

## CHANGES ON CREDIT LEPHALALE LOCAL MUNICIPALITY SUPPLY CHAIN MANAGEMENT POLICY FOR 2020/2021

PAGE	CURRENT	PROPOSED CHANGES	ADDITIONS
3-9	Terms and definitions	None	Terms and definition Table
10	(c) Complies with - (i) The Treasury Regulations; and (ii) Any minimum norms and standards that may be prescribed in terms of section 168 of the Act;	(c) Complies with - (i) The Treasury Regulations; and (ii) <b>Any circular</b> , minimum norms and standards that may be prescribed in terms of section 168 of the Act;	
11.	(3.3) When amending this supply chain management policy the need for uniformity supply chain practices, procedures and forms between organs of state in all spheres; particularly to promote accessibility of supply chain management systems for small businesses must be taken into account.	None	<b>The accounting officer must report any deviation from the guideline standard to the National Treasury and the relevant Provincial treasury</b>
12	<b>5. Sub delegations</b> (5.1) The accounting officer may in terms of section 79 or 106 of the Act sub delegate any supply chain management powers and duties, including those delegated to the accounting officer in terms of this Policy,	None	<b>As well as the system of delegation</b>

	but any such sub delegation must be consistent with subparagraph (5.2) of this paragraph and paragraph 4 of this Policy		
13	(iii) a bid adjudication committee of which the chief financial officer or a senior manager is a member; or	None	; or The bid adjudication committee consisting of the following Executive managers and Supply Chain Manager or Person acting instead Chief Financial Officer (Chair Person) Executive Manager Infrastructure Executive Manager Development Planning Executive Manager Social Services Executive Manager Strategic Planning Executive Manager Corporate Services  (d)Between R 00.00 to R30 000. Shall be sub-delegated to the procuring directorate executive Manager.
15	<b>8. Training of supply chain management officials</b> The training of officials involved in		<b>8. Training of supply chain management officials</b> and aligned with the minimum competency

	implementing this Policy should be in accordance with any Treasury guidelines on supply chain management training /.		<p>levels as stipulated in section 119 of the MFMA.</p> <p>A copy of The Lephalale Local Municipality and other relevant documentation would be made available on the Municipality's Website (copy for perusal available at library.)</p>
17-18	None	None	<p>The procurement plan must be linked to the IDP and SDBIP. The Accounting Officer must submit the annual procurement plan and bi-annual report on the implementation of the procurement plan to the Limpopo provincial treasury and National Treasury in terms of Section 4.1 of The Municipal SCM Framework.</p>
			<p>(e) To undertake appropriate industry analysis and research to ensure that innovation and technological benefits are maximized to the extent appropriate and within the available resources ,Develop Procurement Plans aligned to the IDP,SDBIP AND BUDGET , which</p>

			<p>includes major activities associated with identifying demand such as:-</p> <ul style="list-style-type: none"> <li>- establishing requirements</li> <li>- linking the requirement to the budget</li> <li>- Deciding on appropriate procurement strategies.</li> <li>- identifying critical delivery dates;</li> <li>- submit the procurement plan to the provincial treasury together with the adopted budget and IDP</li> </ul> <p>(f) Determine the need for pre-qualification criteria for preferential procurement and sub-contracting in terms of PPPFA Regulation 4 and 9. If an organ of state decides to apply pre-qualifying criteria to advance certain designated groups, that organ of state must advertise the tender with a specific tendering condition that only one or more of the following tenderers may respond-</p> <p>(i) a tenderer having a stipulated minimum B-BBEE status level of contributor;</p>
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			<p>(ii) an EME or QSE;</p> <p>(ii)a tenderer subcontracting a minimum of 30% to-</p> <ul style="list-style-type: none"> <li>-an EME or QSE which is at least 51% owned by black people;</li> <li>-an EME or QSE which is at least 51% owned by black people who are youth;</li> <li>-an EME or QSE which is at least 51% owned by black people who are women;</li> <li>- an EME or QSE which is at least 51% owned by black people with disabilities;</li> <li>-an EME or QSE which is 51% owned by black people living in rural or underdeveloped areas or townships;</li> <li>-a cooperative which is at least 51% owned by black people; an EME or QSE which is at least 51% owned by black people who are Military veterans;</li> <li>- an EME or QSE.</li> </ul> <p>(2) A tender that fails to meet any pre-qualifying criteria stipulated in the tender</p>
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			documents is an unacceptable tender.
20-21			<p>(i) Valid tax reference number (PIN) and VAT registration number, if any;</p> <p>(ii) Implementation of the tax compliance status system (CIRCULAR 90)</p> <p>In order to comply with the new TCS system and the condition of bids that a successful bidder's tax matters must be in order, Accounting Officers of all municipalities should:</p> <ul style="list-style-type: none"> <li>• Designate officials, preferably from the supply chain management unit, whose function will be to verify the tax compliance status of a taxpayer and to manage the TCS system on the SARS website and have the functionality to verify the tax compliance status of a taxpayer on the SARS' e-Filing system. Guidance to the</li> </ul>

