

DEPARTMENTAL SUPPLY CHAIN MANAGEMENT (SCM) POLICY AND STANDARD OPERATING PROCEDURE (SOP) MANUAL

Version 4
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Department:
Roads and Public Works
NORTHERN CAPE PROVINCE
REPUBLIC OF SOUTH AFRICA

the dr&pw

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1. DEFINITIONS AND ACRONYMS

"Acceptable bid"	Means any bid which, in all respects, complies with the specifications and bid conditions. Also referred to as a "Responsive Bid".
"Acquisition Management"	Means a system that ensures that goods and services are acquired by the DR&PW in accordance with authorized procedures only and that expenditure on goods and services is incurred in terms of an approved budget.
"AG"	Means Auditor General. The Office of the Auditor General is an institution of state, established by Chapter 9 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996). The Auditor General also functions in terms of the Public Audit Act, 2004 (Act No. 25 of 2004) and as amended by the Public Audit Amendment Act, 2018 (Act No. 5 of 2018).
"AO"	Means Accounting Officer, which refers to a person mentioned in section 36 of the Public Finance Management Act, 1999 (Act No. 1 of 1999), as amended. The AO is also the Head of Department (HOD) of the DR&PW.
"Asset"	Means a resource that we controlled by an institution as a result of past events and future economic benefits or service potential is expected to flow to the institution.
"BAC"	Means Bid Adjudication Committee, referring to the HOD appointed standing committee of the DR&PW responsible for the adjudication of bids.
"BEE"	Means Black Economic Empowerment.
"BEC"	Means Bid Evaluation Committee, referring to the HOD appointed standing committee of the DR&PW responsible for the evaluation of bids in order to ensure compliance with policy e.g. the national

Preferential Procurement Policy Framework Act (PPFPA), 2000 and its Regulations.	
"BBBEEA"	Means Broad Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003).
"BBBEE"	Means Broad-Based Black Economic Empowerment.
"BSC"	Means Bid Specifications Committee, referring to the HOD appointed standing committee of the DR&PW responsible for the proper and unbiased compilation of specifications for the specific requirements that bids are invited for.
"Business interest"	Refers to: a) a right or entitlement to share in profits revenue or assets of an entity; b) a real or personal right in property; and c) a right to remuneration or any private gain or benefit in terms of (a) to (c).
"Bid"	Means a written offer in a prescribed or stipulated form in response to an invitation by an institution for the provision of goods or services through formal written price quotations.
"Bidder"	Means any natural or legal person submitting a bid.
"CFO"	Means Chief Financial Officer, referring to the CFO of the DR&PW.
"CIB"	Means Construction Industry Development Board, which is a Schedule 3(a) public entity in terms of the PFMA and established in terms of the CIB Act, 2000 (Act No. 38 of 2000).
"Competitive bidding process"	Means a competitive bidding process which provides for appropriate levels of competition to ensure cost effective and best value outcomes.

"Conflict of Interest"	Means a conflict between the private interests and the official responsibilities of a person employed by government and specifically a member of a departmental bid committee, who was put in a position of trust. In the bidding process, a conflict of interest is understood to be a situation that may give a bidder an "unfair advantage" over other bidders. Once a conflict is discovered, the advantaged bidder's bid will have to be disqualified from the process.	Means a formal written agreement which results from the acceptance of a bid.	"Contract participation goal"	Is the value of the participation of a specific target group that a contractor must achieve in the performance of a contract, expressed as a percentage of the bid sum less provisional sums, contingencies and VAT.	Means any natural or legal person whose bid has been accepted.	"Contract Management"	Means maintaining control or influence over the contractual arrangements between the institution and the contractor of service provider including administering and regulating such agreement.	"CSD"	Means Central Supplier Database. The CSD is a single database that serves as the source of all supplier information for organs of state. The supplier information is verified with institutions such as the South African Revenue Service (SARS), the Companies and Intellectual Property Commission and the national Department of Home Affairs.	"DBC"	Means District Bid Committee.	"Declaration of Interest"	Refers to a declaration made by both bid committee members and bidders whether or not any relationship exists between the supplier (bidder) of any goods or services and any person employed by the state (government official), particularly officials who are involved in
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the tendering process.	
Is the assignment of any authority to another person (normally from a manager to a subordinate) to carry out specific activities.	"Delegations"
Means the planning process that ensures that the resources required to support the strategic objectives are delivered at the correct time, at the right price, location, quantity and quality that will satisfy the needs.	"Demand management"
Means an amount owing to the institution.	"Debt"
Refers to the system for the disposal or alienation of assets, including unserviceable, redundant or obsolete assets.	"Disposal Management"
Means Delegated Official, which is a staff user for an employer organization who has been approved by an Authorized Official of the organization.	"DO"
Means the national Department of Public Service and Administration.	"DPSA"
Means Department of Roads and Public Works, Province of the Northern Cape.	"Department / (DR&PW)"
Means the national Department of Trade and Industry.	"DTI"
Means Exempted Micro Enterprise, in terms of the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003), which makes provision for a set of Codes of Good Practice (Government Gazette Nr. 36928) to define requirements for becoming BBBEE compliant.	"EME"
Means an unexpected act of a dangerous situation requiring immediate action.	"Emergency"

