



**TO :**  
**CHIEF FINANCIAL OFFICER**  
**SENIOR GENERAL MANAGERS**  
**CHIEF DIRECTORS**  
**DIRECTORS**  
**ALL DISTRICT DIRECTORS**  
**ALL SCM STAFF**

**SUPPLY CHAIN MANAGEMENT CIRCULAR NO: 5 OF 2021**

**SUBJECT: DEPARTMENTAL SCM DELEGATIONS 2021/22 DELEGATIONS**

1. Attached please find revised KwaZulu Natal Department of Education Supply Chain Management:
  - 1.1 Policy.
  - 1.2 Delegations.

## **2. PURPOSE**

The purpose of this internal instruction is to give emphasis on critical aspects of the 2021/22 SCM Delegation, to ensure correct interpretation of the delegations and adherence thereto.

## **3. IMPLEMENTATION AND ADHERENCE OF THE 2021/22 SCM DELEGATIONS**

3.1 The following process will from now-on be followed when responsibility managers request for procurement of goods or services:

- 3.1.1 The Demand memo/ requisition form (EF72) must to be approved by the relevant authority.
- 3.1.2 The required goods and services must be in the 2021 approved Procurement Plan and the Costed Operational Plan of the Directorate.
- 3.1.3 Any procurement outside the Procurement Plan can only be processed with after approval by the Accounting Officer.

3.2 The threshold values for approving the Demand Memo/ Requisition form (EF72)/ request for bid to be advertised are as follows:



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- 3.2.1 From R 0 up to R 500 000.00 final approval must be granted by the relevant Chief Director.
- 3.2.2 Above R 500 000.00 up to R 1 000 000.00 final approval must be granted by the relevant Deputy Director General/ Chief Financial officer
- 3.2.3 Above R 1 000 000.00 up to unlimited Accounting Officer/ Head of Department.

3.3 The demand memo/ requisition form must be signed off by the initiator, recommended by his/her Supervisor before it is submitted to the delegated official for approval.

#### 4. DEVIATIONS

4.1 Effective from 1 May 2016 and as per National Treasury Instruction Note, no. 3 of 2016/2017 all deviations which are not emergency procurement or sole source procurement prior approval must be granted by Provincial Treasury. However provincial Treasury has allowed the accounting officer to approve deviations up to R500 000.00.

4.2 All responsibility managers need to reports on deviations to the Director: Demand and Acquisition on a monthly basis.

5. The 2021/22 SCM Delegations will be uploaded on the Department Website and in line with **the Public Finance Management Act 1 Of 1999 (PFMA) as amended** all officails of the KwaZulu-Natal department of eduaction (KZNDOE) are obligated to adhere to them.



DR E.V NZAMA

HEAD OF DEPARTMENT

KWAZULU-NATAL DEPARTMENT OF EDUCATION

30/03/2021  
Date: .....



**CHIEF DIRECTORATE:  
SUPPLY CHAIN MANAGEMENT**

Private Bag X9137, PIETERMARITZBURG, 3200  
228 Pietermaritz street, Pietermaritzburg, 3201  
Tel: 033 846 5432 Fax: 033 846 5432

Demand and Acquisition  
Enquiries: MMLS MKHIZE  
Date: 24 March 2021

**TO: Dr. E.V. Nzama  
Head of Department: Education**

**FROM: MR M MLANGENI  
ACTING CHIEF DIRECTOR: SUPPLY CHAIN MANAGEMENT**

**SUBJECT: TO REQUEST THE HEAD OF DEPARTMENT TO APPROVE THE  
REVISED SCM POLICY AND DELEGATIONS**

1. Attached hereto are reviewed:
  - 1.1 SCM Policy
  - 1.2 SCM Delegations
2. It is requested that the Head of Department approves the reviewed SCM policy and delegations herewith. The SCM will thereafter conduct training for SCM in the District offices.

  
Mr M Mlangeni  
Acting Chief Director SCM

24/03/2021  
Date

Comments

*This must be in adherence to the PFMS requirements.*

  
Mr L Rambaran  
Chief Financial Officer

24/03/2021  
Date



**TO:**  
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**SENIOR GENERAL MANAGERS**  
**CHIEF DIRECTORS**  
**DIRECTORS**  
**ALL DISTRICT DIRECTORS**  
**ALL SCM STAFF**

**DEPARTMENTAL SCM DELEGATIONS NO 5 OF 2021 (based on Provincial Treasury Practice Note Number SCM-02 of 2019)**

### **1. Context**

The Public Finance Management Act, 1999 (PFMA), Act 1 of 1999 as amended by Act 29 of 1999, was approved by National Parliament 'to regulate financial management in the National Government and Provincial Governments, to ensure all revenue, expenditure, assets and liabilities of those Governments are managed efficiently and effectively and to provide for the responsibilities of persons entrusted with financial management in those Governments. "

In terms of section 76(4)(c) of the Act 'The National Treasury may make regulations or issue instructions applicable to all institutions to which this Act applies, concerning the determining of a framework for an appropriate supply chain management system which is fair, equitable, transparent, competitive and cost-effective". However, according to section 38(1)(a)(iii) of the Act it is the responsibility of "the accounting officer/authority of a department, trading entity or constitutional institution to have and maintain an appropriate procurement and supply system which is fair, equitable, transparent, competitive and cost effective".

