

MAKHUDUTHAMAGA MUNICIPALITY SUPPLY CHAIN MANEGEMENT UNIT

PROCEDURAL MANUAL

The Supply Chain Management Unit is one section within the Finance Department.

Main Function;

To implement the Supply Chain Management system of Makhuduthamaga Local Municipality in accordance with the Municipal Supply Chain Management Policy, Municipal Finance Management Act and other Treasury Regulations in circulation.

Activities in the Unit

1. Handling of Request Memos and Requisitions;(Admin Clerk)

Requisition must be signed by the Head of Department or her/his delegate

The cut off date of all requests that must be decided by the quotation adjudication committee is Tuesday of every week.

Any person, who signs in his/her acting capacity or a delegation, must attach the copy of the memorandum that clearly specifies the acting period or the delegated authority.

Submit to admin clerk to capture the details of the request and the submitter must sign the register with the date.

The admin clerk must verify whether the correct votes have been stated.

Once registered, it must be submitted to the procurement officer to obtain quotations as follows;

Quotations from R350.00-R2 000 (Vat included) two written quotations (turn around -1 day)

Quotations from R2001-R200 000 (Vat included) minimum of three written quotations.(turn around 7 days)

Quotations from R350.00 to R2 000 (vat included) to be approved by manager of the SBU (Strategic Business Unit) or his delegate.

Quotations from R 2001 to R 30 000 (vat included) to be approved by the Ass.Manager-SCM, Budget or Income Expenditure

Quotations from R 30 001 to R 200 000 (Vat included) approval by the Quotations Adjudication Committee composed of;

Ass. Manager SCM

Ass.Manager Income & Expenditure

Ass.Manager Budget

Procurement officer

2. Purchasing order ;(Ass. Manager SCM)

N.B Purchasing orders Request must be accompanied by the completed requisition, duly authorized quotations and approved decision of either the quotation or bid adjudication committee.

2.1All purchasing orders for a specialized or sole provider up to R 100 000 to be authorized by the Deputy CFO or CFO as recommended by the Ass Manager SCM

2.2 Same as above but above R 100 000, to be authorized by the Accounting officer

2.3 Orders in emergency cases for up to R 100 000 to be authorized by the Ass; Manager SCM or community service Manager, in the case of fire or disaster.

2.4 Same as above but above R 100 000 to be authorized by the Accounting officer.

2.5 Purchasing orders from R 000-R30 000 to be signed by the Ass. Manager; SCM or Accountants Budget or Expenditure.

2.6 Purchasing orders from R 30 001 and above to be signed by Ass. Managers; s c m , Budget or Income & Expenditure, Deputy C F O or CFO

3. Requesting for Payment; (Admin clerk)

3.1 The requests for payment must have been requested and authorized by the official and the relevant Head of Department respectively.

3.2 The request for payment is processed once the tax invoice has been received.

3.3 The admin clerk must attach all relevant documentation such as tax invoice, quotations, bid adjudication committee decision, the order etc.

3.4 The submitter and the receiver of the documentation must sign in the clerk's register.

3.5 Once the invoice is received it must take 5 days to execute the payment from the date of the submission.

4. Tender Advert; (Ass. Manager SCM)

4.1. Submissions from end users Department must be received at least a week in advance.

4.2. The tender documentation is compiled once the specification or Terms of Reference have been approved by the Accounting officer.

4.3. The tender document must be ready at least 7 days in advance before the advert and it must be approved by the Accounting officer.

4.2 All advertisements must be done through the supply chain management unit authorized by the Assistant managers, scm

4.3 All tender adverts must be registered by the admin clerk with the municipal Notice number.

4.3 procurement of goods or services with the value from R 30 000 and above must be advertised in the municipal website or notice boards for at least 7 days.

4.4 All procurements above R200 000 must be done through competitive bidding by way of advertisement in commonly circulated newspaper and as in 4.3 above for at least 14 days

4.5 All procurements with the transaction value above R10 m (vat included) and of long term nature, the closing date may not be less than 30 days.

4.6 The bid invitation must include at least the closing date, time and the place.

4.7 All advertisement must be ready by Thursdays for a space in a weekend and Monday papers.

5. Tender Opening ;(Admin clerk)

5.1 The bid documents should be opened in public as possible after the closing time on the closing date.

5.2 The responsible official must read out the bidder's name and the bidder's total bidding price.

5.3 for the two envelope bidding system, the official must announce only the estimates and the number of the submissions.

5.3 The responsible official must register all bids as they are opened.

5.4 He or she must sign and stamp at the immediate line below the last registered bidder.

5.5 All the registered bids must be handed to the Acquisition management officer to start with the evaluation for statutory compliance and the necessary calculations

6. Bid specification committee; (Demand Management officer)

6.1 The process is based on the request for good/service from the end user department.

6.2 The specification is compiled by the committee (which is not permanent) constituted as follows;

- SCM Practitioner

- End user manager
- Internal Legal Advisor
- Specialist Adviser (external) if necessary
- chairperson appointed by the Acc. Officer or his/her delegate

6.3 The committee compiles the technical specification, terms of reference, bid special conditions of contract, methods of procurement s and goals i.e. PPPFA

6.4 The draft technical specifications for each procurement of good or services must be approved by the Accounting officer, delegated official or the Bid Adjudication committee before any advert can be processed.