"EXCO"	Means the Provincial Executive Council. EXCO consists of the political principals of the executive branch of government in the Province, namely the Premier, who is the chairperson and the Members of the Executive Council (MECs), who are the members of EXCO. The executive authority of provinces is outlined in section 125 of the Constitution of the Republic of South Africa Act, 1996.	Referred to in relation to bids or quotations submitted for a contract; means the final decision on which a bid or quote is accepted.	Refers to the transversal systems called the Basic Accounting System (BAS) and the Logistical Information System (LOGIS) or such other system as approved by National Treasury.	"FPERC"	Means Fraud Prevention, Ethics and Risk management Committee, a departmental sub-committee of the DR&PW, which replaces the previous Joint Risk Management Committee (JRMCI). The FPERC is appointed by the Accounting Officer to, amongst others, review the Department's system of fraud prevention and risk management. The FPERC is a sub-committee of the DR&PW's Internal Audit Committee (IAC).	Refers to the conditions for the procurement of goods or services through written price quotations.	"Functionality"	Means the measurement according to predetermined norms, as set out in the bid documents, of a service or commodity that is designed to be practical and useful, working operating into account, amongst other factors, the quality, reliability, viability and durability of a service or commodity and the technical capacity and ability of a bidder.	"GCC"	Means General Conditions of Contract. The general conditions section is the portion of the contract document in which the rights, responsibilities, and relationships of the parties involved are itemized. It defines each contracting party's duties and privileges, and the rules that will govern the relationship. In short, the general
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		conditions section is the backbone of the entire contract.
“GEAR”	Refers to the National Government's Growth, Employment and Redistribution Macroeconomic Strategy of 1996.	
“GMT”	Means Greenwich Mean Time, the mean time that is associated with the prime meridian of Greenwich, England, and historically used as the prime basis of standard time throughout the world.	
“HDI”	Means Historically Disadvantaged Individual and specifically refers to a South African citizen: a) who had no franchise in national elections prior to the introduction of the Constitution of the Republic of South Africa, 1983 (Act No 10 of 1983) or the Constitution of the Republic of South Africa, 1993 (Act No. 200 of 1993) b) who is a female; and/or c) who has a disability; and d) provided that a person, who obtained South African citizenship on or after the coming into effect of the Interim Constitution, is deemed not to be an HDI.	
“IAC”	Means Internal Audit Committee, which is an independent committee constituted to, amongst others, review the control, governance and risk management within the DR&PW, established in terms of section 77 of the PFMA. According to section 38(1)(a)(ii) of the PFMA, 1999, as amended, the accounting officer for a Department, trading entity or constitutional institution must ensure that “a system of internal audit under the control and direction of an audit committee complying with and operating in accordance with regulations and instructions prescribed in terms of sections 76 and 77” is established and maintained.	
“JV”	Means Joint Venture. A JV is an association of firms of which at least one of the partners is an emerging partner for which purpose they combine their expertise, property, capital, efforts, skills and	

knowledge to execute a contract. For South African emerging contractors this must entail empowerment through capacity building based on democratic, participatory, and developmental strategies.	
Refers to any of the following: (a) a member of: (i) any provincial legislature; (ii) any municipal council; or (iii) the National Assembly or the National Council of Provinces; (b) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No. 1 of 1999), as amended; (c) a member of the accounting authority of any public entity; or (d) an employee of a provincial legislature.	
	"IT" Means Information Technology.
	"List of accredited prospective providers or central supplier database" Means the list of accredited prospective providers or suppliers registered on the central supplier database by National Treasury.
	"Local content" Means that portion of the bid price which is not included in the imported content, provided that local manufacture does take place.
	"Logistics Management" Refers to an effective system in order to provide for the setting of inventory levels, placing of orders, receiving and distribution of goods, stores and warehouse management, expediting orders, transport management, vendor performance, maintenance and contract administration.
Means a contract with a duration period exceeding one (1) year.	"Long term contract"

"MANCO"	Means Management Committee, referring to the Senior Management Committee of the Department of Roads and Public Works, Province of the Northern Cape.	
"MEC"	Means Member of the Executive Council, referring to the member of the Executive Council that is responsible for Roads and Public Works in the Province of the Northern Cape. The MEC is the Executive/Executive Authority, as defined in section 1(1) of the Public Service Act, 1994 (Act No. 103 of 1994), as amended, except with regard to the appointment and other career incidents of a Head of Department (HOD), in which case it means the Executing Authority as contemplated in section 3B of the abovementioned Act. The MEC is also accountable to the Northern Cape Provincial Legislature (NCPL).	
"M&E"	Means Monitoring and Evaluation.	
"MPAT"	Means Management Performance Assessment Tool, which is a South African government initiative introduced in 2010, with the aim of giving impetus to the entrenchment of monitoring and evaluation (M&E) practices, with a specific focus on the monitoring of management practices within organs of government.	
"Multiple source bidding"	Means a form of bidding where the market has been tested through a detailed market analysis, and there are only a few prospective service providers that are able to provide the service.	
"NCPL"	Refers to the Northern Cape Provincial Legislature.	
"NCPG"	Means Northern Cape Provincial Government.	
"NCPT"	Means Northern Cape Provincial Treasury, established in terms of section 17 of the Public Finance Management Act (PFMA) (Act No. 1 of 1999), as amended.	
"NGO"	Means Non-governmental Organisation.	

"NT"	Means National Treasury, which is a national government department established by section five (5) of the Public Finance Management Act, 1999 (Act No. 1 of 1999), as amended.	
"Other applicable legislation"	Means any other legislation applicable to provincial supply chain management referred to in section 4 of this policy.	
"PAJA"	Means Promotion of Administrative Justice Act (PAJA), 2000 (Act No. 3 of 2000) as amended.	
"PFMA"	Means Public Finance Management Act (Act No. 1 of 1999), as amended.	
"PIA"	Means Protection of Information Act (PIA), 1982 (Act No. 84 of 1982).	
"POCA"	Means Prevention of Organized Crime Act, 1998 (Act No. 121 of 1998).	
"POPIA"	Means Protection of Personal Information Act, 2013 (Act No. 4 of 2013).	
"PPP"	Means Public Private Partnership.	
"PPFA"	Means Preferential Procurement Policy Framework Act (Act No. 5 of 2000).	
"PRECCA"	Means Prevention and Combating of Corrupt Activities Act, 2004 (Act No. 2 of 2004).	
"Prescribe"	Means prescribed by regulation or instruction in terms of section 76 of the Public Finance Management Act (Act No. 1 of 1999), as amended.	
"Provincial department"	Means a provincial administration listed in Schedule 1 of the Public Service Act, 1994 (Act No. 103 of 1994), as amended; or a	

department within a provincial administration and listed in Schedule 2 of that Act.					
Means an entity which:	(a) is a juristic person under the ownership control of a provincial executive; (b) has been assigned financial and operational authority to carry on a business activity; (c) as its principal business, provides goods or services in accordance with ordinary business principles; and (d) is financed fully or substantially from sources other than: (i) a Provincial Revenue Fund; or by way of a tax, levy or other statutory money.				
Refers to an entity that is:	(a) a provincial government business enterprise; or (b) a board, commission, company, corporation, fund or other entity (other than a provincial government business enterprise) which is: (i) established in terms of legislation or a provincial constitution; (ii) fully or substantially funded either from a Provincial Revenue Fund or by way of a tax, levy or other money imposed in terms of legislation; and (iii) accountable to a provincial legislature.				
"Provincial government business enterprise"					
"Provincial public entity"					
"PSP"	Means Professional Service Provider, which refers to an independent contractor who is a specialist and/or has the expertise, as demonstrated by professional licensing or certification and experience, necessary to carry out tasks regarding that particular field of expertise.				
"Public entity"	Means a national or provincial public entity.				
"Rate only bid"	Means a rates-based bid for the supply of goods and services.				