Where applicable, Provincial Treasuries must set complementary standards within the parameters as set by National Government. These standards may not jeopardize national objectives. A provincial treasury must also submit to the National Treasury such SCM information as the National Treasury may require.

### **2. Introduction**

The implementation of Supply Chain Management with effect from 1 April 2005 brought about fundamental changes in the procurement process in government. The objective of this is to create a more efficient and effective system of procurement, and to vest full procurement authority and accountability in the Accounting Officer of a department. To this end, various levels of authority have been clearly distinguished in this document to ensure a clear understanding and to facilitate decision making by the respective accounting officers.

### **3. Delegation Policy**

With due consideration of predetermined financial limits, the general standing powers are delegated in order to expedite the process to procure goods and services, the acquisition or disposal of movable and immovable property and the granting of rights. These powers, as set out herein, are delegated to bid committees and departmental officials in accordance with the Regulations in terms of the Public Finance Management Act, 1999.



These powers are granted subject to the provisions of any other Act of Parliament, as amended from time to time.

Delegated powers contained herein must be applied strictly in accordance with the preference point system applied in the Province.

Where any doubt exists with regard to the interpretation or application of any power or condition, the Accounting Officer must be approached through the normal service channels for a decision or finalization.

#### **4. REPORTING REQUIREMENT**

Holders of delegated procurement authority are required to submit returns in the required format to the Accounting Officers in respect of the awarding of contracts

#### **5. DEFINITIONS PERTAINING TO DELEGATED OFFICIALS**

1.	ACCOUNTING OFFICER	As defined in S36 of the PFMA
2.	CHIEF FINANCIAL OFFICER (CFO)	As defined in NTR 2
3.	PROGRAMME MANAGERS (excluding the CFO)	An official appointed in writing by the Accounting Officer.
4.	SUB-PROGRAMME MANAGERS	An official appointed in writing by the Accounting Officer.
5.	CONDITIONAL GRANT MANAGERS	An official appointed in writing by the Accounting Officer.
6.	RESPONSIBILITY MANAGERS	An official appointed in writing by the Accounting Officer.
7.	RELEVANT AUTHORITY	In context of KZNDOE, Relevant Authority refers to an official/ Function/ Unit/ Committee awarded certain powers by the Accounting Officers to approve certain mandates, tasks or transactions in the best interest of the Department.

#### **6. TERMINOLOGY**

<b>NO</b>	<b>TERM</b>	<b>DESCRIPTION</b>
1.	ACCOUNTABILITY	Means the personal responsibility of a person to his senior or higher authority for any act or omission in the execution of his assigned duties (Accountability cannot be delegated).
2.	ACCOUNTING OFFICER	Authority which shall be accountable in terms of section 49 (2) of the PFMA.
3.	ADHOC CONTRACT	A contract arranged for a once-off requirement for goods, works or services, the hiring or letting of anything, the acquisition or granting of any right, or the disposal of movable state property.
4.	AUTHORITY	Means the right or power attached to a rank or appointment permitting the holder thereof to make decisions, to take command or to demand action by others.





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5.	BID	A written offer on a prescribed or stipulated form in response to an invitation by an organ of state for the provisioning of goods, works or services.
6.	BID COMMITTEE	Refers to the provincial department's bid specification, bid evaluation and bid adjudication committees as defined below
7.	BIDDER	Any natural or juristic person who makes an offer in response to a request to submit a bid.
8.	CHIEF FINANCIAL OFFICER (CFO)	Means the official who occupies the post of Chief Financial Officer in terms of the approved staff establishment of the Department of Education and has the general responsibility to assist Page 8 of 46 the Accounting Officer in discharging the duties prescribed in part 2 of Chapter 6 of the PFMA.
9.	CONSULTANT/ CONSULTING	Means, among others, consulting firms, engineering firms, construction
10.	CONTRACT	Written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
11.	CONSOLIDATED REQUIREMENT	The consolidated requirement of related items known to a department at a given moment, may not be broken down into smaller and separate parts (splitting of a bid/quotation/order), so as to avoid the method of procurement that would normally apply to the requirement as a whole.
12.	DEMAND MANAGEMENT	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.
13.	DEPARTMENT DISPOSAL COMMITTEE	A committee of four officials (2 from the Asset Unit, 1 from SCM Unit and 1 Loss Control Officer from the Finance Unit) appointed by the Accounting Officer (AO) for the purpose of presiding over all disposal matters with the Loss Control Officer being responsible for reporting directly to the Accounting Officer.
14.	DEPARTMENT	Department of education- (DOE)
15.	LOGISTICS MANAGEMENT	Means to ensure that goods and services are available at the right place, time, and quantities required to execute the functions of the DOE.
16.	MEASURABLE OBJECTIVES	Means to identify very specific activities that the CBE intends performing or delivering in order to achieve the strategic objectives and ultimately the strategic goals it has set. There must therefore be direct causal link running from the measurable objective to one or more of the strategic objectives.
17.	PRICE QUOTATION	A verbal/ written offer, which is not necessarily subject to the General Conditions of Contract (GCC).
18.	RISK MANAGEMENT	Means the identification, measurement and economic control of risks that threaten the assets and earnings of a business or other enterprise.