			<p>Tax Compliance functionality on eFiling is available on the SARS website <a href="http://www.sars.gov.za">www.sars.gov.za</a>.</p> <ul style="list-style-type: none"><li>• Utilise the Municipal Bid Document 1 (MBD1) when inviting bids.</li><li>• As a bid condition, request bidders to register on government's Central Supplier Database (CSD) and include in their quotations or bids, their Master Registration Number or tax compliance status PIN to enable the municipality to verify the bidder's tax compliance status</li></ul> <p>.Utilise the Master Registration Number or tax compliance status PIN to verify bidders' tax compliance status.</p> <ul style="list-style-type: none"><li>• Print the tax compliance status screen view or letter with the result of the bidder's status at the date and time of verification to file with the bidder's bid documents for audit purposes.</li></ul> <p>-Where the recommended bidder is not tax compliant, the bidder should be notified of their</p>
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			<p>non-compliant status and the bidder must be requested to submit to the municipality or municipal entity, within 7 working days, written proof from SARS of their tax compliance status or proof from SARS that they have made an arrangement to meet their outstanding tax obligations. The proof of tax compliance status submitted by the bidder to the municipality or municipal entity must be verified via the CSD or e-Filing.</p> <p>The accounting officer should reject a bid submitted by the bidder if such a bidder fails to provide proof of tax compliance status within the timeframe stated above.</p>
22			<p>(b) at least once a year through newspapers commonly circulating locally, the website and any other appropriate ways, invite prospective providers of goods or services to apply for evaluation and listing as accredited prospective providers. The Lephalale Local Municipality Shall</p>



			exclusively be reliant on the communication methods used by National Treasury for updating information on the CSD and the information of the service Providers from CSD shall be used to update the municipal database for expenditure purpose.
50	<p><b>45. Awards to close family members of persons in the service of the state</b></p> <p>The accounting officer must ensure that the notes to the annual financial statements disclose particulars of any award of more than R2000 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months, including -</p> <p>(a) The name of that person</p> <p>(b) The capacity in which that person is in the service of the state; and</p> <p>(c) The amount of the award.</p>	NONE	<p><b>Contracts Having Budgetary Implications beyond three Financial Years</b></p> <p>The Municipality may not enter into any contract that will impose financial obligations beyond the three years covered in the annual budget for that financial year, unless the requirements of section 33 of the Municipal Finance Management Act have been fully complied with.</p> <p><b>Public-Private Partnerships</b></p> <p>Part 2 of chapter 11 of the MFMA applies to the procurement of public-private partnership agreements. Section 33 also applies if the agreement will have multi-year budgetary implications for the Municipality within the meaning of that section.</p>

			<b>Validity Periods shall be used as defined in use GCC</b>
55	<p><b>53 Extending or varying a contract</b></p> <p>(53.1) Subject to subsection (2), the municipality on its own initiative or upon receipt of an application from the person, body, organisation or corporation supplying goods or services to the municipality in terms of this policy, may resolve to extend or vary a contract if:-</p> <p>(a) The circumstances as contemplated in paragraph 36[1][a] prevail; or</p> <p>(b) With due regard to administrative efficiency and effectiveness, the accounting officer deems it appropriate.</p> <p>(53.2) The municipality may not extend or vary a contract:-</p> <p>(a) More than once;</p> <p>(b) For a period exceeding the duration of the original agreement; or</p> <p>(c) For an amount exceeding twenty [20]</p>		<p>(53.5) Management of expansion or variation of orders against original the original contract</p> <p>(a) It is recognized that, In exceptional case, An accounting office of Lephalale Local Municipality or Municipal Entity may deem it necessary to expand or vary orders against the original Contract.</p> <p>(b)The expansion or variation of orders against the original contract has, however led to wide scale abuse of the current supply chain Management System.</p> <p>(c) in order to mitigate such practice, accounting officer of the municipalities and municipal entities are adviced that contracts may be expanded or varied by not more that 20% for construction related goods and services and or infrastructure projects and 15% for all other goods and or services of the</p>

	<p>percent of the original bid value.</p> <p>(53.3) Within one [1] month of the decision referred to in sub-paragraph (1), the matters specified in sub-paragraph (4) must be:-</p> <p>(a) Published by the municipality at least in an appropriate newspaper circulating within the boundaries of the municipality; and</p> <p>(b) Displayed at a prominent place that is designed for that purpose by the municipality.</p> <p>(53.4) The matters to be published or displayed are:-</p> <p>(a) The reasons for dispensing with the prescribed procedure;</p> <p>(b) a summary of the requirements of the goods or services; and</p> <p>(c) the details of the person, body, organization or corporation supplying the goods or services.</p>		<p>original value of the contract. Furthermore, anything beyond the abovementioned threshold must be reported to council or the board of directors.</p> <p>(d) Any expansion or Variation in excess of these thresholds must be dealt with in terms of the provision of section 116(3) of the MFMA which will be regarded as an amendment to the contract.</p> <p>(e) The contents of the above paragraph are not applicable to transversal term contracts, facilitated by the relevant treasuries of the municipalities and municipal entities and ,specific term. The latter refers to orders placed as and when commodities are required and at the time of awarding contracts, the required quantities were unknown.</p>
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56	<p>54. Strip and Quote</p> <p>(a) Repairs that cannot be seen or easily identifiable.</p> <p>Quote can only be sourced from one service provider after stripping.</p> <p>Data base for Service Providers to be rotated.</p> <p>55. Transportation and catering for public participation meetings.</p> <p>(a). The three quotation are required per route for transportation and this will not be regarded as the contravention of section 12 (3) / 19 (2) of SCM</p> <p>(b). Catering should be restricted to the minimum of 150 people unless if the total number of attendees is less than 300, then a lessor of higher minimum can be allowed. The catering for people more than 300 should be shared proportionally to the service providers.</p>	TO BE REMOVED	
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	This will not be regarded as contravention of section 12 (3) / 19 (2) of the SCM as this is done to promote local companies.		