"RDP"	Refers to the National Government's Reconstruction and Development Programme Policy Framework of 1994.
"Regulation"	Means the Regulations published in terms of the Public Finance Management Act, 1999 (Act No. 1 of 1999), as amended, Gazette Number 25767, dated 05 December 2003.
"Requisition (SLD)"	Refers to the official request form to be completed, signed and approved by the delegated officials, and recommended by the Asset Management Unit (AMU). The AMU must be notified before an asset is purchased. They must recommend the purchase on the requisition form (SLD) before SCM procedures are followed. Assets required by the DR&PW are to be acquired in the most cost-effective manner.
"RFP"	Means Request for Proposal, which is a market enquiry prepared by the buyer (DR&PW) and issued to prospective suppliers for higher value and/or more complex solutions. The purpose is to invite commercial offers from a number of suppliers in order to secure competition, and to gather information about the supplier's solutions and capability, and key market intelligence. The selection of a Request for Proposal, as opposed to a Request for Bids usually reflects the fact that the specification is not a conformance specification, which requires complete adherence to the buyer's standards, but rather that bidders are free to submit potential solutions which may meet the performance required. Price is usually not the determining factor in the evaluation of an RFP. Factors such as quality, service, and reputation are also taken into consideration.
"Risk Management"	Refers to a systematic and formalised process to identify, assess, manage and monitor departmental risks in the supply chain management system. Risk management is the identification and evaluation of actual and potential risk areas as they pertain to the DR&PW as a total entity, followed by a process of either avoidance, termination, transfer, tolerance (acceptance), exploitation, or mitigation (treatment) of each risk, or a response that is a combination or integration. Accountability for proper Risk

	Management rests with the Executive Management of the DR&PW, which fulfils the role of a Board of Directors, compared to a private company. Every employee in an organization however, has responsibility for risk management. Risk management therefore has to be fully integrated into the daily operations of the Department.	
"SABS"	Means South African Bureau of Standards.	
"SAPS"	Means South African Police Service.	
"SARB"	Means South African Reserve Bank.	
"SARS"	Means South African Revenue Service.	
"SBD"	Means Standard Bidding Document.	
"SCC"	Means Special Conditions of Contract. SCC refers to any additional conditions of contract agreed between the Parties. Special conditions are provisions of a contract that are peculiar to the project under consideration and do not fall under the general conditions of contract.	
"SCM"	Means Supply Chain Management.	
"SCM-BCC"	Means Supply Chain Management - Bid Compliance Committee, which is a committee internal to the SCM Directorate of the DR&PW, which will be constituted at the discretion of the Senior Manager: (i.e. Director) SCM.	
"SITA"	Means State Information Technology Agency.	
"SLA"	Means Service Level Agreement.	
"SME's"	Means Small, Medium and Micro Enterprises.	
"SMS"	Means Senior Management Service.	

"SOP"	Means Standard Operating Procedure, which refers to established or prescribed methods, processes and procedures to be followed routinely for the performance of designated operations or in designated situations. An SOP is thus a set of written instructions that describes the relevant step-by-step activities of a process or procedure that must be taken to properly perform a routine activity. SOPs should be followed the exact same way every time to guarantee that the institution remains consistent and in compliance with relevant laws, regulations, norms and standards.	
"SSA"	Means State Security Agency.	
"Term Contract"	Means a bid for supply of goods and services which are of an <i>ad hoc</i> or repetitive nature, approved for use over a predetermined period of time.	
"ToR"	Means Terms of Reference. Terms of Reference refer to the instructions given to someone when they are asked to consider or investigate a particular subject, telling them what they must deal with and what they can ignore.	
"Transversal Contract"	Means a contract arranged for <i>more</i> than one (1) department or for more than one (1) level of government, e.g. national as well as provincial government.	
"Treasury"	Means the National Treasury or a provincial treasury, as may be appropriate in the circumstances.	
"Treasury guidelines"	Means any guidelines on supply chain management issued by the Minister of Finance in terms of section 76(4)(c) of the PFMA, 1999, as amended.	
"VAT"	Means Value Added Tax.	
"QSE"	Means Qualifying Smaller Enterprise, in terms of the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003), which	

makes provision for a set of Codes of Good Practice (Government Gazette Nr. 36928) to define requirements for becoming BBBEE compliant.	"Quotations" Means verbal or written prices offers.
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2. INTRODUCTION

2.1 The purpose of this document is to formalize the DR&PW's supply chain management policy and procedures within the context of the Supply Chain Management Regulation 16A, which will be brought into effect through this policy framework, consisting of the following three components:

a) Directives, which provide specific direction on supply chain management and key decision points.

b) Delegations which assign specific responsibilities to DR&PW role-players in terms of section 38(1) of the PFMA, 1999, as amended.

c) Business processes, which align the DR&PW's day-to-day's procedure with the overall requirements of the policy, directives and delegations.

2.2 This Supply Chain Management (SCM) Policy represents the minimum standards that staff members are expected to apply in their procurement activities. This SCM SOP Manual must be read together with and shall be interpreted within the framework of the Supply Chain Management Policy and other policies and procedures of the South African government. The overall objective of this Policy and SOP Manual is to:

a) ensure the efficient, effective and uniform planning for and procurement of all services and goods required for the proper functioning of the DR&PW, as well as the sale and letting of assets that conform to constitutional and legislative principles, whilst developing, supporting and promoting Historically Disadvantaged Individuals (HDI's), Small, Medium and Microenterprises (SME's) and preferential goals;

b) ensure that the DR&PW obtain value for money in the procurement of goods and services in order to fulfil its mandate, while redressing the economic imbalances that have been a consequence of unfair discrimination;

c) ensure the efficient, effective and uniform management of goods and services;

d) ensure good governance through the departmental supply chain processes; and

e) ensure that the DR&PW's strategic objectives are achieved.