19.	SCM OFFICIAL	An employee of the DOE working in the SCM Unit or performing and SCM function.
		A person seconded to the DOE to render a SCM function.
		A person contracted to the DOE to render a SCM function
20.	SMALL MEDIUM AND MICRO ENTERPRISE (SMME)	Means an enterprise as defined in the National Small Business Act, 102 of 1996, as amended. Employing a maximum of 100 employees in any sector except manufacturing or construction where the maximum is 200 employees.
21.	STRATEGIC GOALS	Means areas of institutional performance that are critical to the achievement of the mission. They are statements that describe the strategic direction of the DOE. It is useful to think of strategic goals as outcomes to be achieved by the DOE.
22.	SPECIFIC PERIOD CONTRACT	A contract for the supply, over a specified period of time, of the repetitive requirements for a specific department, for immovable property, goods or services, the acquisition or granting of any right, or the disposal of goods or immovable Provincial property.
23.	STRATEGIC OBJECTIVES	Mean more concrete and specific than strategic goals. It should give a clear indication of what the DOE intends doing in order to achieve the strategic goals it has set for itself, as such strategic objectives would normally describe high-level outputs or "results" of actions that the institution intend taking.
24.	SUPPLY CHAIN MANAGEMENT	Means it is an integral part of financial management. This function is the collaborative strategy that integrates the planning, procurement, and provisioning processes in order to eliminate non-value adding cost, infrastructure, time and activities, seeks to introduce international best practices, whilst at the same time addressing Government's preferential procurement policy objectives and whilst serving the end-users and customers efficiently.
		Six phases are distinguished in the SCM processes, namely: <ul style="list-style-type: none"> <li>• Demand Management.</li> <li>• Acquisition Management.</li> <li>• Logistics Management.</li> <li>• Disposal Management.</li> <li>• Risk Management.</li> <li>• Performance Management.</li> </ul>
25.	VALUE FOR MONEY	Means in relation to agreements, that the performance of a private party in terms of the agreement will result in a net benefit to the institution defined in terms of cost, price, quality, quantity, risk transfer or any combination of those factors.
26.	PFMA	Public Finance Management Act (Act 1 of 1999, as amended)
27.	COMPETITIVE BID	Bid in terms of a competitive bidding process
28.	FRUITLESS AND WASTEFUL EXPENDITURE	And expenditure that was made in vain and would have been avoided had reasonable care been taken.



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29.	LONG TERM CONTRACT	A contract with a duration period exceeding one year
30.	OTHER APPLICABLE LEGISLATION	Means any other legislation applicable to Supply Chain Management, including, but not limited to:- a) The Preferential Procurement Policy Framework Act, 2000 (Act no.5 of 2000) b) The Broad- Based Black Economic Empowerment Act, 2003 (Act no. 53 of 2003);- and c) The Construction Industry Development Board Act, 2000 (Act no.38 of 2000)
31.	QUOTATION	A written or verbal offer which may be in a prescribed or stipulated form, in response to an invitation by a department or Parliament for the provision of goods or services, based on the delegated limits for quotations.
32.	QUORUM	A quorum is equal to 50% of the number of permanent (as opposed to co-opted) committee members.
33.	REGULATION	National Treasury Regulations
35.	SUPPLY CHAIN MANAGEMENT CODE OF CONDUCT	Means the National Treasury's Code of Conduct for supply Chain Management Practitioners and other Role Players
36.	TRANSVERSAL CONTRACT	A contract arranged by the Common Service Provider (National Treasury) for the supply, over a specified period of time, of the repetitive requirements of various participating organisations for goods, works or services, the hiring or letting of anything, the acquisition or granting of any right, or the disposal of movable State property
37.	TWO STAGE BIDDING	Means two stage bidding process.
38.	TREASURY GUIDELINES	Means any guidelines on Supply Chain Management issues by the National Treasury
39.	URGENT AND EMERGENCY CASES	Cases are defined as urgent or emergency cases when the following criteria have been met: -  a) resulted from natural disaster i.e. beyond human control; and b) immediate action is required to avoid a dangerous or life threatening situation, misery or want.  Poor planning is not a justifiable cause of an emergency or urgent situation.
40.	SOLE SOURCE PROCUREMENT	Sole Source Procurement may occur when there is evidence that only one supplier possesses the unique and singulary available to meet the requirements of the institution.

### 7. ABBREVIATIONS

1.	AO	Means the Departmental Accounting Officer
2.	BAC	Means the Department Bid Adjudication Committee
3.	BEC	Means the Departmental Bid Evaluation Committee





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4.	BSC	Means the Departmental Bid Specification Committee
5.	DFSM	Means District Finance Senior Manager
6.	DD	Means District Director
7.	CD	Means the Chief Director
8.	D	Means the director
9.	GCC	Means General Conditions of Contract
10.	IBAC	Means Interim Bid Advisory Committee
11.	NTR	Means National Treasury Regulations
12.	PPPFA	Means the Preferential Procurement Policy Framework Act 5 of 2000
13.	PPPFR	Means the Preferential Procurement Policy Framework Regulations
14.	SCC	Means Special Conditions of Contract



