to the Municipality, where the amount involved or likely to be involved **does not exceed** R50,000.00 exclusive of VAT [value added tax].

The section refines the existing procedures and introduces some latest trends in global best practices. The process also takes cognisance of the latest Government policies on public sector procurement and draws to the constitution white paper on SMME's Development and Preferential Procurement Policy Framework act [2000], the ten [10] point plan for Public Sector procurement Reform in South Africa.

## 7. ESTABLISHMENT OF A DATABASE

It is the aim of the Municipality to incorporate as many small, medium and micro enterprises [smme's]; local suppliers; consultants and contractors within the process of procurement.

In order to stimulate participation of the abovementioned service providers to procurement the Endumeni Municipality must have a database of prospective suppliers and service providers. To establish a database of prospective suppliers the Municipality must advertise in a representative newspaper or by any other means to invite prospective suppliers and service providers to apply for evaluation and listing into the database. The database must be updated annually to incorporate newly established businesses.

Care must be taken that costs of advertisements do not render the final product cost - ineffective. Alternative means to reach all prospective tenderers in a cost effective manner e.g. Billboard adverts; post offices, shops, community halls, must be used.

**INFORMATION REQUIRED FOR INCLUSION OF COMPANY ON DATA BASE ALL INTERESTED PARTIES INCLUDING EACH MEMBER OF A JOINT VENTURE ARE REQUIRED TO PROVIDE THE FOLLOWING INFORMATION IN THE FORM OF SIGNED BINDING DECLARATIONS FOR ADJUDICATION PURPOSES.**

- i) The form of business, for example, partnership, sole proprietor, close corporation.
- ii) Names and Percentage ownership of partners, members, directors, etc., and which must include contact details of the aforementioned.
- iii) Percentage ownership of the business by South African women;
- iv) Percentage of disabled employees;
- v) Written documentation regarding affirmative action policies;
- vi) Local status - where is the business located?
- vii) Emerging status - when was the business started?
- viii) Proof of Umzinyathi District Municipality registration as a levy payer.
- ix) Proof of PDI / PDC or PDC Joint Venture (Company Registration Forms).
- x) Percentage of local labour to be used.
- xi) SARS tax clearance.

The above information will be used in the adjudication of Interested Parties for inclusion on database.

In addition, the Interested Parties shall list the work that will be allocated to local labour and/or local emerging subcontractors.

Interested Parties submitting false information will be regarded as committing a fraudulent act and may be subject to prosecution or such other remedy as the Municipality may decide.

**STATUS OF CONCERN SUBMITTING INFORMATION FOR  
CONSIDERATION FOR INCLUSION ON DATA BASE**

**7.1 GENERAL**

State whether the business is a company, a partnership, a person or a close corporation by making an X in the appropriate space.

<b>Company</b>	<input type="checkbox"/>	<b>Partnership</b>	<input type="checkbox"/>	<b>Person</b>	<input type="checkbox"/>	<b>Close Corporation</b>	<input type="checkbox"/>
----------------	--------------------------	--------------------	--------------------------	---------------	--------------------------	--------------------------	--------------------------

**7.2 INFORMATION TO BE PROVIDED**

**7.3 IF THE INTERESTED PARTY IS A COMPANY**

- a) Affix a certified copy of the Certificate of Incorporation to this page.  
.....
- b) List the Directors and each Director's date of appointment  
.....  
.....  
.....  
.....
- c) List the Shareholders  
.....  
.....  
.....  
.....
- d) List all Companies of which your Company is a shareholder  
.....  
.....  
.....

**7.4 IF THE INTERESTED PARTY IS A PARTNERSHIP**

a) Provide the full name and state each Partner's share in the partnership

.....  
.....  
.....

**7.5 IF THE INTERESTED PARTY IS A PERSON**

a) Provide the full name and qualifications of the person

.....  
.....

**7.5A IF THE INTERESTED PARTY IS A CLOSE CORPORATION**

a) State each member's share in the closed corporation and affix a certified copy of the Founding Statement of the corporation.

.....  
.....  
.....

