



KWAZULU-NATAL PROVINCE

EDUCATION
REPUBLIC OF SOUTH AFRICA

DEPARTMENTAL SCM DELEGATIONS

SUPPLY CHAIN MANAGEMENT

DEMAND AND ACQUISITIONS

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**TO: CHIEF FINANCIAL OFFICER
DEPUTY DIRECTORS GENERAL
CHIEF DIRECTORS
DIRECTORS
DISTRICT DIRECTORS
SCM OFFICIALS**

SCM CIRCULAR NO. 02 OF 2025

SUBJECT: DEPARTMENTAL SUPPLY CHAIN MANAGEMENT POLICY AND DELEGATIONS

1. The purpose of this circular is to outline the SCM delegations to be followed in the process of acquiring goods/services in the department in line with section 44 (1) a. of the Public Finance Management Act 1 of 1999 – see attached.
2. The delegation must be exercised following provisions of the Public Finance Management Act, (PFMA), Act of 1 of 1999, Treasury Regulations, Preferential Procurement Regulations 2022, Departmental Policy and any other SCM and Finance Prescripts.
3. For all requests for procurement of goods or services, the requisition form (EF72) must be filled in and approved by the line function management and forwarded to CFO.
4. The required goods and services must be in the current approved Procurement Plan.
5. The Requisition form (EF72)/ request for good/services must be approved as follows:
5.1 From R 1 up to R 1 000 000.00 final approval must be granted by the Chief Financial Officer.
5.2 Above R 1 000 000.00 up to unlimited Accounting Officer/ Head of Department.
6. The requisition form must be signed off by the initiator, recommended by his/her supervisor before it is submitted to the delegated authority for approval.
7. Preference points are applicable for all quotations invited.
8. Authorisation of invoices will be in terms of delegation 39 of this document. Invoices above R1million must also be signed by HOD.
9. All requests for deviation must be sent via Head Office SCM Unit prior to submission to CFO and Accounting Officers.
10. The SCM Policy and delegations will be effective from date of approval by HOD.

**MR GN NGCOBO
HEAD OF DEPARTMENT
KWAZULU-NATAL DEPARTMENT OF EDUCATION**

DATE: 20 MARCH 2025



DEFINITIONS PERTAINING TO DELEGATED OFFICIALS

No	TERM	DESCRIPTION
	ACCOUNTING OFFICER	As defined in S36 of the PFMA
	CHIEF FINANCIAL OFFICER (CFO)	As defined in NTR 2
	PROGRAMME MANAGERS (excluding the CFO)	An official appointed in writing by the Accounting Officer.
	SUB-PROGRAMME MANAGERS	An official appointed in writing by the Accounting Officer.
	CONDITIONAL GRANT MANAGERS	An official appointed in writing by the Accounting Officer.
	RESPONSIBILITY MANAGERS	An official appointed in writing by the Accounting Officer.
	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.

DEFINITIONS

No	TERM	DESCRIPTION
	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).
	ACCOUNTING OFFICER	Authority which shall be accountable in terms of section 49 (2) Of the PFMA.
	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.
	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.
	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.
	BID COMMITTEE	Refers to the provincial department's bid specification, bid evaluation and bid adjudication committees.
	QUOTATION COMMITTEE	Refers to the provincial department's quotation specification & Nomination, quotation evaluation and quotation award committees.
	BIDDER	Any natural or juristic person who makes an offer in response to a request to submit a bid.

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	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.
	CONSULTANT/CONSULTING	Means, among others, consulting firms, engineering firms, construction
	CONTRACT	Written agreement entered 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.
	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), to avoid the method of procurement that would normally apply to the requirement.
	DEMAND MANAGEMENT	Means the planning process that ensures that the resources required to support the strategic objectives are delivered at the correct time, right price, location, quantity, and quality that will satisfy the needs.
	DEPARTMENT DISPOSAL COMMITTEE	A committee of officials 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
	SPECIFIC PERIOD CONTRACT	A contract for the supply, over a specified period, 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.
	STRATEGIC OBJECTIVES	Mean more concrete and specific than strategic goals. It should give a clear indication of what the DOE intends doing 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.
	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 to eliminate non-value adding cost, infrastructure, time and activities, seeks to introduce international best practises, 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"> • Demand Management. • Acquisition Management.