**1. DELEGATION IN TERMS OF SUPPLY CHAIN MANAGEMENT**

Delegation no.	Prescripts	Powers and Functions	Lowest Level Delegated to	Maximum amount Delegated	Remarks, Limitations or conditions
<b>SUPPLY CHAIN MANAGEMENT</b>					
<b>1.1</b>	<b>PFMA 38- S44</b>	<b>ESTABLISHMENT AND MAINTENANCE OF SUPPLY CHAIN MANAGEMENT</b>	<b>Lowest Level Delegated to</b>	<b>Maximum amount Delegated</b>	<b>Remarks, Limitations or conditions</b>
1.1.1	NTR 16A.3.1 NTR 16A.3.2 (a)	TO DEVELOP AND IMPLEMENT AN EFFECTIVE AND EFFICIENT SUPPLY CHAIN MANAGEMENT SYSTEM WHICH IS FAIR, EQUITABLE, TRANSPARENT, COMPETITIVE AND COST-EFFECTIVE FOR THE ACQUISITION OF GOODS AND SERVICES. TO ESTABLISH A SEPARATE SUPPLY CHAIN MANAGEMENT SYSTEM	Accounting Officer	Unlimited	For the purpose of: a) The acquisition of goods and services; b) The disposal and letting of state assets, including the disposal of goods no longer required. c) Must ensure that the supply chain management systems d) Be fair, equitable, transparent, competitive and cost effective; e) Be consistent with Preferential Procurement Policy Framework Act, 2000 (Act no.5 of 2000) f) Be consistent with the Broad Based Black Economic Empowerment Act, 2003 (Act No.53 of 2003); and provide for the following:- I. Demand management II. Acquisition management III. Assets and logistics IV. Disposal and loss control



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1.1.2	NTR 16A.4.1	TO IMPLEMENT AND MAINTAIN SUPPLY CHAIN MANAGEMENT UNIT AS PER THE APPROVED BUSINESS MODEL, ORGANOGRAM, POLICIES AND PROCESSES	CFO	Unlimited	
1.1.3	NTR 16A.6.2	TO APPOINT BID ADJUDICATION COMMITTEE (BAC)	Accounting Officer	Unlimited	<p>c) One of the 6 members must represent the end user.</p> <p>d) Committee members to be appointed on a 18 monthly basis or as determined by the Accounting Officer.</p> <p>e) One SCM practitioner may <b>NOT</b> be appointed in both BEC and in BAC.</p> <p>f) One SCM practitioner may not be appointed as a member in <b>both</b> BSC and BEC.</p> <p>g) Entities involved with the drafting of the specification may not participate in the bid for that particular item or service.</p> <p>h) Advisors may only be used in an advisory capacity but have no decision making authority.</p> <p>i) BAC should preferably be chaired by the CFO and should include at least one senior SCM official</p> <p>j) BAC should sit only if 50% +1 (60%) of its members are present. (A permanent member of a BSC may serve in a BEC on an ad hoc basis as long as it is not for the same project, same with BEC member)</p>



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1.1.4	NTR 16A.6.3(c)	<b>TO SHORTEN THE BID ADVERTISING PERIOD</b>	Accounting Officer	Unlimited	<p>k) BAC members may not serve in either BSC or BEC</p> <p>l) BSC and BEC members may make presentation to the BAC.</p> <p>m) The Accounting Officer may appoint ad hoc Bid Committee members as required.</p> <p>n) SCM Official and Committee members should declare interest at the beginning of each year and must declare interest and sign confidentiality forms at the beginning of each committee sitting.</p> <p>a) The reason for reduction of period MUST be documented, approved by the AO and reported to Provincial Treasury within 10 days of approval.</p>
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1.1.5	NTR16A.6.4 NTR 3 OF 2016/17	<b>TO DEVIATE FROM A COMPETITIVE BIDDING PROCESS IN CASE OF EMERGENCY DISTRICT DIRECTOR</b>	Accounting Officer	unlimited	<p>a) In case of an emergency, the Demand Memo/ EF72 must be completed and approved by Accounting Officer.</p> <p>b) In case of emergency, three quotations to be obtained if it is possible to do so and the order to be placed within 3 (three) working days of deviation approval.</p> <p>c) The reason for deviation to be documented in writing as well as the reasons for not obtaining three quotations and that should be approved by the delegated authority</p> <p>d) Before 7 of the next month to Director: Demand and Acquisition Management for placement in the Department Register of Deviations.</p> <p>e) In case of a deviation of R1m and above the deviation memorandum should be submitted to the Accounting together with two letters (one letter reporting deviation to Provincial Treasury and another reporting the same to Auditor General)</p> <p>f) Any other deviation that does not meet the definition of the emergency or sole source procurement will be allowed subject to the prior approval from the Provincial Treasury.</p>
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Delegation no.	Prescripts	Powers and Functions	Lowest Level Delegated to	Maximum Amount Delegated	Remarks, Limitations or Conditions
1.1.6	NTR 16 A.6.5	TO APPROVE PARTICIPATION IN A TRANSVERSAL CONTRACT FACILITAGED BY NATIONAL OR PROVINCIAL	Accounting Officer	Limited by conditions and initial contract	<p>a) The Department may not solicit bids for the same or similar goods and services during the tenure of the transversal contract</p> <p>b) The Acquisition Management section should keep a register of all national and provincial bids/ contracts that the department is participating in</p> <p>c) The contract must have been arranged by means of means of competitive bidding process.</p> <p>d) The participation is subject to the written approval of such organ of state and relevant parties (service provider(s))</p>
1.1.7	NTR16 A.6.6	TO APPROVE PARTICIPATION BY THE DEPARTMENT IN ANY CONTRACT ARRANGED BY ANY ORGAN OF STATE	Accounting Officer	Limited by conditions of initial contract	
1.1.8	NTR16A.3.1	TO ISSUE DIRECTIVES ON SUPPLY CHAIN MANAGEMENT POLICIES AND PROCEDURES.	CD:SCM and approved by Accounting Officer		a) To develop, review, amend and ensure implementation