6.5 The committee must meet every Tuesday of the week to consider the request from end user department.

6.6 The process for the compilation of the Bid specifications takes 3 days.

6.7 The specification are in the Accounting officer's office every Friday for approval.

6.8 From Monday to Wednesday, tender section must finalize the bid document.

7. Bid Evaluation committee; (Acquisition management officer)

7.1 The Acquisition management officer must within the closing day, start with the capturing of the bids as per stated evaluation checklist and Admin clerk's register.

7.2 The process takes a week to complete from the closing date of the bids.

7.3 Only bids submitted on or before the closing time and registered during the public opening will be considered in the evaluation process.

7.4 Evaluation will be done according to the criteria as specified in the bid documentation.

7.5 The bid evaluation committee must meet on the 5th working day after the closing date to start with the evaluation of the bids as captured by the acquisition management officer.

7.6 The Acquisition management officer must within two days subsequent to the bid evaluation committee.

7.7 The submission to the Bid Adjudication committee must be based on the bid evaluation committee report which must respond to;

- compliance to specification and conditions of the bid
- whether prescribed bid forms have been signed and completed
- Attachment of the valid Tax clearance certificate.
- The necessary capacity and ability to execute the contract.
- Evaluation criteria as specified in the bid documentation.
- Declaration of interest
- Register of Tender Defaulters

7.8 The same composition of the bid specification committee can be utilized in the bid evaluation process.

8. Bid Adjudication committee; (secretary or Acquisition management officer)

8.1 The committee must meet at least once per week or as and when need arise.

8.2 The committee meets to consider the items with the transactional value above R 200 000 or contract of over a year and the recommendations of the bid evaluation report.

8.3 The agenda items for the bid adjudication committee meeting must be given to committee members at least 2 days before the meeting.

8.4 The agenda must contain minutes or records of the previous meeting which must be read, corrected and adopted by the committee and finally be signed by the chairperson of the meeting.

8.4 The committee is constituted as follows;

- CFO who is the chairperson of the committee
- 4 senior managers
- SCM Practitioner
- Legal Advisor
- secretary

8.5 The decisions of the committee must be communicated to the relevant divisions within three working days by the secretary of the committee as follows;

- Decisions that require orders must be forwarded to the incumbent with that authority e.g Ass manager SCM, Budget and or Income & Expenditure to issue order within a day.
- Decisions that require appointment letters must be directed to the legal services.
- Acquisition management officer must start compiling weekly statistical report from the Bid Adjudication committee decisions.
- Bid result must be published in the municipal website or the media originally advertised for at least 14 days.

The disapproved items must be sent back to the evaluation committee for review.

- The Admin clerk must ensure that the above decisions are communicated by way of register with signature and date of the responsible person.

9. Appointment of Consultant; (SCM Unit)

Consultants are appointed to help in wide range of issues such as policy advice, Engineering services, construction supervision, financial services, environmental studies and identification, preparation and implementation of project.

9.1 Consultants are engaged when the necessary skills and resources are unavailable.

9.2 Consultants are appointed by means of a formal contract.

9.3 Various methods are usually followed to appoint consultants depending on the circumstance of a particular case;

Quality and cost Based selection (Q C B S)

Quality Based selection

Selection under a fixed budget

Least –cost selection

Single – source selection

Selection Based on consultants' qualification

Selection of individual consultants

Selection of particular types of consultant e .g NGOs, Banks, Auditors etc

Association between consultants for one contract

9.4 The prescripts of the PPPFA must be adhered to when we appoint consultant.

9.5 Invitation of Bids / proposals using QCBS;

- Prepare clear Terms of Reference which includes objectives, goals and scope of work. N B. This must be done by the Bid specification committee.

- Request for proposals (R F Ps) should be done through letter of Invitation and Information to consultants (to enable consultants to prepare responsible proposals).

- The R F Ps should allow for not less than four weeks or no more than three months

9.6 The evaluation of bids / proposals must be done within the ambit of the PPPFA, 2001 on the basis of functionality, price and other specified RDP objectives.

9.7 The Accounting officer may negotiate the contract with successful bidder around the Terms of References, methodology, staffing and special conditions of contract.

9.8 contracts are awarded to the bidder with the highest score after 14 days appeal period has elapsed.

9.9 For all values of work above R200 000 or long term contracts that exceed one year, consultant must be appointed through competitive bidding process.

9.10 Contract is negotiated six month in advance before it expires and restarts the process.

10. Evaluation Panel;

10.1 For all other professional services which the Accounting officer may deem necessary, appointment can be done by the evaluation panel comprising of no less three specialists as set up by the accounting officer.

10.2 No member of any departmental bid committee must be allowed to serve on the evaluation panel.

11. Bid Administration Section;

11.1 All administration tasks pertaining to the bidding process are handled by this section which must be established.

N B Our policy does not allow any delegation of powers and duties to the advisor or consultant.

12. Reporting;

12.1 The report must be compiled of all awards by the Bid Adjudication committee within five days of the end of each month to the Accounting officer.

12.2 On weekly basis the awards by the municipal Quotation Adjudication committee must be submitted to the chief Financial officer.