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		<ul style="list-style-type: none"> Logistics Management. Contract Management Disposal Management. Risk Management. Performance Management.
	VALUE FOR MONEY	Means best quality at a reasonable market price.
	PFMA	Public Finance Management Act (Act 1 of 1999, as amended)
	COMPETITIVE BID	Bid in terms of a competitive bidding process
	FRUITLESS AND WASTEFUL EXPENDITURE	And expenditure that was made in vain and would have been avoided had reasonable care been taken.
	IRREGULAR EXPENDITURE	Expenditure other than unauthorised expenditure incurred in contravention of or that is not in accordance with a requirement of any applicable legislation.
	TERM	DESCRIPTION
	LONG TERM CONTRACT	A contract with a duration period exceeding one year
	OTHER APPLICABLE LEGISLATION	Means any other legislation applicable to Supply Chain Management, including, but not limited to: - <ul style="list-style-type: none"> 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 (Actno.38 of 2000)
	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 delegated limits for quotations up to R1 million.
	QUORUM	A quorum is equal to 50+1% of the number of permanent (as opposed to co- opted) committee members.
	REGULATIONS	National Treasury Regulations
	SUPPLY CHAIN MANAGEMENT CODE OF CONDUCT	Means the National Treasury's Code of Conduct for supply Chain Management Practitioners and other Role Players
	TRANSVERSAL CONTRACT	A contract arranged National, Provincial Treasury or any Organ of State, for the supply, over a specified period, 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
	TWO STAGE BIDDING	Means two stage bidding process.

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	TREASURY GUIDELINES	Means any guidelines on Supply Chain Management issues by the National Treasury
	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.
	DEPARTMENT	The KwaZulu-Natal Department of Education

ABBREVIATIONS

NO.	ABBREVIATION	DESCRIPTION
	AO	Departmental Accounting Officer
	HOD	Head of Department
	CFO	Chief Financial Officer
	AGSA	Auditor General of South Africa
	KZNPT	KwaZulu-Natal Provincial Treasury
	BAC	Department Bid Adjudication Committee
	BEC	Departmental Bid Evaluation Committee
	BSC	Departmental Bid Specification Committee
	QSNC	Quotation Specifications and Nomination Committee
	QEC	Quotation Evaluation Committee
	QAC	Quotation Award Committee
	DD	Deputy Director
	CD	Chief Director
	D	Director (salary level 13 at Head Office or District)
	AD	Assistant Director
	SCM	Supply Chain Management Unit
	PM	Programme Manager
	RM	Responsibility Manager
	CSD	Central Supplier Database
	GCC	General Conditions of Contract
	CIDB	Construction Industry Development Board
	PFMA	Public Finance Management Act
	NTR	National Treasury Regulations

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	PPPFA	Preferential Procurement Policy Framework Act 5 of 2000
	PPPFR	Preferential Procurement Policy Framework Regulations 2022
	SCC	Means Special Conditions of Contract
	SBD	Standard Bidding Document
	BAS	Basic Accounting Standard
	SITA	State Information Technology Agency
	IT	Information Technology

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Delegation No.	Scope	Minimum Delegation Salary Level	Financial Limitations/ (Est. Cost Value)	Conditions Applicable to Delegation	Legislative Framework
01	To develop Annual Procurement Plan for procurement of good & services and submit to provincial treasury.	AO	Unlimited	a) SCM Unit shall consolidate procurement plans and obtain AO approval for items above b) Submit procurement plan for items above R500 000 to provincial treasury on times as determined by treasury. c) The procurement plan should be developed and finalised by Responsibility Managers, sub-programme managers, etc and submitted to the SCM Unit. d) The procurement planning process should be aligned to the budgeting process.	NTR16A3.2(1)
02	Approve amendments to the Procurement Plan	AO	Unlimited	a) SCM prepares submissions for additions or any other amendment	
03	Appointment of Responsibility Managers	AO	Unlimited	a) Director: Budget Section prepares appointment letters for HOD Signature.	
04	To authorise request for goods/services,	CFO AO	R1 Million Unlimited	a) End-users completes and submit requisition form (EF72) to SCM specifying goods/services required, delivery address, quantities required, etc. b) The EF72 must be signed by the Responsibility Manager, Programme Manager and CFO. c) HOD must also sign where amounts are estimated at above R1 million. d) Requirements must not be split to circumvent a competitive bid process.	PFMA38(1)(b), 39(1)(a) &(2)(a)
05	To approve the appointment of Quotation Committees (QSNC, QEC, QAC) members for Head	AO	Unlimited	a) The Quotation Committee members must be appointed in writing and acknowledge receipt of their appointments. b) All quotation Committee members are required to complete declaration of interest and confidentiality forms for each committee sitting.	PFMA Section 38(1)(a)(iii) Treasury Regulations 16A6.2