**7.6 PDI STATUS**

Complete the following information for each partner, proprietor, shareholder, director and officer of the firm (viz, chairman, secretary, director etc.)

TITLE	NAME	PDI STATUS (YES/NO)*	% OF SHAREHOLDING

.....  
**SIGNATURE OF INTERESTED PARTIES**

.....  
**DATE**

7.7 **RESPONSIBILITY FOR HEALTH & SAFETY OF EMPLOYEES**

I/we the undersigned hereby agree as follows:-

In terms of the Occupational Health and Safety Act (Act 85 of 1993) and in terms of Section 37(2) "*Acts of Omissions by Employees or Mandatories*" of this Act I/we shall be responsible for the health and safety of my/our employees in compliance with the above Act.

.....  
**SIGNATURE OF INTERESTED PARTIES**

.....  
**DATE**

7.8 **FINANCIAL STATEMENT AND BANK REFERENCES**

I/we the undersigned do hereby certify as follows:-

a) **Financial Statements**

I/we agree, if required, to furnish an audited copy of the latest set of financial statements together with my/our Directors' and Auditors' report for consideration by the Employer.

b) **Bank Reference**

I/we furnish the following information:-

- i) Name of Bank: .....
- ii) Banker's address: .....
- iii) Banker's number: .....
- iv) Contact person: .....

Furthermore, I/we hereby authorise the Endumeni municipality to approach the above bank for a reference.

.....  
**SIGNATURE OF INTERESTED PARTIES**

.....  
**DATE**

7.9 **SCHEDULE OF HUMAN RESOURCES**

The **INTERESTED PARTIES** must insert in the space below, details of staff and workmen he intends employing on the Contract.

CATEGORY	NUMBER									
	LOCAL					NOT LOCAL				
Professional										
Clerical										
Artisans										
Semi-skilled labour										
Unskilled labour										
TOTAL STAFF										

Specify the name, qualifications and experience of all staff.

.....

.....

Specify the name, qualifications and experience of the directors.

.....

.....

.....  
**SIGNED OBO INTERESTED PARTIES**

.....  
**DATE**

## **7.10 CATEGORISATION AND ACCREDITATION OF SERVICE PROVIDERS**

The criteria for approval and categorization are based on the information received on the completed application form and the potential service providers compliance with the minimum qualifications set out by the Municipality.

Categorisation will be based on the business interest of the potential service provider. Categories of the database will cover all disciplines of tendering within the Municipality, including professional services, however in certain circumstances of professional services, the Authority to deviate from this set policy will be granted only to the Municipal Manager who is to ensure that the decision to deviate from the general policy is in the best interest of Council, is reasonably fair and justifiable. A detailed report must be completed and submitted to the Tender Committee for consideration and noting.

## **7.11 TERMS OF REFERENCE / SPECIFICATIONS**

In entering into a contract with a service provider, the key requirement is the provision of clear specifications and or terms of reference that will enable the service provider to satisfy all of the Municipalities requirements before any services may be procured for the Municipality; comprehensive and concise specifications / terms of reference must be prepared. Any ambiguity in the Municipalities stated requirements must be avoided.

The specifications / TOR is prepared by the originator of the request for the service to be rendered. Branding should be discouraged wherever possible. This is a crucial stage because it is the heart of the final contract between the Municipality and the service provider.

## **7.12 ELECTION OF A SERVICE PROVIDER**

Once necessary spending approval has been secured by the originator or a person delegated with such a task; the originator submits the specifications or TOR to the procurement Officer who will then establish the relevant list of service providers from the appropriate service category. At this stage the procurement Officer will submit the specifications to the service provider. Price quotations should be invited from all the suppliers listed per commodity. In the event that there are too many names on the list of prospective suppliers, it must be done on a rotating basis depending on the number of service providers on the list of prospective suppliers, e.g. if 50 companies applied for listing on a specific commodity they should be listed from 1 - 50. When a need arises companies 1 - 3 must be approached for price quotations. NB - Irrespective of which offer is accepted, companies 4 - 6 must be approached for price quotations the second time a need arises. This process should be repeated until all companies are given an opportunity to submit price quotations thereafter the process should again start at the beginning.