3. BACKGROUND

- 3.1 In September 2003, Cabinet adopted the Supply Chain Management (SCM) policy to replace outdated procurement practices. The SCM framework is characterized by a number of key differences in comparison to previous procurement practices, including:
 - a) moving away from central control by National Treasury and the State Tender Board towards increased responsibility and accountability by the accounting officer of each department;
 - b) introducing a preference point system to address socio-economic issues, value for money and the scoring of bids, thereby facilitating the move away from relying solely on the traditional practice of only accepting the lowest price bid;
 - c) introducing uniformity in bid documentation to reduce uncertainty amongst bidders;
 - d) linking procurement practices to the planning and budgetary process through the introduction of demand management practices; and
 - e) advancing the procurement of goods and services from suppliers and designated groups within the Northern Cape Province.
- 3.2 In addition, the new Preferential Procurement Regulations of 2022, issued by the National Treasury took effect in January 2023. The new regulations expand the aims of preferential procurement and strengthen the discretion of state institutions to implement their own policies dealing with procurement. This must be viewed against the background of the successful 2022 Constitutional Court challenge against the validity of the previous set of Preferential Procurement Regulations of 2017. In this case the Constitutional Court upheld the challenge and ruled that the practice of using pre-qualification criteria that effectively disallowed certain bidders from participating in a tender was unlawful and not in line with the Preferential Procurement Policy Framework Act (PPFA), 2000 (Act No. 05 of 2000). The Court thus declared the Preferential Procurement Regulations of 2017 to be invalid and set them aside in their entirety.
- 3.3 A fundamental difference between the invalid Preferential Procurement Regulations of 2017 and the new Preferential Procurement Regulations of 2022 therefore, relate to the application of pre-qualification criteria. The 2022 Regulations no longer provide for the use of such pre-qualification criteria. The Regulations of 2022 also allow for discretion for procuring institutions when allocating preference points.
- 3.4 The Preferential Procurement Regulations of 2022 will be in place pending the enactment of the Public Procurement Bill, 2020, which is anticipated to be finalised in 2023.

4. REGULATORY FRAMEWORK

4.1 This departmental policy is aligned to what the Northern Cape Provincial Government (NCPG) resolved in terms of Section 76 (4)(c) of the Public Finance Management Act (PFMA), 1999, as amended and Chapter 16A of the Treasury Regulations, promulgated in Government Gazette Number 27388 on 15 March 2005, to implement a Supply Chain Management (SCM) Policy that gives effect to:

- a) Section 217 (1) of the Constitution of the Republic of South Africa, 1996.
- b) Section 38 (a) (iii) of the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999) as amended.
- c) The Preferential Procurement Policy Framework Act (PPFPA), 2000 (Act No. 05 of 2000).
- d) The Preferential Procurement Regulations, 2022:
- (1) Subject to this regulation, the Preferential Procurement Regulations, 2017, published in Government Gazette No. 40553 of 20 January 2017, are hereby repealed, with effect from the date referred to in regulation 11.
- (2) Any tender advertised before the date referred to in regulation 11 must be dealt with in terms of the Preferential Procurement Regulations, 2017.
- e) The Reconstruction and Development Programme (RDP) Policy Framework, 1994.
- f) The Growth, Employment and Redistribution (GEAR) Macroeconomic Strategy, 1996.
- g) The principles of fairness, equity, transparency, competitiveness and cost effectiveness and complies with:
 - (i) prescripts as per Chapter 16A of the Treasury Regulations;
 - (ii) minimum Norms and Standards prescribed by National Treasury as well as the Northern Cape Provincial Treasury;
 - (iii) the Regulatory Framework for Supply Chain Management (SCM) in terms of the PFMA, 1999.

- 4.2 Other applicable legislation this departmental policy is consistent with, are as follows:
 - a) The Broad Based Black Economic Empowerment Act (BBBEEA), 2003 (Act No. 53 of 2003) and Codes of Good Practice to define requirements for becoming BBBEE compliant, as gazetted on 11 October 2013 (Government Gazette No. 36928).
 - b) The Prevention and Combating of Corrupt Activities (PRECCA) Act, 2004 (Act No. 2 of 2004).
 - c) The Prevention of Organized Crime Act (POCA), 1998 (Act No. 121 of 1998).
 - d) The Competition Act, 1998, (Act No. 89 of 1998), as amended and Regulations.

- e) The Promotion of Administrative Justice Act (PAJA), 2000 (Act No. 3 of 2000) as amended;
- f) The National Archives of South Africa Act, 1996 (Act No. 43 of 1996) and Regulations;
- g) The National Small Business Act, 1996 (Act No. 102 of 1996), as amended.
- h) The Construction Industry Development Board (CIDB) Act, 2000 (Act No. 38 of 2000).
- i) The Protection of Personal Information Act (POPIA), 2013 (Act No. 4 of 2013).
- j) The Protection of Information Act (PIA), 1982 (Act No. 84 of 1982).
- k) The State Information Technology Agency (SITA) Act, 1998 (Act No. 88 of 1998), as amended and the SITA Procurement Policies and Procedures.

4.3 This policy furthermore supports the objective of uniformity in Supply Chain Management (SCM) systems and processes between organs of state in all spheres.

4.4 This departmental policy is consistent with the Provincial Supply Chain Management (SCM) policy and therefore the DR&PW may not act in contravention with said Provincial SCM policy in terms of the following:

- a) acquisition of goods or services;
- b) disposing of redundant, unserviceable or obsolete assets;
- c) letting of immovable state assets;
- d) appointment of consultants as per prescripts and in line with the Department of Public Service Administration (DPSA) rates.

4.5 The following associated departmental regulatory frameworks, amongst others, apply:

a) The DR&PW Risk Management Policy.

b) The DR&PW Risk Management Strategy.

c) The DR&PW Risk Tolerance/Appetite Policy.

d) The DR&PW Risk Management Implementation Plan.

e) The DR&PW Monitoring and Evaluation (M&E) Policy Framework.

f) The DR&PW Policy on Irregular Expenditure.

g) The DR&PW Policy on Fruitless and Wasteful Expenditure.

h) The DR&PW Policy on Unauthorised Expenditure.

i) The Current DR&PW Internal Audit Plan.

j) The Plan: DR&PW Compilation of Policies on Fraud, Corruption and Ethics Management, specifically the following:

(i) the DR&PW Anti-Fraud and Corruption Implementation Plan;

(ii) the DR&PW Anti-Fraud and Corruption Charter;

(iii) the DR&PW Code of Ethics and Conduct;

5. DELEGATION OF SUPPLY CHAIN MANAGEMENT (SCM) POWERS AND DUTIES

- 5.1 The Accounting Officer (AO) shall delegate appropriate powers and duties to relevant officials in SCM as per the departmental Financial Delegation Policy to discharge the Supply Chain Management (SCM) responsibilities conferred to him/her in terms of:
 - 5.1.1 Maximization of administrative and operational efficiency in the implementation and execution of the departmental Supply Chain Management (SCM) Policy.
 - 5.1.2 Enforcement of cost-effective measures for the prevention of fraud, corruption, favouritism, unfair and irregular practices in implementing and executing of the Supply Chain Management (SCM) Policy.
 - 5.1.3 Ensuring that all Supply Chain Management (SCM) practitioners as well as Specification-, Evaluation- and Adjudication Committee members agree in writing to adhere to the prescribed Code of Conduct for SCM practitioners in all respects.
 - 5.1.4 All delegations must be done in writing and revised annually by the AO, Chief Financial Officer (CFO) and the Head of Supply Chain Management (SCM).
 - 5.1.5 The AO and the CFO shall not delegate or sub-delegate any SCM Powers or Duties to a person who is not an official of the Northern Cape Department of Roads and Public Works (DR&PW) or to a committee that is not exclusively composed of officials in the employ of the DR&PW. No Supply Chain decision-making powers may be delegated to an advisor or consultant.
 - 5.1.6 All SCM activities shall be executed in accordance with pre-established levels of authority through delegations to ensure control and division of responsibility.
 - 5.1.7 Acting delegations shall be in writing to a specific individual or the holder of a post.
 - 5.1.8 A delegation shall be subject to such limitations and conditions as the AO may impose in a specific case.
 - 5.1.9 A delegation may only be revoked by the person who approved the delegation in the first place or any higher authority.