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	Office and District Offices.				
06	Approve specifications and nomination of suppliers for invitation of quotations. (Normal SCM process)	QSNC	R1- R1 Million	a) Companies must be selected from Central Suppliers Database and per the provisions of the departmental policy.	PFMA Section 38(1)(a)(iii) Treasury Regulations 16A6.2 KZN DOE Policy
07	To accept and approve written quotations up to R1 Million including VAT. (Including CIDB).	D: SCM District Director CD: SCM CD: District Operations DDG (District Operations) /CFO (Head Office)	R1- R500 000 R500 001 to R750 000 R750 001 - R1 000 000	a) The stipulated monetary limit per consolidated requirement must be considered before Quotations are invited. b) A supply or service may not be purposely sub-divided to bring the estimated value within the threshold limit for quotations. c) QSNC (Quotation Specification Nomination Committee) must nominate suppliers who are registered on CSD (Central Suppliers Database). d) Written quotations must be called for based on a request approved within the applicable Departmental delegations. Prescribed forms must be used when inviting quotations. e) At least five (3) service providers must be selected from CSD for invitation to submit quotes. f) Prescribed SBD Forms must be used in the invitation of quotations. g) The invitation of quotations must remain open for a minimum of three (3) working days. The Chief director SCM/District Director can authorise shortened period and reasons must be documented. h) A minimum of three quotes must be evaluated, except if the acceptance of fewer quotations is approved in terms of delegation 6 below. i) Quotations must be deposited in a designated quotation box or returned in any other manner indicated in the invitation. j) Received quotation must be recorded in a quotation register. k) Late quotations must be recorded in "late quote" register. l) Officials responsible for opening quotation box must be	PFMA Section 38(1)(a)(iii) Treasury Regulations 16A6.2 KZN DOE Policy

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				<p>appointed by District Director/SCM Director. At least two (2) officials must open and record quotations.</p> <p>n) The official receiving quotations must not be the same person inviting quotations.</p> <p>o) All quotations are subject to the preference procurement scoring of 80/20 in line with Preferential Procurement Regulations 2022.</p> <p>p) The 20 points will be allocated for specific goals as outlined in SCM policy.</p> <p>q) Awards must be made to the supplier who has provided a lowest acceptable quote, which scored the greatest number of total points (Price+ Preference), is in accordance with specification and, documented accordingly.</p> <p>r) Where two or more quotations score equal total points, the bidder who scored the highest points for specific goals must be awarded. If two or more bidders score equal total points in all aspects, the award must be decided by drawing of lots. Drawing of lots should be last resort. The process followed in drawing of lots must be transparent and must be documented.</p> <p>s) Reasons for recommending, passing over/disqualifying quote/s must be recorded.</p> <p>t) Awards can only be made to suppliers registered on a Central Supplier Database (CSD) unless written proof of exemption exist.</p> <p>u) Where applicable CIDB Prescripts must be followed.</p> <p>v) Depending on the threshold value of quotes, QEC will evaluate and make recommendations to the QAC/CD/CFO. Quotation committee members must sign declaration of interest, confidentiality forms and attendance register. Minutes must be kept.</p> <p>w) SCM must update quotation award register.</p> <p>x) Any cost cutting measures instituted by National or Provincial Treasury must always be strictly adhered to.</p> <p>y) The validity period for quotes is 90 days. Quotes must be awarded before expiry of the validity period. Extension of validity must be requested in writing and service providers must give consent in writing (letter or email). No response will be regarded as acceptance of extension.</p>	

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				<p>z) All relevant documents must be attached to the approval for audit purposes.</p> <p>aa) For quotations, the order serves as an appointment letter and contract. In addition, the SBD7 Form will be signed.</p>	
08	To approve reasons where it is not possible to obtain three (3) quotations.	AO	R1 Million	<p>a) At least two (2) attempts must be made to obtain quotes through the normal process.</p> <p>b) If all attempts still yield less than three quoted, the request must be advertised in the e-tender portal and departmental website.</p> <p>c) Should less than three quotes still be received, a submission motivating for approval to evaluate less than three quotes must be approved by accounting officer.</p> <p>d) All documents relevant to the process must be attached to the submission and kept for audit purposes.</p>	PFMA Section 38(1)(a)(iii) & (iv).
09	To approve the appointment of Bid Committee (BSC, BEC, BAC) members.	AO	Unlimited	<p>a) The Bid Committee members must be appointed in writing and acknowledge receipt of their appointments.</p> <p>b) To be appointed to serve on the Bid Committees, officials must have disclosed their financial interest.</p> <p>c) Committee members to be appointed on a 12-month basis or as determined by Accounting Officer.</p> <p>d) One member may not be appointed in more than one committee.</p> <p>e) Bid committees should sit only if 50% + 1 of its members are present.</p> <p>f) BAC Members may not serve in either BSC or BEC.</p> <p>g) The Accounting Officer may appoint Ad hoc bid committee members as required.</p> <p>h) Members should declare interest and sign confidentiality forms at each committee sitting.</p> <p>i) There can be as many Bid Committees as required in the Department.</p> <p>j) Minutes must be taken of all decisions of the BSC, BEC and BAC. The signature of the chairperson must confirm these minutes.</p> <p>k) Copies of the submissions to the above committees, their recorded decisions, as well as copies of letters of acceptance must be placed on record for audit purposes.</p>	PFMA Section 38(1)(a)(iii) Treasury Regulations 16A6.2