**2. DELEGATION IN TERMS OF DEMAND MANAGEMENT**

Delegation no.	prescripts	Powers and Function	Lowest Level Delegated to	Maximum Amount delegated	Remarks, Limitations or Conditions
<b>DEMAND MANAGEMENT</b>					
2.1	NTR16A 3	TO IDENTIFY SERVICES REQUIRED TO FULFIL PROGRAMME OBJECTIVES AND SET NORMS AND CALCULATE REQUIRED QUANTITIES (DEMAND ASSESSMENT/NEED ANALYSIS) AND WRITE A DEMAND MEMORANDUM	Responsibility Manager  Grant Manager	Unlimited	a) A proper need assessment should be done b) Demand management officials should provide technical support c) To be included in the procurement plan.



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2.2	NTR16A 3.2 (l)	<p><b>TO DEVELOP AN ANNUAL PROCUREMENT PLAN FOR PROCUREMENT OF REQUIRED GOODS AND SERVICES.</b></p>	<p>Sub-Programme Manager Grant Manager</p>	N/A	<p>a) The Procurement Planning process should be aligned to the budgeting process. b) The Procure Plan should be developed in conjunction with the Department Management section within SCM Unit. c) The Procurement Plan should be finalised and consolidated by Responsibility Managers, sub-programme managers and Programme managers and submitted to the SCM.</p>
2.3		<p><b>TO CONSOLIDATE PROCUREMENT PLANS FROM ALL PROGRAMMES AND SUBMIT TO PROVINCIAL TREASURY ON TIME</b></p>	CD:SCM	Unlimited	<p>a) In accordance with Provincial Treasury Instruction. b) Supported by Director: Demand and Acquisition Management.</p>
2.4		<p><b>TO APPROVE AND SUBMIT CONSOLIDATED PROCUREMENT PLAN ON TIMES AS DETERMINED BY PROVINCIAL TREASURY</b></p>	Account Officer	Unlimited	



2.5	DEVELOPMENT OF A BID SPECIFICATION	Responsibility Managers	Unlimited	a) SCM to provide technical support relation to SCM compliance matters. b) Bid specifications to be approved by branch head before submission to SCM at Head Office
2.6	APPROVAL OF A DEMAND MEMO/ REQUISITION	Chief Directors	From R 0 up to R 500 000.00	(a) On condition that there is available budget and proof is attached. (b) The demand memo/ requisition should clearly define the service/goods required; (c) The goals or services required must be in the procurement plan; (d) Any deviation from the Procurement Plan must be approved by the Accounting Officer or delegated official.
2.7	REQUEST FOR A BID TO BE ADVERTISED	CFO/ DDG's Accounting Officer	Above R500 000- R2 million Above R2 million	(e) Approved request to be submitted to SCM for the acquisition processes.

**3. DELEGATIONS IN TERMS OF ACQUISITION MANAGEMENT**

Delegation no.	Prescripts	Powers and Functions	Lowest Level Delegated to	Maximum Amount Delegated	Remarks, Limitations or Conditions
<b>QUOTATIONS AND BID MANAGEMENT</b>					
3.1	NT instruction note 4A of 2016/17	TO ENSURE ACCESS TO A DATABASE OF PROSPECTIVE SUPPLIERS OF	CD:SCM	Up to R 500 000.00	a) Department uses CSD as a database to select prospective service providers for invitation of quotations for goods and services



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3.2	<p><b>GOODS AND SERVICES FOR OBTAINING QUOTATIONS</b></p> <p><b>INVITATION, ACCEPTANCE AND AWARD OF QUOTATION OF GOODS AND SERVICES.</b></p>	<p>Deputy Director: Finance at District Level</p> <p>Deputy Director:SCM Head Office</p> <p>Quotation Committees</p>	<p>From R1 to R2000</p> <p>From R1 to R2000</p> <p>Above R 2 000 up to R 30 000</p>	<p>b) SCM unit must rotate suppliers in line with paragraph 217 of the constitution.</p> <p>c) All suppliers should be centrally registered in the CSD before the award or issue of an order</p> <p>a) Quotation committees must be appointed in SCM.</p> <p>b) Prospective suppliers must be nominated from CSD.</p> <p>c) Quotation should be invited using Departmental approved SCM forms as per SCM circular number....</p> <p>d) Quotations must be deposited in the quotation box or returned in any other manner indicated in the invitation.</p> <p>e) Quotations should not be opened before closing time.</p> <p>f) Officials responsible for opening of quotation box must be appointed by director. At least two officials must open the box at a pre determined closing time.</p> <p>g) A minimum of 3 written quotations should be obtained before the award. This means that no order may be processed without receipt of the minimum of three written quotations.</p> <p>h) Quotations received to recorded in the quotation register should.</p> <p>i) If it is not possible or practical to obtain at least three (3) written price quotations, where proof exists that</p>
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Delegation no.	Prescripts	Powers and Functions	Lowest Level Delegated to	Maximum Amount Delegated	Remarks, Limitations or Conditions
<b>QUOTATIONS AND BID MANAGEMENT</b>					