- (iv) the DR&PW Anti-Fraud and Corruption Policy and Response Plan;
- (v) the DR&PW Anti-Fraud, Anti-Corruption and Ethics Strategy;
- (vi) the DR&PW Terms of Reference of the departmental Fraud Prevention, Ethics and Risk management Committee (FPERC);
- (vii) the DR&PW Policy on Whistle Blowing / Protected Disclosures; and
- (viii) the DR&PW Whistle Blowing / Protected Disclosures Guidelines.

5.1.10 The AO is entitled to confirm, vary or revoke any decision taken in consequence of a delegation by such lower authority, provided that no such variation or revocation of a decision should detract from any rights that may have accrued as a result of the decision.

6. SCM FRAMEWORK

This supply chain management (SCM) policy framework should be read in conjunction with departmental Standard Operating Procedure Manuals for SCM, Assets and Inventory.

6.1 Demand Management

- 6.1.1 In order to ensure that the sources required to support the strategic and operational commitments are delivered at the correct time, at the right price and at the right location and that the quantity and quality satisfy the departmental needs, an effective system of demand management must include the following:
- a) Planning for future requirements. Acquisition and disposals of all goods required to meet the strategic goals outlined in the Strategic Plan and must be quantified, budgeted and planned for to ensure timely and effective delivery, appropriate quality at a fair cost to meet the needs of the DR&PW and the community. Critical delivery dates must be determined and adhered to.
 - b) If the requirement is of a repetitive nature and there are benefits of economies of scale a contract for a specific commodity should be arranged.
 - c) See table below for the demand management guidelines in terms of Framework Agreements and Non-framework Agreements.

Consideration	Options		Decision Criteria for Framework Agreement	
	Non-framework	Framework	where: Framework Agreements are appropriate	
Contract outcome	Provide specific construction works.	Provide broadly defined construction services over a period of time.	- The budgets available and the detailed scope of the needs are uncertain. - The potential for additional funds to be made available exist. - The need involves repetitive work of a similar nature. - A quick response time is required. - Long term relationships (3 to 5 years) are desirable to achieve efficiencies.	
Procurement	Separate procurement of pre-approved framework or reopen competition between contractors.	Appoint in terms of pre-approved framework.	- The need involves repetitive work of a similar nature. - A quick response time is required. - Long term relationships (3 to 5 years) are desirable to achieve efficiencies.	
Flexibility	Time frames, scope and level of service defined per transactional contract.	Flexibility in terms of time frames, scope and level of service.	- enabling procurement policies and procedures are in place; and - capability and capacity exist or can be put in place to effectively manage the framework agreements.	

6.2 Acquisition Management

6.2.1 Through operational procedures, an effective system of acquisition management is established in order to ensure the following:

- that goods and services are procured by the DR&PW in accordance with authorized processes only;
- that expenditure on goods and services is incurred in accordance with the approved budget and in terms of the PFMA;
- that the threshold values for the different procurement processes are complied with, that bid documentation, evaluation and adjudication criteria and general conditions of a contract are in accordance with any applicable legislation; and
- that any Treasury guidelines on acquisition management are properly taken into account.

6.3 Logistics Management

6.3.1 This aspect addresses the receiving and distribution of placed orders, expediting orders and reviewing of vendor performance. From these processes, the financial system is

- 6.3.2 An effective system of logistics management must include the following:
- Monitoring of spending patterns on types or classes of goods and services which should, where practical, incorporate the coding of items to ensure that each item has a unique number for the purposes of monitoring.
 - Setting of inventory levels that include minimum and maximum levels and lead times wherever goods are placed in stock. The concept of just-in-time delivery should be practiced.
 - Placing of manual or electronic orders for all acquisitions other than petty cash.
 - Before payment is approved, a certification from the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications, where applicable and that the price charged is as quoted/in terms of a contract.
 - Appropriate standards of internal control and warehouse management to ensure goods placed in stores are secure and only used for the purpose they were purchased.
 - Regular checking to ensure that all movable assets, excluding official vehicles are properly managed, appropriately maintained and only used for official purposes.
 - Monitoring and review of the supply vendor's performance to ensure compliance with specifications and contract conditions for a particular good or service.
 - Stocktaking of all assets in stock or on distribution should be conducted at least once a year. In addition to the above, refer to the DR&PW Inventory Policy.

6.4 Disposal Management

- At this stage consideration is given to maintaining a data base of redundant material and inspecting material for potential re-use. Determining a disposal strategy and executing the physical disposal process.
- The criteria for the disposal or letting of assets, including unserviceable, redundant or obsolete assets, subject to Treasury Regulation 16A (7), are as follows:
 - Movable assets:
 - the asset is uneconomical to repair;
 - the asset is irreparable;
 - the relevant department has no further use for the asset; and
 - no other department requires the asset.
- The disposal of assets must take place by means of one of the following methods:
 - transferring the asset to another organ of state, in terms of section 42 of the PFMA, 1999, as amended, enabling the transfer of assets;
 - transferring the asset to another organ of state at market related value or, when

appropriate for a lesser amount or free of charge;

c) selling the asset; or

d) destroying the asset;

e) provided that:

a) immovable assets may be sold at not less than market related prices except when

the public interest or the plight of the poor demands otherwise, by means of public

tenders, public auction or over the counter on a first-come-first-serve basis;

b) movable assets may be sold either by way of written price quotations, public

tenders or public auction, whichever is the most advantageous;

c) in the case of the disposal of computer equipment, any state institution involved in

education or training must first be approached to indicate within thirty (30) days

whether they are interested in the equipment, in which case it may be transferred

to that institution free of charge; and

d) furthermore ensure that:

a) all fees, charges, rates, tariffs, scales of fees or other charges relating to the

letting of immovable property are annually reviewed; and

b) where assets are traded in for other assets, the highest possible trade-in price

is negotiated and the new items should be reflected at the actual value on the

asset register.