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10.	To approve the appointment of an ad-hoc-advisor or other non-voting member to a Bid Committee.	Committee Chairperson	Unlimited	<ul style="list-style-type: none"> a) The Committee Chairperson may request any person deemed appropriate to provide advice or any other explanation to the relevant committee. b) The Accounting Officer may appoint Ad hoc bid committee members as required. c) This person does not need to be appointed in writing but must be noted in the Committee minutes. d) This person does not have any voting rights on the Committee. 	PFMA Section 38(1)(a)(iii) Treasury Regulations 16A6.2
11.	Recommendation & Approval of the draft bid document prior to the advertisement of the bid.	BSC, BAC & AO	Unlimited	<ul style="list-style-type: none"> a) Bid specifications shall be developed by departmental Business Unit requesting goods/services. b) Bid specification and request to advertise must be approved by the accounting officer. c) Bids may only be called for, based on request approved in terms of these delegations of authority. d) Before a bid may be invited, the specification/ Terms of Reference (TORs) of the draft bid document must be recommended by the BSC, BAC and approved by AO. e) Conditions not approved by the AO may not be stated as conditions of the bids. f) All bid documents must include preferential goals in accordance with the Departmental SCM Policy. g) The functionality and evaluation criteria must be clearly stated in the bid document. The criteria must be fair, objective and unambiguous. h) The draft bid document to be approved prior to the bid being advertised in the e- Tender Portal, Construction Industry Development Board (CIDB) Tender Portal (for construction works) and the departmental website and any other methods of advertisement i) Where it is known that a specific requirement of the Department over a period, will make it uneconomical and inefficient to follow standard procurement procedures for every individual requirement, contracts may be arranged for the supply over a period e.g., three years, if it is proven to be cost effective, competitive, and fair to arrange a period contract. 	PFMA Section 38(1)(a)(iii) Treasury Regulations 16A6.2

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12	Approval of the advert before being advertised in the e-Tender Portal, CIDB Tender Portal & departmental website.	DD & D: SCM	Unlimited	<p>a) All criteria and other legislative requirements must be clearly indicated on the advert. The following must be stated:</p> <ul style="list-style-type: none"> Where bid documents can be obtained. The closing time and date. The validity period The address to which bids must be delivered. Where it relates to construction, CIDB grading to be included. The preferential procurement limits 80/20 or 90/10. <p>b) The venue, date and time for briefing session must be indicated and whether it is compulsory or not.</p> <p>c) Indicate where briefing session is not a requirement.</p> <p>d) Where a bid is invited from a sole supplier, provision must be made in the bid documents for the inclusion of particulars to determine the reasonableness of prices.</p> <p>j) SCM must ensure that the bid document advertised is the same as approved by the accounting officer.</p>	PFMA Section 38(1)(a)(iii)
13	To accept bids up to an unlimited value including all applicable taxes.	AO	Unlimited	<p>a) Bids must be advertised on the e-tender portal and departmental website for a minimum of 21 days before closure.</p> <p>b) Bids must be submitted in a designated Bid Box and must be opened by at least 3 officials one of whom must be at least Deputy Director.</p> <p>c) Bids must be recorded in a Bid Register.</p> <p>d) Late bids should be opened and recorded as late and filed for possible reference.</p> <p>e) Recommendations must be done by the Bid Evaluation Committee.</p> <p>f) Bids must be evaluated through the applicable selection stages and the recommendation by the BEC sent to the BAC and AO.</p> <p>g) Awards must be made to the supplier who has provided a lowest acceptable bid, which scored the greatest number of preference points, is in accordance with specifications/ Terms of Reference (TORs) and, documented accordingly.</p> <p>h) All Bids are subject to the preference procurement scoring of 80/20 or 90/10 in line with Preferential Procurement Regulations 2022.</p>	<p>PFMA Section 38(1)(a)(iii) & (iv)</p> <p>Treasury Regulations 16A6.1</p> <p>KZN DOE Policy, Par, 6.5.2</p>