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3.3		<p><b>INVITATION, ACCEPTANCE AND AWARD OF QUOTATIONS FOR PURCHASE OF GOODS AND SERVICES, HIRING OR LETTING OF ANYTHING OR THE ACQUISITION OR GRANTING OF ANY RIGHT FOR OR ON BEHALF OF THE DEPARTMENT.</b></p>	<p>Quotation Committees  Chief Director: SCM  Chief Director District Operation</p>	<p>Above R 30 000 up to R300 000  Above R 300 000 up to R 500 000  Above R 300 000 up to R 500 000</p>	<p>a) Quotations should be invited from as many suppliers listed in the CSD as possible for a specific commodity.  b) Quotation should be invited using Departmental approved SCM forms.  c) Quotations must be deposited in the quotation box or returned in any other manner indicated in the invitation.  d) Quotations should not be opened before closing time.  e) Officials responsible for opening of quotation box must be appointed by director. At least two officials must open the box at a pre determined closing time. The person receiving the quotation should not be the same person who invited the quotations.  f) A minimum of 3 written quotations should be obtained before the award. This means that no order may be processed without receipt of the minimum of three written quotations.  g) Quotations received to be recorded in the quotation register should.</p>
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					<p>h) If it is not possible or practical to obtain at least three (3) written price quotations, where proof exists that at least three (3) quotation invitations were sent, the reasons should be recorded and forwarded to the BAC for noting and onwards transmission to the accounting officer for noting as well. Reports must be placed on file for audit purposes as to why less than three quotations were received.</p> <p>i) However, in the case of a sole provider, for example a patented product, such awards must be referred to the Accounting Officer for approval.</p> <p>j) The Preference Procurement scoring system must be applied to all Procurement above R30 000 in terms of the PPPFA.</p> <p>k) 80/20 preference point system must be applied.</p> <p>l) Late quotations should be recorded accordingly and filed for possible reference.</p> <p>m) The service provider must be compliant on CSD prior to quotation award.</p> <p>n) Reasons for recommending, passing over/disqualifying unacceptable offers must be placed on record.</p>
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					<p>o) Requirements may not be subdivided and orders may not be split with an objective to stay within the delegated amount.</p> <p>p) All quotation committee members must signed declaration and confidentiality forms. Any official who has declared interest on a bid/ quote must be excused when discussing that bid/ quotation and no exception should made. All committee members must sign attendance register and minutes must be kept.</p> <p>q) Declaration made by suppliers/ bidders should be noted in the minutes of the meeting.</p> <p>r) No award may be made to any entity where an employee of government has a financial interest/ benefit from that business entity.</p> <p>s) District directors must report to SCM head office all awards made and head office to report to Provincial Treasury by 7th of every month</p>
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3.4	NTR16A6.3	<p><b>INVITATION, ACCEPTANCE AND AWARD OF BIDS FOR PURCHASE OF GOODS AND SERVICES, HIRING OR LETTING OF ANYTHING OR THE ACQUISITION OR GRANTING OF ANY RIGHT FOR OR ON BEHALF OF THE DEPARTMENT.</b></p>			
3.4.1		<p><b>COMPILATION OF SPECIFICATIONS FOR COMPETITIVE BIDDING FOR BIDS ABOVE R500 000</b></p>	<p>Bid specification committee compile and recommend to BAC. BAC recommends approval of specification to Accounting Officer.</p>	<p>Unlimited</p>	<p>Specifications and terms of reference must be:</p> <ul style="list-style-type: none"> <li>a) Fair</li> <li>b) Comprehensive</li> <li>c) Not be too restrictive</li> <li>d) Be consistent with identified need; and</li> <li>e) Technical specifications must, if appropriate include incidental services</li> <li>f) Allow for comparative evaluation</li> <li>g) Brand names must not be used.</li> <li>h) The committee should also approve specific conditions and limitations applicable to the bid as well as the bid evaluation criteria.</li> </ul>
3.4.2			<p>Accounting Officer</p>		





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		<p><b>TO APPROVE BID SPECIFICATIONS</b></p>			<p>i) The BSC should make recommendation on whether there should be a pre-tender briefing and on whether it should be compulsory or not.            j) Bid that are required but were not approved in the procurement lan should be motivated an approved by the Head of Department.            k) The Head Office should keep a central register of all bids above R500 000            l) The Head Office should check compliance of bid documents and issue a bid number before approval of the advert by Bid Evaluation committee.             To advertise bids in at least the government Bulletin for a minimum of 21 days before closure.</p>
<p>3.4.3</p>	<p>NTR16A6.3</p>	<p><b>TO RECEIVE BIDS</b></p>	<p>Director SCM</p>	<p>Unlimited</p>	<p>a) The Bid Box must be opened by at least 2 officials one of whom shall be a Assitant Director. at specified date and time and all bid submission recorded in a Bid Register.            b) Late bids should be recorded accordingly and filed for possible reference.</p>