The criteria to be used when obtaining quotations (exclusive of VAT) shall be as follows:

- |  |   |   |
|--|---|---|
| I. Less than R1,000.00                 | - | 3 Verbal quotes   |
| II. Between R1,000.00 and R10,000.00   | - | 3 Written quotes  |
| III. Between R10,000.00 and R50,000.00 | - | Shall follow the procedure as specified in Section 7.12 of this policy. |
| IV. Greater than R50,000.00            | - | Formal tender procedure.  |

## 8. INVITATIONS

Once the procurement Officer has received all the necessary documentation, specifications and the list of 3 service providers, he must then prepare the covering letter. The covering letter will also confirm the closing time, closing date, location and validity period requirements for the submission of proposals / quotations.

The invitations are then sent to each of the potential tenderers identified by the Procurement Officer from the database.

## 9. TENDERS

### 9.1 General tender rules

**Notwithstanding the terms and conditions or the nature of the contract with the municipality, the following rules are applicable to any particular tender.**

- 9.1.1 The municipality reserves the right to enter into negotiation with any tenderer regarding any terms and conditions, including price(s), of the proposed contract and any proposal contained in the project proposal submitted by a tenderer.
- 9.1.2 Any clarification required by a tenderer regarding the meaning or interpretation of the terms of reference, or any other aspect concerning the tender, must be requested in good time in writing, preferably by electronic mail.
- 9.1.3 Proposals must remain valid and binding for 90 days from closing date for submission of tenders, calculated from, but not including, the closing date for the submission of tenders as set out in the notice calling for tenders, a copy of which is attached to this document.
- 9.1.4 Tenders must be submitted in accordance with the instructions given in the notice calling for tenders.
- 9.1.5 The closing date and time for submission of tenders is as indicated in the notice calling for tenders.
- 9.1.6 No tender that was submitted late will be considered.

- 9.1.7 The municipality reserves the right to extend the closing date for the submission of tenders, in the same manner as the notice calling for tenders and before the closing date for the submission of tenders.
- 9.1.8 No tenders sent or submitted by facsimile, telex, telegram or electronic mail will be accepted.
- 9.1.9 The municipality is not obliged to accept the lowest or any tender.
- 9.1.10 Not all tenderers will be informed in writing whether they have been successful or not. However prospective tenderers are invited to the tender opening, which is conducted in public and tenderers must assume they have been unsuccessful should the municipality not make later contact.
- 9.1.11 Document submitted by tenderers will not be returned. Any deposit paid by a tenderer will not be refunded.
- 9.1.12 All prices must be in South African currency.
- 9.1.13 Canvassing for appointment shall automatically render a tender disqualified.
- 9.1.14 Should a tender be accepted and it transpires at any time thereafter that the contractor canvassed for appointment or obtained the contract in an unethical or corrupt manner; the municipality reserves the right to immediately cancel the contract and may, in its sole discretion, institute legal proceedings against the contractor.
- 9.1.15 The municipality may require a tenderer to make a presentation to any of its political structures at a date, time and venue determined by it and at the tenderer's cost.
- 9.1.16 The decision of the municipality in respect of any tender will be final and no correspondence with regard thereto will be entered into.
- 9.1.17 Without detracting from any right of a tenderer to institute legal proceedings against the municipality, its councillors, structures, office-bearers, agents and employees, the tenderer must in writing notify the municipal manager immediately of any breach of the codes of conduct for councillors and employees contained in the Local Government: Municipal Systems Act 2000 by a councillor or employee with regard to this contract.
- 9.1.18 No information regarding a tender will be divulged telephonically or otherwise after tenders had been opened and the tender prices made known in public immediately after such opening.
- 9.1.19 This document must be submitted together with the tenderers project proposal. No page may be removed from *it and will be initialed and signed by the tenderers authorized signatory.*

## 10. AMOUNTS EXCEEDING R50 000.00

In respect of any contract which is for the execution of any work, or the supply or sale of any goods or material to the Municipality, including annual tenders, consultancy services where the amount involved or likely to be involved **exceeds R50 000.00 exclusive of VAT** be subjected to a formal tender system.