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				<ul style="list-style-type: none"> i) The 20/10 points will be allocated for specific goals as outlined in SCM policy. j) Reasons for recommending, passing over/disqualifying bids must be recorded. k) Bids that score equal points in all respects, all aspects such as functionality must be considered before drawing lots. Drawing of lots should be last resort. l) Bids must be accepted before expiry of the validity period. m) Copies of all relevant documents must be attached to the approval for audit purposes. n) Consideration and acceptance of bids will always be in accordance with the policy and other SCM directives. o) Any cost containment measures instituted by Provincial Treasury must always be strictly adhered to. p) 	
14	Approval for extension of closing date and time for receiving bids.	CD: SCM	Unlimited	<ul style="list-style-type: none"> a) Extending closing dates and time may only be approved where exigency or unforeseen circumstances or an act of God occurs that has a material impact on receiving quotations or bids. b) The given closing date must not be shortened. c) In the case of an advertised bid invitation, the bid closing date may be postponed only if the revised date can be advertised in the same media that the bid was originally advertised in, unless all prospective bidders can be informed at a compulsory site briefing meeting. 	PFMA Section 38(1)(a)(iii)
15	Approval for extension of closing date and time for receiving quotations.	CD: SCM District Director	R1 up to R1 Million	<ul style="list-style-type: none"> a) Extending closing dates and time may only be approved where exigency or unforeseen circumstances or an act of God occurs that has a material impact on receiving quotations. b) In the case of an advertised quote invitation, the quote closing date may be postponed only if the revised date can be advertised in the same media that the quote was originally advertised in, unless all prospective bidders can be informed at a compulsory site briefing meeting. 	PFMA Section 38(1)(a)(iii)

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16	Approval for the issuing of addenda relating to bid documents.	CD: SCM	Unlimited	<ul style="list-style-type: none"> a) Bid document addenda may only be issued where a material flaw has been identified in the bid document. b) Addenda must be issued to all bidders who attended the briefing session/ collection of documentation. c) Extension of closing date and time may be extended in terms of General Delegation of Authority 12/13 to allow bidders sufficient time to complete bid documents. 	PFMA Section 38(1)(a)(iii)
17	To officiate at the public opening of bids.	At least Two SCM Officials (one AD)	Unlimited	<ul style="list-style-type: none"> a) Bids must be opened in public at the closing date and stipulated time. b) The closing register must be signed by officials conducting the opening and must be published on the e-tender portal and departmental website within 10 days of the bid closing. 	PFMA Section 38(1)(a)(iii)
18	To officiate at the public opening of quotes.	At least Two SCM Officials	Unlimited	<ul style="list-style-type: none"> a) Quotes must be opened in public at the closing date and time and the names of the bidders must be read out where a request is made by present bidders. <p>The closing register must be signed by officials conducting the opening.</p>	PFMA Section 38(1)(a)(iii)
19	Approval to communicate with bidders after the closing time where information is incomplete or where a lack of clarity exists about technical aspects of the offer and/or, to obtain confirmation of prices or preference claims in cases where it is obvious that a written typed or transcription error has been made.	CD: SCM D: SCM	Unlimited R500 000	<ul style="list-style-type: none"> a) Regarding additional information or specific explanation requested in terms of this power, such confirmation must be furnished in writing with full particulars of the aspects, regarding which the bidder concerned was approached, clearly recorded in the recommendation for acceptance of a bid. b) No alterations may be made to the bid documentation in question because of any clarity/confirmation. c) The evaluation report to clearly detail and highlight any communication that took place. 	PFMA Section 38(1)(a)(iii)
20	Approval to conduct negotiation of price	CD: SCM D: SCM & District Director	Above R1 million. Up to R1 million.	<ul style="list-style-type: none"> a) The department may negotiate the price with the preferred bidder/s after a competitive bidding process or price quotations. b) Price negotiation must be authorised in line with delegation level as per the delegation. c) It must not allow any preferred bidder a second or unfair opportunity. d) It must not be to the detriment of any other bidder, and not lead to higher price than the bid as submitted prior to final 	PFMA Section 38(1)(a)(iii)