3.4.4	NTR16A6.2	<p><b>EVALUATION OF BIDS</b></p> <p>To evaluate bids for the procurement of goods and services, the hiring or letting of anything or the acquiring or granting of any right for or on behalf of the department utilizing formal bidding procedure</p>	Bid Evaluation Committee	Unlimited	<p>a) Subject to GCC, SCC and any Practice Note issued by Treasury.</p> <p>b) Bids must be evaluated in terms of the criteria stipulated in the bidding documents</p> <p>c) Amending term of reference and specification after closure of the bids is not allowed</p> <p>d) Provisions of the Preferential Procurement Policy Framework Act and its regulations must be adhered to.</p> <p>e) Where necessary technical evaluation will be requested and considered by BEC</p> <p>f) Only appointed members of BEC may score functionality.</p> <p>g) BEC may conduct side visit where necessary and findings may be considered in the evaluation.</p> <p>h) BEC will make recommendations to the BAC.</p> <p>i) Recommendation to be signed by all members of the BEC.</p> <p>j) Reasons for recommending, passing over/disqualifying unacceptable offers must be placed on record</p> <p>k) All quotation committee members must signed declaration and confidentiality forms. Any official who has declared interest on a bid/ quote must be excused when discussing that bid/ quotation and no exception should made. All committee members must sign attendance register and minutes must be kept.</p>
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<b>3.4.5</b>	<b>NTR16A6.2</b>	<b>ADJUDICATION OF BIDS</b> Adjudication of a bid for the procurement of supplies and services, the hiring or letting of anything or the acquisition or granting of any right for or on behalf of the department.	Bid Adjudication Committee (Head office)	Above R500 000 Up to R5 million	<ul style="list-style-type: none"> <li>a) The bid must be awarded to the highest scoring bidder with a compliant functional bid</li> <li>b) For bids that scored equal points, all aspect such as functionality score must be taken into account before drawing of lots. Drawing of lots should be the last resort.</li> <li>c) Ensure that neither the recommended bidder nor any of the directors/ shareholders/ members is listed on the Database of Restricted suppliers.</li> <li>d) A member or SCM official who has declared interest on a bid, must be excused when discussing that bid and no exception should be made.</li> <li>e) Declaration made by suppliers/bidders should be noted in the minutes of the meeting.</li> <li>f) Before recommending to the Accounting Officer, names of owners and directors should be checked against PERSAL/Department of public Administration website ensuring that none of them work for the state.</li> <li>g) Recommendation to AO must be signed by all members of the BAC.</li> <li>h) No recommendations may be made for any entity where an employee of government has a financial interest/ benefit from that business entity (Check directors IDs on PERSAL)</li> </ul>
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					<p>i) Bids can be accepted per item, in part or full subject to the provisions and conditions of the PPPFA.</p> <p>j) Check the National Treasury's database prior to awarding any contract to ensure that no recommended bidder, nor any of its directors, are listed as companies or persons prohibited from doing business with public sector;</p> <p>k) Reject a proposal for the award of a contract if the recommended bidder has committed a corrupt or fraudulent act in competing for the particular contract</p>
3.4.6		<b>AWARDING OF BID</b>	Accounting Officer	Unlimited	<p>a) On recommendation of BAC the Accounting Officer may award or reject the bid.</p> <p>b) Intention to award must be published in the government gazette.</p> <p>c) The appeals period in terms of practice note number: SCM-07 of 2006 must be observed before final award.</p> <p>d) On recommendation of BAC award letter(s) should be signed by the Accounting Officer</p> <p>e) The written acceptance of the bid constitute a legal and binding contract. This may be a letter or a written order.</p> <p>f) Legal services must be involved in the drafting of service level agreement and it must be signed by successful bidder and accounting officer.</p>
		Publication of intention to award	Director SCM	Unlimited	
		Acceptance of bids			



3.4.7	<p><b>COMMUNICATION WITH BIDDERS:</b></p> <p>To communicate with bidders to seek clarify after the bid has closed</p>	CD: SCM	Unlimited	<p>a) Communication with bidders may take place in cases where information is incomplete or where a lack of clarity exists about an aspects of the bid</p> <p>b) The only questions which will be allowed to be asked by the bidders are those for clarification, but must not permit bidders to change substance or price of their bids after opening</p> <p>c) Request for clarification and the bidder's response must be in writing</p> <p>d) Full particulars of the aspects, regarding which bidder concerned was approached, must be furnished in the recommendations for acceptance of a bid. No alterations may be made to the bid document/s in question, as a result of a communication with supplier.</p>
3.4.8	<p>Extension of the closing date:</p> <p>To grant an extension of the closing gate for a bid.</p> <p>To rectify/ amend concerns raised deriving from briefing sessions</p>	CD SCM	Unlimited	<p>a) The extension of the closing date is granted if circumstances justify this action.</p> <p>b) There must be sufficient time to publish an amending notification before the original closing date.</p> <p>c) Bid's closing time may be postponed only if all intending bidders can be advised of the extension date in writing before the original closing date.</p>
3.4.9	<p>Request for extension of validity on price and all conditions embodied in the bid</p>	CD SCM	Unlimited	<p>a) Bids that closed and are still under evaluation.</p> <p>b) Bidders will be contacted in writing on contact details provided in the bid document. The closing date for responses will be given should the bidder</p>



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						<p>not respond by given closing date they will be deemed to have accepted the request to extend validity.</p> <p>c) All correspondence must be kept in file.</p> <p>a) The appeals processes must have been finalised.</p>
3.4.10		Signing of a letter of acceptance after approval has been granted by the accounting officer to award a bid	Accounting Officer	Unlimited		
3.4.11		Cancellation of a bid	CD: SCM	Unlimited		<p>a) Bids may be cancelled where:</p> <ul style="list-style-type: none"> <li>No offer was received.</li> <li>Items are no longer required.</li> <li>If there are errors in the bid document.</li> <li>The bid price is certified as being exorbitant.</li> <li>If the bid was not advertised in the government gazett.</li> <li>If all bids received fail to meet minimum requirements of the specification.</li> <li>If the funds are no longer available.</li> </ul> <p>b) Cancellation of the bid must be published in the same media in which the original bid was advertised.</p>
3.5	NTR16A8	<b>COMPLIANCE WITH ETHICAL STANDARDS</b>				