### 10.1 EVALUATION

Once proposals have been received and scheduled, the consideration / evaluation process, on a comparative basis, begins. The Main Evaluation process includes the following: -

- 10.1.1 Comparison of the functional scores;
- 10.1.2 Comparison of the tender prices;
- 10.1.3 Checking the validity periods;
- 10.1.4 Calculation of preferences - i.e. previously disadvantaged individuals [PDI], women, etc.
- 10.1.5 Addition and comparison of the points total for each tenderer.

The above information will be used in the adjudication of Tenders, and the allocation of points in accordance with TABLE 1: 1A: POINTS SYSTEM FOR ADJUDICATION OF TENDERS.

In addition, the Tenderer shall list the work that will be allocated to local labour and/or local emerging subcontractors on TABLE 2.

A Tenderer submitting false information will be regarded as committing a fraudulent act and may be subject to prosecution or such other remedy as the Municipality may decide.

**TABLE 1: POINT SYSTEM FOR ADJUDICATION OF TENDERS ABOVE R 500 000**

	DESCRIPTION	NO. OF POINTS
	The following point system will be used 1. Tender Price 2. uMzinyathi District Municipality Levy Payer 3. Emerging Contractor/Joint Venture 4. Using Local Labour	(Max 90 points) 2 points maximum 5 points maximum 3 points
<b>1.</b>	<b>TENDERED PRICE</b>  Points awarded in respect of the financial offer are calculated as follows  NP =number of adjudication points awarded on the basis of price Pm =the price of the lowest tender received P =the price of the tender under consideration	$NP=90[1-(P-Pm)/Pm]$
<b>2.</b>	<b>UDM LEVY PAYER</b>  - Existing UDM Levy Payer in Magisterial District - Not Registered Levy Payer	2 0
<b>3.</b>	<b>EMERGING CONTRACTORS</b>  Tenderer can score points either as an Emerging Contractor or as a Joint Venture with an Emerging Contractor or Previously Disadvantaged Individuals (PDI)  <ul style="list-style-type: none"> <li>o If classified as an emerging contractor (which must consist of two thirds (2/3) Directors/owners coming from PDI)</li> <li>o If the tenderer is involved in a joint venture with an emerging contractor or PDI. (Percentage is based on financial participation by emerging contractor). The tenderer is to submit proof of such an agreement together with his tender, i.e. a signed contract agreement must be submitted with the tender document.</li> </ul> Percentage PDI / Emerging Contractor participation: > 10% to 20% > 21% to 30% > 31% to 40% > 41% to 50% > 50%	1 2 3 4 5
<b>4.</b>	<b>USING LOCAL LABOUR</b>  (Contractor must submit exact figure of people employed) If locally based workforce is 0% to 20% of total workforce If locally based workforce is 21% to 60% of total workforce If locally based workforce is 61% to 100% of total workforce  <b>Local labour will be defined as labour staying within the same tribal authority or within the same magisterial district in which the project will be constructed.</b>	1 2 3
	<b>General Notes</b> <ul style="list-style-type: none"> <li>• The onus rests upon the Tenderer to prove compliance with any of the above commitments.</li> <li>• Penalties of 3% of contract sum will apply, per occurrence should it become apparent during execution of the contract that the contractor does not comply with his/her commitment.</li> </ul>	

**Notes:**

Tenderers are to submit with their Tender the following:

1. Proof of UDM registration as a levy payer.
2. Proof of PDI/PDC or PDC Joint Venture percentage participation (Company Registration forms)
3. Percentage of local labour to be used.