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				award.	
21	Extension of validity of bids/quotes in the prescribed manner in cases where it is expected that awards cannot be made prior to expiry of the initial validity period.	CD: SCM	Above R1 million to unlimited.	a) The extension to be approved and communicated to all relevant parties prior to the expiry of the existing validity period. b) If more than one extension of validity is required, reasons must be provided as to why the process could not be finalised.	PFMA Section 38(1)(a)(iii)
22	Consideration of escalation of prices where validity period is extended.	D: SCM & District Director AO	Up to R1 Million. Unlimited	a) Full, clear, and substantiated reasons for the request for escalation to be in writing and maintained with the bid documents for audit purposes. Request to be submitted with the response to the validity extension.	PFMA Section 38(1)(a)(iii)
23	The acceptance of quantities other than those specified in the bidding documents.	AO	Unlimited	a) Clear reasons to be supplied in writing and maintained with the bidding documents for audit purposes, as to why quantities other than those specified in the bidding documents are required. b) Pricing to remain as per the bid. c) Supplier to confirm acceptance of the change	PFMA Section 38(1)(a)(iii)
24	Approval or rejection of a bidder's own conditions.	AO	Unlimited	a) To be recorded in writing and bidder to be advised of any decisions in this regard. b) Bid evaluation report to detail the own conditions and the recommendation to conclude on acceptance or rejection	PFMA Section 38(1)(a)(iii)
25	Purchasing of minimum quantities for new and unproven products/ services for testing.	AO	Unlimited	a) Must still be to specifications/ Terms of Reference (TORs). b) To be clearly recorded in writing. c) Offers must be reasonably priced.	PFMA Section 38(1)(a)(iii)

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26	Acceptance of deviations from the specifications/ Terms of Reference (TORs).	AO	Unlimited	a) Deviations must be clearly recorded and maintained with the bid documents for audit purposes.	PFMA Section 38(1)(a)(iii)
27	Acceptance of an alternate offers.	AO	Unlimited	a) Alternate offer must be clearly recorded and maintained with the bid documents for audit purposes.	PFMA Section 38(1)(a)(iii)
28	Signing of letters of acceptance/award of bids or rejection, after approval has been granted	AO	Unlimited	a) The letter of acceptance or rejection can only be issued after all evaluation stages have been completed and award has been made.	PFMA Section 38(1)(a)(iii)
29	Rejection/ cancellation of bids or items thereof which were invited	AO	Unlimited	<p>a) Rejection/ cancellation of bidding process must be advertised in the same media in which the original bids were advertised.</p> <p>b) Rejection/ cancellation of a bid for the second time may only be done with the approval of Provincial Treasury, in terms of section 13(3) of the Preferential Procurement Policy Framework Act, Regulations 2022.</p> <p>c) Bids can be rejected/ cancelled in cases where:</p> <p>d) No offer is received.</p> <p>e) The items are no longer required.</p> <p>f) There are errors in the bid invitation documents.</p> <p>g) The bid price is considered excessive.</p> <p>h) The bids were not advertised in the CIDB or e-Tender Publication Portal.</p> <p>i) The bid does not meet the specifications/ Terms of Reference (TORs) as provided in the bid documentation; and</p> <p>j) Funds are no longer available.</p>	PFMA Section 38(1)(a)(iii)
30	Approval to deviate from normal bidding process.	AO	Unlimited	a) In specific cases where it is impractical to invite competitive bids, the Accounting Officer may procure required goods/services by other means under but not limited to following circumstances:	PFMA Section 38(1)(a)(iii). TR16A6.4

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				<p>b) An emergency means a serious and unexpected situation that poses an immediate risk to health, life, property or environment which calls for urgent action and there is insufficient time to follow a competitive bidding process, insufficient time to follow a competitive bidding process, critical and the invitation of competitive bids is either impossible or impractical, not due to improper planning.</p> <p>c) An urgent case means cases where early delivery is critical and the invitation of competitive bids is either impossible or impractical, not due to improper planning.</p> <p>d) Sole-source procurement may occur when there is evidence that only one supplier or sole/provider possesses the unique and singularly available capacity to meet the requirements of the Department. Proof of reasonableness must be determined in the following sequence:</p> <ul style="list-style-type: none"> • Comparison with prices, after discounts, to other normal clients of the proposed supplier and the relative discount that the province enjoys. • Where this is not possible, profit before tax, based on a full statement of relevant costs; and • In all cases, comparison with previous bid prices where these are available. • Any cost cutting measures instituted by Provincial Treasury must always be strictly adhered to. • Bids must be accepted before expiry of the validity period. <p>e) Single Sourcing exists when only one supplier is requested to provide service while there is more than one supplier in the market.</p> <p>f) Motivation to be supported by the responsibility manager, programme manager and approved by the Accounting Officer.</p>	PFMASCMI Instruction Note, 3 of 2021/22
31	Award of bids/quotes invited in terms of the approval to deviate.	D: SCM District Director CD: SCM CD: District Operations	R1- R500 000 Above R500 000 to R750 000	<p>a) Procurement to be made in line with Section 4 "Deviations from Normal Bidding Process" as per the PFMA SCM Instruction Note 3 of 2021/22.</p> <p>b) Procurement to be done in line with the approved departmental emergency situations and urgent cases procurement process.</p> <p>c) Where applicable the CIDB Policy/procedures must be applied.</p>	38(1)(a)(iii). TR16A6.4 PFMASCMI Instruction Note, 3 of 2021/22