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3.5.1	NTR 16A8.1	To comply with the highest ethical standards	All officials	Unlimited	<p><b>To Promote:</b></p> <ul style="list-style-type: none"> <li>a) Mutual trust and respect; and</li> <li>b) An environment where business can be conducted with integrity and in a fair and reasonable manner.</li> </ul>
3.5.2	NTR 16A8.2 NTR 16A8.3 Public Service Regulation 2001 C4.5 – C4.12 and C5.4	To ensure that the national treasury's code of conduct is adhered to for supply chain management	CD: SCM  CD: DISTRICT OPERATION	Unlimited	<ul style="list-style-type: none"> <li>a) The Supply chain management officials or role players should adhere to the following:               <ul style="list-style-type: none"> <li>• Must recognise and disclose any conflict of interest that may arise;</li> <li>• Must treat all suppliers and potential suppliers equitably</li> </ul> </li> </ul>





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3.5.3	NTR16A8.4	<p>To ensure the disclosure of any conflict of interest if a contract is awarded whereby the supply chain management official or other role players has any close family member, partner or associate, or any private or business interest, the supply chain management official or other role players must-</p> <p>a) Disclose that interest; and</p> <p>b) Withdraw from participating in any manner whatsoever in the process relating to that contract</p>	ALL OFFICIALS	Unlimited	<ul style="list-style-type: none"> <li>• Must not use their position for private gain or to improperly benefit another person;</li> <li>• Must ensure that they do not compromise their credibility or integrity of the supply chain management system through the acceptance of gifts or hospitality or any other act;</li> <li>• Must be scrupulous in their use of public property; and</li> </ul> <p>b) Must assist accounting officers or in combating corruption and fraud in the supply chain management.</p> <p>c) An employee may not conduct business with any organ of state or be a director of a public or private company conducting business with an organ of state, unless such employee is in an official capacity a director of a company listed in schedule 2 and 3 of the Public Finance Management Act;</p>
3.5.6	NTR 16A8.5	To ensure the reporting of any breach of or failure to comply with any aspect of the	ALL RESPONSIBILITY MANAGERS	Unlimited	a) Record in the register of irregular Expenditure.



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3.5.7	NTR 16.A9.1	supply chain management system in line with irregular expenditure framework 2019.	SCM district and head office Director: Internal Control Unit	Unlimited	<p>Must- Take all reasonable steps to prevent abuse of the supply chain management system;</p> <p>a) Investigate any allegations against an official or other role players of corruption, improper conduct or failure to comply with the supply chain management system, and when justified-</p> <ul style="list-style-type: none"> <li>• Take steps against such official or role player and inform the relevant Treasury of such steps; and</li> </ul> <p>(report any conduct that may constitute an offence to the South African Police Service</p>
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3.5.8	NTR 16.A9.1	Cancellation of a contract awarded.	Accounting Officer (on recommendation by BAC)	Unlimited	<p>a) Cancel a contract awarded to a supplier of goods and services-</p> <ul style="list-style-type: none"> <li>If the supplier committed any corrupt or fraudulent act during the bidding process the execution of that contract; or</li> <li>If any official or other role players committed any corrupt or fraudulent act during the bidding process or the execution of that contract that benefited that supplier.</li> </ul>
3.5.9	NTR 16.A9.2	Further preventative measures to ensure that the supply chain management system is not abused	Relevant Authority		<p>a) May disregard the bid of any bidder if that bidder, or any of its directors-</p> <ul style="list-style-type: none"> <li>have abused the institution's supply chain management system</li> <li>have committed fraud or any other improper conduct in relation to such system ;or</li> <li>have failed to perform on any previous contract; and</li> <li>must inform the relevant treasury of any action taken in terms of paragraph (a) above.</li> </ul> <p>b) The financial misconduct advisory committee to prepare the report for the AO Signature</p>
<b>3.6</b>	<b>NTR 16A10</b>	<b>Local Content</b>			
3.6.1	NTR 16A10.1	To ensure that contracts that are	CD:SCM	Unlimited	<p>c) Specification must incorporate requirement for local content where relevant.</p>



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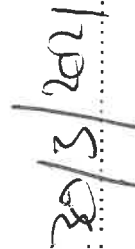
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3.7	NTR 16.A 11	subjected to the Local content requirement comply.		
3.7.1	NTR 16.A11.1	<b>REPORTING OF SUPPLY CHAIN MANAGEMENT INFORMATION</b> To submit to the relevant treasury supply chain management information as required by that treasury	District Director CD: SCM CFO Accounting Officer	a) CD: SCM to prepare reports AO signature  b) To ensure that the information referred to in terms of NTR 16A11.1 and 16A11.2 is submitted to the relevant treasury in a format and at intervals as required by the treasury  c) District offices to submit relevant SCM information to SCM Head Office.

  
**DR. E. V. NZAMA**

**HEAD OF DEPARTMENT**

**KWAZULU-NATAL DEPARTMENT OF EDUCATION**

Date: /...../.....



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