6.5 Risk Management

6.5.1 The criteria for the identification, consideration and avoidance of potential risks in the

SCM system, are as follows:

a) a risk assessment must be conducted and will be used during and before the adjudication

process to assess risks associated with a particular contract. The management of these

risks will be the responsibility of the CFO.

b) non-compliance by the supplier to deliver within the agreed time frames;

c) supply of inferior goods or services by the supplier;

d) inability of the supplier to provide goods or services as ordered;

e) non-adherence to the policy with regard to utilisation of preferred suppliers; and

f) procurement of goods or services at prices or of a quality not in the best interest of the

DR&PW.

6.5.2 Risk management must include:

a) the identification of risks on a case-by-case basis;

b) the allocation of risks to the party best suited to manage such risks;

- (c) acceptance of the cost of the risk where the cost of transferring the risk is greater than that of retaining it;
- (d) the management of risks in a pro-active manner and the provision of adequate cover for residual risks; and
- (e) the assignment of relative risks to the contracting parties through clear and unambiguous contract documentation.

6.6 Performance Management

- 6.6.1 The CFO must ensure that an effective internal monitoring system is implemented in order to determine, on the basis of a retrospective analysis, whether the authorised SCM processes were followed and whether the measurable performance objectives linked to and approved with the budget and the service delivery and budget implementation plan, were achieved.
- 6.6.2 The relevant manager must ensure that the performance of all contractors is assessed during the period of the contract.
- 6.6.3 At the completion stage of the contract, an assessment of the contractor shall be undertaken and this assessment should be available for future reference.

- 6.6.4 The AO shall, on a quarterly basis, report to the Northern Cape Provincial Legislature (NCPL), the DR&PW Internal Audit Committee (IAC) and the CFO shall report quarterly to the MANCO of the DR&PW on the following aspects:
 - a) Total procurement spend.
 - b) Percentages of total spend directed towards designated groups.
 - c) Information required regarding urgent/emergency procurement processes followed.
 - d) Process disputes.
 - e) Instances of alleged and proven fraud or corruption.
 - f) Information regarding deviation processes followed. Examples of such processes are:
 - (i) non-utilisation of the provider list;
 - (ii) subdividing of total requirements;
 - (iii) unplanned spending and obtaining less than the required number of quotes; and
 - (iv) Procurement Plan activities.

- 6.6.5 The CFO shall submit reports to Provincial Treasury (NCPT) in respect of each contract above the value of R100 000,00 (VAT Included) concluded during that month within fifteen (15) days of the end of each month.

7. COMMITTEE SYSTEM FOR ACQUISITION

7.1 Committees to be Appointed

- 7.1.1 The following types of bid committees have to be established and respective members thereto have to be appointed in writing by the AO for a two (2) year period initially and thereafter rotated:
- a) Bid Specifications Committee (BSC), standing, with co-opting of members according to goods, services or commodities needed.
 - b) Bid Evaluation Committee (BEC), standing.
 - c) Bid Adjudication Committee (BAC), standing.

7.2 Mandate, Roles, Composition and Functionality of Committees

7.2.1 Mandate

- 7.2.1.1 Sections 44 and 56 of the PFMA, 1999 empower accounting officers to delegate powers or instruct any official in that department, trading entity, constitutional institution or public entity to perform any of the duties assigned to the accounting officer in terms of the Act.
- 7.2.1.2 Sections 38(1)(a)(iii) and 51(1)(a)(iii) of the PFMA, 1999 prescribes that accounting officers must ensure that the institution has and maintains an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost-effective.
- 7.2.1.3 Treasury Regulation 16A, 6.2 stipulates that an institution's supply chain management system must, *inter alia*, provide for the adjudication of bids through a Bid Adjudication Committee (BAC), as well as the establishment, composition and functioning of a bid specification, a bid evaluation and a bid adjudication committee and the selection of bid adjudication members.

7.2.2 Roles

7.2.2.1 Bid Specifications Committee (BSC)

- a) The BSC must ensure that proper and unbiased (not brand specific) specifications are compiled for the specific requirement.
- b) The BSC must ensure that proper Terms of Reference (ToR) are drawn-up for the service or good(s) required that clearly indicate the scope of the requirement, the ratio between price and functionality, evaluation criteria as well as weights and values.
- c) The BSC must ensure strategic sourcing principles were applied and that the market was properly researched and analyzed.
- d) The BSC must ensure that the necessary funds are available.
- e) If and when applicable, in addition to the General Conditions of Contract, the BSC can specify appropriate Special Requirements and Conditions of Contract.
- f) The preference point system will be utilized by the BSC, in accordance with the revised

Preferential Procurement Regulations, effective 1 April 2017.

- g) The BSC shall utilise the latest, updated bid documents, in accordance with SCM Practice Note 2/2011 (12), issued by Provincial Treasury (NCPT) and Circular Number 14 of 2016/17.
- h) The BSC will annually approve and revise generic specifications e.g. that of stationery and general requisites, but for other quotations and bids specifications per case will be compiled.

7.2.2.2 Bid Evaluation Committee (BEC)

- a) The BEC is to ensure compliance in line with policy e.g. the national Preferential Procurement Policy Framework Act (PPFA), 2000 and its Regulations (point system, responsiveness of bids), Treasury Regulations, Chapter 16A, SCM procedures, Practice Notes and the Northern Cape Provincial SCM Policy.

- b) Bids may only be evaluated by the BEC in accordance with the evaluation criteria stipulated in the bid documentation.

- c) If necessary, additional information from all bidders can be requested by the BEC.
- d) When any bid is passed over or regarded as non-responsive by the BEC, the reason(s) for passing over such bid must be defensible in any court of law. Examples in this regard may include negative banking reports, non-compliance of tax status, not having the necessary capacity and/or capability, being listed on the Register for Tender Defaulters, etc. Deviation by more than a predetermined percentage from the cost estimate of the project/commodity cannot be regarded as a justifiable reason for the rejection of a bid and has, therefore, not been approved as an evaluation norm by the Provincial Treasury (NCPT) and the National Treasury respectively.

- e) Calculation of points:

- (i) The price submitted by the lowest acceptable bidder must be used in the formula as the basis (Pmin) when calculating the points for price. The Preferential Procurement Regulations of 1 April 2017 provides for the calculation of points for price and BBBEE status level contributor and sworn affidavit, provided a valid certificate is included in the bid document.