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		CFO (Head Office)	Above R750 000 - R1 000 000	<p>d) All sole and single source procurement to be done as per the Departmental SCM Policy and Procedure.</p> <p>e) The evaluation to be supported through the Quotations' committee system or BEC and BAC for amounts above R1 million or where only one quote is received.</p> <p>f) Where only one quotation is received and accepted and taking the circumstances into account, all reasonable steps must be taken to ensure that a fair and market related price is obtained.</p> <p>g) Report. to Provincial Treasury and Auditor- General within 14 days of award.</p> <p>h) Record all such procurement in the annual report of the department.</p>	
32	Approval to participate in a contract from another Organ of state and/or transversal contract arranged by treasury	AO	Unlimited	<p>a. Recommendation/Request to participate to be approved by AO.</p> <p>b. SCM to ensure that the relevant organ of state has followed all the SCM processes.</p>	PFMA Section 38 (1)(a)(iii) & (c)(ii) TR16A6.5 TR16A6.6
33	To approve the appointment of Disposal Committee (DC) members to consider methods of disposal of items that are no longer of use to the State	AO	Unlimited	a) Subject to the committee of these officials approving the value of the items to be sold and the method of sale. This to be fully documented.	PFMA Section 38(1)(b) & 76(1)(k) Treasury Regulation 10.2.1
34	To approve the appointment of Disposal Committee (DC) members to consider methods of disposal of items that are no longer of use to the State	AO	Unlimited	<p>a) Subject to the committee of these officials approving the value of the items to be sold and the method of sale.</p> <p>b) This to be fully documented.</p>	PFMA Section 38(1)(b) & 76(1)(k) Treasury Regulation 10.2.1

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35	To approve the sale of moveable assets through a bidding process for assets.	AO	Unlimited	<ul style="list-style-type: none"> a) Estimated value of all goods to be disposed of must be utilised to exercise the values in this delegation. b) At least three bids should be requested. c) The contract must be awarded to the highest acceptable quotation received in accordance with the specifications/ Terms of Reference. d) The Hard cat Asset Management System must be properly updated. 	PFMA Section 38(1)(a)(iii), (b) & 76(1)(k)
36	To approve the sale of moveable assets through an auction process for assets.	AO	Unlimited	<ul style="list-style-type: none"> a) Bids may be invited through e-tender portal to enhance competition. b) Bids must be evaluated based on price and preference points in line with the PPPFA Circular 01 of 2021/22 c) Disposal of State property may also be conducted through auctioning where the department will appoint a service provider to carry out the auctioning processes. d) The service provider must be appointed through the normal bidding process. The Hard cat Asset Management System must be properly updated. 	PFMA Section 38(1)(a)(iii), (b) & 76(1)(k) PPPFA 2017 Regulation 6(1) & 7(1) PPPFA Circular 01 of 2021/22
37	Signing of formal contracts. (SLAs).	AO	Unlimited	<ul style="list-style-type: none"> a) Where the procurement process requires a formal contract to be signed by both parties after the letter of acceptance has been issued. b) The contract needs to be supported by the legal services component of the Department before AO signing. c) Service provider must not assume contract duties before a fully signed contract has been issued together with the purchase order. 	PFMA Section 38(1)(a)(iii)
38	Approval of variations of purchase orders or contracts for goods, works or services.	AO	Unlimited	<ul style="list-style-type: none"> a) Any approvals granted must be in writing and fully documented. b) Variation order above 15% must be reported to Provincial Treasury within 10 days of approval. c) Variation orders are calculated on a cumulative percentage from the original order. d) Variation's register must be kept and maintained by the approver for record and audit purposes. e) update the contract register. 	PFMA Section 38(1)(a)(iii) & (iv) Treasury Regulations 16A6.4