**TABLE 1A : POINT SYSTEM FOR ADJUDICATION OF TENDERS  
BETWEEN R 50 000 AND R 500 000**

	DESCRIPTION	NO. OF POINTS
	The following point system will be used 1. Tender Price 2. uMzinyathi District Municipality Levy Payer 3. Emerging Contractor/Joint Venture 4. Using Local Labour	(Max 80 points) 4 points max 10 points max 6 points
<b>1</b>	<b>TENDERED PRICE</b> Points awarded in respect of the financial offer are calculated as follows NP = number of adjudication points awarded on the basis of price Pm = the price of the lowest tender received P = the price of the tender under consideration	$NP=80[1-(P-Pm)/Pm]$
<b>2</b>	<b>UDM LEVY PAYER</b> o Existing UDM Levy Payer in Magisterial District o Not Registered Levy Payer	4 0
<b>3</b>	<b>EMERGING CONTRACTORS</b> Tenderer can score points either as an Emerging Contractor or as a Joint Venture with an Emerging Contractor or Previously Disadvantaged Individuals (PDI) o If classified as an emerging contractor (which must consist of two thirds (2/3) Directors/owners coming from PDI) o If the tenderer is involved in a joint venture with an emerging contractor of PDI. (Percentage is based on financial participation by emerging contractor. The tendered is to submit proof of such an agreement together with his tender, i.e. a signed contract agreement must be submitted with the tender document. Percentage PDI / Emerging Contractor participation: > 10% to 20% > 21% to 30% > 31% to 40% > 41% to 50% > 50%	2 4 6 8 10
<b>4</b>	<b>USING LOCAL LABOUR</b> (Contractor must submit exact figure of people employed) If locally based workforce is 0% to 20% of total workforce If locally based workforce is 21% to 60% of total workforce If locally based workforce is 61% to 100% of total workforce <b>Local labour will be defined as labour staying within the ENDUMENI MUNICIPAL AREA</b>	2 4 6
	<b>General Notes</b> • The onus rests upon the Tenderer to prove compliance with any of the above commitments. • Penalties of 3% of contract sum will apply, per occurrence should it become apparent during execution of the contract that the contractor does not comply with his/her commitment.	

**Notes:** Tenderers are to submit with their Tender the following:

1. Proof of UDM registration as a levy payer.
2. Proof of PDI/PDC or PDC Joint Venture percentage participation (Company Registration forms)
3. Percentage of local labour to be used



**10.2 EVALUATION OF TENDERS ON FUNCTIONALITY, PRICE AND FOR BEING A PDI AND / OR SUBCONTRACTING A PDI**

The Municipality must in the tender documents indicate if, in respect of a particular tender invitation, tenders will be evaluated on functionality and price and for being a PDI or subcontracting a PDI.

**10.3 STIPULATION OF PREFERENCE POINT SYSTEM TO USED**

The Municipality must in the tender documents, stipulate the preference point system, which will be applied in the adjudication of tenders.

Points scored for price of tender under consideration using the formula prescribed in 11 must include a maximum of 2 points for being a local contractor or supplier. Likewise a maximum of 5 points for pdi status and maximum of 3 points for use of local labour.

**10.4 CANCELLATIONS AND RE-INVITATION OF TENDERS**

The Municipality may, prior to the award of a tender, cancel a tender if: -

- Due to changed circumstances, there is no longer need for the goods or services tendered for;
- Funds are no longer available to cover the total envisaged expenditure or no acceptable tenders are received.

**10.5 COMMUNICAITON WITH SERVICE PROVIDERS**

The Corporate Services will receive all resolutions from Tender Committee and will write to the service providers as follows: -

Letter of acceptance will be sent to the successful service provider. Where a briefing meeting with the successful service provider is required, the procurement Officer will make the necessary arrangements with the user department.

A letter of regret will be sent to the unsuccessful service providers.

**The Tender Committee may ignore any tender: -**

- Which is incomplete; or
- On which unauthorised alterations have been effected ; or
- That does not comply with the provisions contained in the advertisement ; or
- That does not comply with the relevant specification contained in the tender document ; or
- Which is submitted by a tenderer who after due investigation is considered to be unable to comply with and meet the tender requirements ; or
- Which is submitted by a tenderer who, where legally required to do so, is nor registered with Umzinyathi District Municipality for the payment of regional establishment and services levies ; or
- Where the payment of a consumer account or any levies due to the Council is outstanding, which will however not disqualify a consumer who has made the necessary arrangement to pay such outstanding amount and who has honoured such an arrangement; or

That the successful tenderer not be allowed to cede the contract without the permission of Tender Committee.