- (ii) Should, during any stage of the evaluation or adjudication process, it becomes evident that the bidder who scored the highest number of points is an unacceptable or non-responsive bidder and that this bidder also scored the highest points for price, the points scored by each bidder must be re-calculated using the new lowest acceptable bidder's price as the basis (Pmin) for calculation purposes. *Accounting Officers are not allowed to award the bid to the bidder next-in-line as this may lead to an incorrect award of the bid.*

- (iii) Recalculation of the points may result in a different bidder, other than the one who was next-in-line, scoring the highest number of points.

7.2.2.3 Bid Adjudication Committee (BAC)

- a) The BAC must consider the recommendations/reports of the BEC and, depending on the delegated powers, make:
 - (i) a final award; or
 - (ii) a recommendation to the AO to make a final award; or
 - (iii) another recommendation to the AO on how to proceed with the relevant procurement.
- b) The BAC must ensure that:
 - (i) all necessary bid documents have been submitted;
 - (ii) disqualifications are justified and that valid and accountable reasons/motivations were furnished for passing over of bids;
 - (iii) scoring has been fair, consistent and correctly calculated and applied; and
 - (iv) bidders' declarations of interest have been taken cognizance of.
- (v) Declaration of bidders past SCM practices, NCP8 and NCP9 – certificate of independent bid determination.

- c) If a bid other than the one recommended by the BEC is approved by the BAC, the AO or a senior official delegated by the AO, must first be notified. The AO or the delegated official may after consideration of the reasons for the deviation, ratify or reject the decision of the BAC. If the decision of the BAC to approve a bid other than the one recommended by the BEC is ratified, the Auditor-General (AG) and the relevant Provincial Treasury (NCPT) must be notified of the reasons for deviating from such recommendation.
- d) The AO or his/her delegate may at any stage refer any recommendation made by the Bid Evaluation Committee or the Bid Adjudication Committee back to that committee for reconsideration.
- e) The BAC must also consider and rule on all recommendations/reports regarding the amendment, variation, extension, cancellation or transfer of contracts awarded. Shortened advertising periods and deviations from procedures must be properly motivated and reflected in minutes.
- f) The BAC may also, if and when required to do so, consider for approval the recommendations of the Bid Specification Committee (BSC) in order to ensure that:
 - (i) a proper and unbiased specification is compiled for the specific requirement;

- (iii) proper Terms of Reference (TOR) are drawn up for the service required, clearly indicating the scope of the requirement, the ratio between price and functionality, the evaluation criteria as well as their weights and values;
- (iii) strategic sourcing principles were applied and that the market was properly researched and analyzed;
- (iv) the necessary funds are available;
- (v) if and when applicable, in addition to the General Conditions of Contract (GCC), appropriate Special Conditions of Contract (SCC) and special contract requirements are specified; and
- (vi) the preference point system prescribed is consistent with the requirements of the Preferential Procurement Regulations.

7.2.3 Composition and Functionality

7.2.3.1 Membership in General

- a) In order to meet their obligations, committee members must be familiar with and adhere to all relevant SCM legislation, policy, guides, practice notes and circulars. All committee members must sign the SCM Code of Conduct and a record must be kept.
- b) The integrity of committee members and supply chain practitioners must never be compromised and the highest level of professional competence must be maintained. Furthermore, courteous conduct is expected of all committee members.
- c) All members as well as the respective Secretaries of the Specification, Evaluation and Bid Adjudication Committees should be cleared at the level of "Confidential" by the State Security Agency (SSA) and must annually declare their business and financial interest to the AO.
- d) Each member, as well as all officials rendering administrative support, must sign a declaration form at each Bid Evaluation and Bid Adjudication Committee meeting. Members are to declare that they will:
 - (i) accept the confidentiality of the meeting;
 - (ii) not make known anything regarding the meeting, unless officially authorized; and
 - (iii) not purposefully favour or prejudice anybody.
- e) Members of all committees must be appointed in writing by the AO, preferably for a period of two (2) years.
- f) Members of one committee may not serve on another committee or be co-opted on another committee.
- g) Any gifts or invitations by suppliers must be declared and notarised in a register kept by the SCM directorate.

- h) All committees must have an appointed chairperson and the evaluation and adjudication committees must, in case the chairperson is not present, elect from among its members an acting chairperson.
- i) Membership should be composed of cross-functional teams but on each committee at least one (1) member must be a supply chain practitioner.
- j) As and when the need arises, additional officials or advisors can be co-opted on account of specialized knowledge.
- k) The Secretariat:
- (i) A designated official(s) from the DR&PW's SCM Directorate must be made available to act as secretary/secretaries to the respective departmental bid committees.
- l) Quorum:
- (i) The quorum for all committee meetings is fifty per cent (50%) of its appointed members plus one (1).
- m) *Secund:*
- (i) To ensure continuity and to prevent the delay of meetings, the Accounting Officer (AO) can appoint *secund* to temporarily replace members that are absent from meetings due to illness, leave, etc. and determine the powers of *secund*, e.g. whether it will be the same as regular committee members.
- n) Rights and Duties of the Chairperson. The Chairperson:
- (i) has a casting vote as well as a deliberate vote;
- (ii) retains all his/her rights as a member;
- (iii) may adjourn a meeting;
- (iv) may rule on points of order which will be final;
- (v) may withdraw any proposal or other matters under discussion before it is put to the vote;
- (vi) convene extraordinary committee meetings on request;
- (vii) maintains order during a meeting and ensure that business is conducted in an orderly manner;
- (viii) before opening a meeting, ensure that it is properly constituted;
- (ix) protect the rights of every member;
- (x) vacate his/her seat and elect a vice chairperson, should he/she wish to partake in a discussion in a partial manner;
- (xi) regulate participation in discussions;
- (xii) deal with items in sequence of the agenda;

- (xiii) ensure that members know exactly what they are required to vote on if there is no consensus on a matter;
- (xiv) ensure that only one member holds the floor at any one time;
- (xv) provide guidance by directing the meeting, but shall not dominate;
- (xvi) conduct meetings in a formal manner; and
- (xvii) formulate clearly the decisions to be minuted and sign and approve the minutes after they have been verified for correctness by the committee.
- o) The Secretaries of the BAC, the BEC and the BSC, respectively, shall, in conjunction with the Chairperson/Acting Chairperson:
- (i) compile an agenda and determine dates of meetings;
- (ii) give notice of proposed meetings to committee members;
- (iii) process and distribute all submissions/reports together with the agenda to committee members at least two (2) working days before the actual meeting takes place;
- (iv) minute all decisions taken at meetings;
- (v) adhere strictly to the stipulations of the National Archives of South Africa Act, Act No. 43 of 1996 and its accompanying directives;
- (vi) ensure that the proceedings at meetings are recorded mechanically;
- (vii) give written feedback of all decisions taken by the committee; and
- (viii) inform a committee member if in a declaration of interest he/she is mentioned and do not issue relevant bids reports, evaluation or any applicable document to such member; and
- (ix) be responsible for all the administrative tasks of the Committee.
- p) Members of the respective departmental bid committees shall:
- (i) be fully conversant with the powers and limitations of the committee as well as all directives pertaining to Supply Chain Management, including the relevant sections of the Constitution, Public Finance Management Act (PFMA), and accompanying Treasury Regulations, Preferential Procurement Policy Framework Act, the Northern Cape Provincial Supply Chain Management Policy, the Broad Based Black Economic Empowerment Act and accompanying regulations, all directives issued by National Treasury/Provincial Treasury (NCPT) as well as the delegated powers issued by the AO; and
- (ii) at all times act in accordance with above-mentioned legislation, regulations and procedures;
- (iii) apply their minds to matters at hand in order to take meaningful and accountable decisions; and