## **11. RESPONSIBILITIES**

### **11.1 Finance Department**

11.1.1 Financial manager will be responsible for appointment of Procurement Officer with the following responsibilities under jurisdiction of said Manager.

11.1.2 The procurement Officer who will then establish the relevant list of service providers and create and maintain database to be published on Municipal Web site from the appropriate service category. At this stage the procurement Officer will submit the specifications to the service provider. Price quotations should be invited from all the suppliers listed per commodity. In the event that there are too many names on the list of prospective suppliers, it must be done on a rotating basis depending on the number of service providers on the list of prospective suppliers, e.g. if 50 companies applied for listing on a specific commodity they should be listed from 1 - 50. When a need arises companies 1 - 3 must be approached for price quotations. NB - Irrespective of which offer is accepted, companies 4 - 6 must be approached for price quotations the second time a need arises. This process should be repeated until all companies are given an opportunity to submit price quotations thereafter the process should again start at the beginning.

### **11.2 User Department**

11.2.1 Ensures budget availability.

11.2.2 Prepares TOR / Specifications.

11.2.3 Discuss tender documents, requirements, etc. with all interested parties at least two weeks before closing date of tenders to clear any misunderstanding.

11.2.4 Evaluate tenders and provide motivation of acceptance or non-acceptance of each tender.

11.2.5 Adjudication of tenders according to policy criteria.

11.2.6 Prepare item for tender-committee.

### **11.3 Corporate Services**

11.3.1 On receipt of TOR/ Specifications, the relevant department assisted by the Legal Services section to compile Tender document.

11.3.2 Place advertisement for tender.

11.3.3 Prepare agenda and arrange tender-committee meeting.

11.3.4 Take minutes of tender committee meeting and arrange for implementation of resolution of Tender Committee.

### **11.4 Tender Committee**

11.4.1 Considers and awards / rejects tender.

## 11.5 Tender Committee Composition

- |                         |   |
|-------------------------|---|
| 11.5.1 Chairman         | - Municipal Manager   |
| 11.5.2 Vice Chairperson | - Financial Manager   |
| 11.5.3 Members          | - Manager Corporate Services<br>Manager Technical Services<br>Head Legal Services |

## 11.6 Delegation of Power

The Endumeni Municipal Council hence forth delegates powers to the TENDER COMMITTEE for the processing, adjudicating and awarding of tenders.

## 12. CODE OF CONDUCT

Officials of the Endumeni Municipality are responsible for the ratepayer's money and this requires the highest level of morals, integrity and transparent conduct.

Below is the **Procurement Code of Conduct** as they have been derived from section 195 (1) of the constitution and the official codes of conduct of the Institute of Purchasing and Supply South Africa (IPSA) and the International Federation of Purchasing and Materials Management (IFPMM).

## 13. PERCEPTS

Staff shall not use their authority or office for personal gain and shall seek to uphold and enhance the standing of the Procurement and Materials Management profession by:-

- Maintaining an impeccable standard of integrity in all their business relationships, both inside and outside of the Endumeni Municipality;
- Fostering the highest standards of professional competence amongst those for whom they are responsible;
- Optimising the use of resources for which they are responsible, so as to provide the maximum benefit to the Endumeni Municipality;
- Adhering to all contractual obligations; and
- Rejecting and denouncing any business practice that is deemed improper.

## 14. GUIDANCE

In applying these precepts, staff from Endumeni Municipality should follow the guidelines as set out below:-

### 14.1 DECLARATION OF INTEREST

Any personal interest, which may impinge, or might reasonable be deemed by others to impinge, on an individual's impartiality in any matter relevant to their duties should be declared to the Municipality.

## 14.2 CONFIDENTIALITY AND ACCURACY OF INFORMATION

The confidentiality and accuracy of information received in the course of duty must be respected and should not be used for personal gain, information given in the course of duty should be true and fair and not be designed to mislead.

## 14.3 COMPETITION

While considering the advantages to the Municipality of maintaining a continuing relationship with a supplier or service provider, any arrangements that might, in the long term, prevent the effective operation of fair competition, should be avoided.

## 14.4 REWARDS, GIFTS AND FAVOURS

14.4.1 An employee of the Municipality may not request, solicit, or accept any reward, gift or favour for:-

14.4.1.1 Persuading the Council of the Municipality, or any structure or functionary of the Council, with regard to the exercise of any power or the performance of any duty.

14.4.1.2 Disclosing any privileged or confidential information.

14.4.2 An employee must without delay report to his Superior Official or to the Municipal Manager of the Council any offer, which, if accepted by the staff member, would constitute a personal gain.

## 14.5 HOSPITALITY

Moderate hospitality is an accepted courtesy of a business relationship. However, the recipients should not allow themselves to reach a position whereby they might be deemed, or deemed by others, to have been influenced in making a business decision, as a consequence of accepting such hospitality. The frequency and scale of hospitality accepted should not be significantly greater than a recipient's employer would be likely to provide in return, through the recipient's expense account. When in doubt of what is acceptable in terms of gifts or hospitality, the offer should be declined, or advice sought from the individual's Superior in the department or Municipality.

To preserve the image and integrity of both the individual and the Municipality, gifts or favours of any kind should be discouraged. Gifts received by staff must within 7 days be declared in writing to the Municipal Manager who will record it in a register kept for this purpose.

15. **TRANSACTIONS WITH COUNCILLORS**  
**[MUNICIPAL SYSTEMS ACT, 2000, SCHEDULE 1]**

- 15.1 A Councillor may not use the position or privileges of a Councillor, or confidential information obtained as a Councillor, for private gain or to improperly benefit another person.
- 15.2 Except with the prior consent of the Municipal Council, a Councillor may not:-
- 15.2.1 Be a party to or beneficiary under a contract for:-
- 15.2.1.1 The provision of goods or services to the Municipality; or
- 15.2.1.2 The performance of any work otherwise than as a Councillor for the Municipality
- 15.2.2 Obtain a financial interest in any business of the Municipality; or
- 15.2.3 For a fee or other consideration appear on behalf of any other person before the Council or a Committee.
- 15.3 If more than one quarter of the Councillors object to consent being given to a Councillor in terms of the above section, such consent may only be given to the Councillor with the approval of the Member of the Executive Committee for local government in the province.
- 15.4 Declaration of interests:-
- 15.4.1 When elected or appointed to Council, a Councillor must within 60 days declare in writing to the Municipal Manager the following financial interests held by that Councillor:-
- 15.4.1.1 Shares and securities in any company;
- 15.4.1.2 Membership of any close corporation;
- 15.4.1.3 Interest in any trust;
- 15.4.1.4 Directorships;
- 15.4.1.5 Partnership;
- 15.4.1.6 Other financial interests in any business undertaking:-
- a. Interest in property;
- b. Pension; and
- c. Subsidies, grant and sponsorships by any organization
- 15.5 Any change in the nature or detail of the financial interest of a Councillor must be declared in writing to the Municipal Manager annually;
- 15.6 Gifts received by a Councillor above a prescribed amount must also be declared in accordance with regulations detailed above; and
- 15.7 The Municipal Council must determine which of the financial interests referred to above must be made public, having regard to the need for confidentiality and the public interest for disclosure.

**16. COMMUNICATION OF THE POLICY**

Copies of the policy be placed on all notice boards, be sent to Chamber of Commerce and the Courier be requested to place articles on the Tender Policy.

**17. INTENDED IMPACT ON PRIORITY TARGETS**

The Municipalities policy takes into account the need to introduce measures and procedures in respect of enhancing the participation of historically disadvantaged individuals and SMME's in the procurement system.

The policy deliberately ensures that women participate fully in the Economic mainstream of the Municipality, and benefiting the households they support.

SMME support and promotion will lead to poverty alleviation, employment creation, economic growth and redistribution and increase the rates base.