- (iv) in the event of doubt or uncertainty, propose that matters be referred back for clarification; and
- (v) in advance, furnish a written apology should he/she not be able to attend a meeting;
- (vi) strive to be punctual for meetings and to stay for the duration of a meeting;
- (vii) prepare properly for each meeting by studying the agenda and submissions/reports;
- (viii) be familiar with meeting procedures in order to make a contribution in the correct manner;
- (ix) refrain from repetition and duplication of contributions by other members; and
- (x) immediately excuse him/herself if they have any interest in a bid/procurement or conflict of interest or have been mentioned in a declaration of interest by a bidder.
- q) Members of departmental committees have the right to:
- (i) have advance knowledge of the agenda of committee meetings;
- (ii) submit proposals and participate in proceedings;
- (iii) vote; and
- (iv) have a dissenting voice and have the reasons therefore recorded.
- r) Co-opted committee members/advisors shall:
- (i) have the same powers and duties as members but excluding the right to vote on any matter under discussion. They must sign and abide by the declaration of confidentiality.
- (ii) Members of the Bid Evaluation Committee (BEC) may present their recommendations/reports to the Bid Adjudication Committee (BAC) and clarify any issues, but shall not have any voting powers.
- s) Observers attending committee meetings:
- (i) Officials from Provincial Supply Chain Management (Provincial Treasury/NCPPT) will attend all DR&PW Bid Evaluation and Bid Adjudication Committee meetings as observers and can render advice if requested by the Chairperson of either abovementioned committees.
- (ii) On an *ad hoc* basis, Provincial Supply Chain Management can attend departmental Bid Specifications Committee (BSC) meetings.
- t) Procedures for Bid Committee Meetings:
- (i) Notice of meetings:
- The agenda of a meeting serves as the program of the meeting and unless the Committee decides otherwise, the items and sequence may not be changed during the meeting.

➤ In order to afford members the opportunity to prepare for the meeting, the agenda shall be made available to members, as well as to Provincial Supply Chain Management (NCPT) at least two (2) working days before the actual meeting.

NOTE: A MEMBER OF THE PROVINCIAL SUPPLY CHAIN MANAGEMENT UNIT IN PROVINCIAL TREASURY (NCPT) MUST ATTEND ALL DR&PW BID EVALUATION AND ADJUDICATION COMMITTEE MEETINGS AS OBSERVER.

u) Submissions/Reports to the departmental Bid Committees:
 (i) All submissions/reports to the Bid Committees must be in writing, substantiated and channelled through the Bid Specification Committee (BSC) or Bid Evaluation Committee (BEC).

v) Minutes of departmental Bid Committees:
 (i) The minutes will be the written record reflecting in a brief, clear and impartial manner the decisions of the Committee.
 (ii) The signed minutes will serve as proof of the decisions of the Committee.
 (iii) Should a member wish to have a specific matter other than a decision recorded, it must be specifically requested.
 (iv) A member's reasons for a dissenting voice must also be recorded.
 (v) Proceedings must also be recorded digitally, by electronic means, to enable the Secretary to prepare verbatim reports when required by a court of law.

w) Register of confidentiality and attendance of Bid Committees:
 (i) Members shall sign a register at each meeting, serving as attendance register as well as an undertaking to confidentiality of that meeting.
 (ii) This register will also provide for the Declaration of Interest.
 (iii) Members must declare all gifts and invitations accepted to social events received from suppliers or potential suppliers, irrespective of the value of such a gift. Such declarations must be captured in the minutes of the meeting and must be reported to the CFO. Any such gifts and/or invitations accepted by the CFO must be reported to the AO.

7.2.3.2 Important Procedural Matters

a) A person as a member of a departmental Bid Committee obtains certain rights such as a share in the control of the matter(s) for which the meeting is constituted and the member may exercise this right by making proposals, voting, etc.

- b) A member's conduct at the meeting must however not infringe on the rights of others. The rules of conduct are based on mutual respect for the rights of each other and respect for the purpose of the meeting.

c) Members must accept that:

- (i) The chairperson must be respected.
- (ii) The chairperson has the right to interrupt and ask a member to stop speaking if the address is repetitive or irrelevant to the matter under discussion.
- (iii) A member must stop speaking if ruled out of order by the chairperson.
- (iv) Decisions are taken by general consensus or by a show of hands when a matter is decided upon by voting.
- (v) Once a decision has been taken it is final and not open for discussion unless additional information which was not available at the time of decision making can be produced.
- (vi) A member (including the chairperson or acting chairperson) shall beforehand declare his/her interest regarding any matter serving before the Committee and the member will then excuse her/himself during the discussion of that matter. No discussion by the member concerned will be allowed prior to the serving of that submission/report and such a member may not retain that specific submission/report.
- (vii) Any personal interest that may infringe, or might reasonably be deemed to infringe on a member's impartiality in any matter relevant to their duties must be recorded.
- (viii) Outvoted members must abide by the majority decision of the Committee;
- (ix) No communication should be made with a bidder/contractor by any member prior to or after any meeting.

7.2.3.3 Composition and Functionality of the BSC

- a) The Bid Specifications Committee (BSC) of the DR&PW will be composed of two (2) permanent members, one of which will be an SCM practitioner.
- b) The BSC will co-opt three (3) to five (5) members, depending on goods/services/commodities required.
- c) The BSC must compile specifications for goods/services/commodities to be acquired. Specifications must be generic, with no correlation or reference to brand name(s). No trademark or exclusive design may be used. (SABS specifications to be utilized when available or an accredited recognized South African Institute).
- d) For consultancy services, technical specifications and functionality must be taken into account.
- e) Performance requirements are preferred in terms of the determination of bid specifications.