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39	Signing the SBD07.1/7.2 (contract form - purchase of goods/ works) or SBD7.2(contract form - rendering of services)	D: SCM District Director CD: SCM CD: District Operations	R1- R1 Million Above R1 million	a) The quotation/bid document submitted by a service provider together with signed SBD 7.1/7.2 forms part of the contract document. b) In addition to these, standard bidding documents, formal contracts will be required for all infrastructure projects above R1 million. (As per CIDB Prescripts).	PFMA Section 38(1) (c)(iii)
40	Approval of price and exchange rate adjustments to contracts in terms of contractual terms and conditions	AO	Unlimited	a) Price escalation must be stipulated on the bid document during the advert of the bid. b) The contractor to submit the claim in writing. c) The necessary documentary proof wherein the claim is properly identified and substantiated must be provided. The approver to ensure that the claim is fully justifiable before approving.	PFMA Section 38(1)(a)(iii)
41	Approval of price and exchange rate adjustments to contracts not in terms of contractual terms and conditions.	AO	Unlimited	a) Approval to be granted under exceptional circumstances as requested and motivated for by the contractor. b) The necessary documentary proof wherein the claim is properly identified and substantiated must be provided. c) The department to ensure that the claim is fully justifiable before approving. d) Discretion to be exercised with extreme caution to not set any unnecessary precedents.	PFMA Section 38(1)(a)(iii)
42	Approval of requests received from contractors for the extension of delivery periods.	AO	Unlimited	a) SCM to update the contract register appropriately. d) Extension to be reported to treasury within 10 days of approval.	PFMA Section 38(1)(a)(iii)
43	Approval to cancel a contract/ order awarded through a bidding process.	AO	Unlimited	a) In the event of the Department requesting the cancellation, the contractor must certify in writing its willingness to accept the cancellation of the contract/ order without any cost to the State, or the department must demonstrate the inability of the contractor to fulfil the contractual conditions. b) In the event the contractor requesting the cancellation, it should be without any cost to the State. c) It must be monitored to ensure that there are never repeated requests of this nature by the same contractor. e) The reasons for the cancellation and any losses or	PFMA Section 38(1)(a)(iii)

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44	To restrict persons From doing business with the State.	AO	Unlimited	<p>consequences that may follow should the contract/order not be cancelled must be noted by the approver and placed on record for audit purposes.</p> <p>f) In all cases the cancellation must not be to the detriment of the State.</p> <p>g) All prescribed reporting requirements must be complied with.</p> <p>a) The department must write to the person informing them of the following:</p> <ul style="list-style-type: none"> • The intention to restrict the person • The grounds for the restriction • The intended period for the restriction but not exceeding 10 years • The right to make representations within 14days as to why the person should not be restricted <p>b) The department must consider the reasons provided by the person</p> <p>c) Inform National Treasury of the intention to restrict the person</p> <p>d) Consider the views of National Treasury</p> <p>e) National Treasury to inform the Department once the person is listed on the List of Restricted Suppliers.</p> <p>h) The effective date is from the date the person is listed on the List of Restricted Suppliers.</p>	PFMA SCM Instruction Note 3 of 2021/22- Section 6
45	Compiling an official order document	From SCM Administration Clerk.	Unlimited	<p>a) The official order may only be issued on completion of a SCM acquisition process being followed.</p> <p>b) Letter of award must also be issued.</p> <p>c) Official compiling an order to ensure correct information is used, i.e.</p> <ul style="list-style-type: none"> - Correct company details - Delivery address - Correct enquiry and contact details. - The order correctly stamped - Correct description of goods/services ordered. - Start and end date of the order - Delivery date. - Unit cost, quantity, and total address, calculations, etc. <p>d) Order must be captured on the BAS System.</p>	PFMA 38(1)(a)(i) TR8.1

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46	Checking and authorising an order	Supervisor	Unlimited	<p>a) Official checking and authorising should not be the same person as official compiling an order.</p> <p>b) The Checker must ensure all critical information is written on the order i.e.</p> <ul style="list-style-type: none"> • Correct company details • Delivery address • Correct enquiry and contact details. • The order correctly stamped • Correct description of goods/services ordered. • Start and end date of the order • Delivery date. • Unit cost, quantity, and total. <p>c) Attach any additional information document/s. Order details to be captured on BAS.</p> <p>d) SCM must inform the Business Unit for whom goods/services are ordered and provide them with a copy of an order.</p>	PFMA 38(1J(a)(i) TRS 8.1
47	Confirmation of goods/services received	Confirm Receipt of Goods/Services	Direct recipient/Responsibility Manager	<p>a) Upon receiving goods or services, the recipient should inspect and verify that the items received match the purchase order or contract specifications.</p> <p>b) The recipient verifies the quantity, quality, and condition of the goods or services to confirm they match what was ordered.</p> <p>c) The recipient must sign a delivery note or service completion form to acknowledge the receipt of the goods or services.</p> <p>d) If the recipient is a responsibility manager, they must also complete EF73 Form confirming good/services received.</p> <p>e) If there are any discrepancies or issues with the goods/services received, the recipient should promptly notify the supplier or service provider to address the concerns.</p>	

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48	Authorisation of invoices to be processed for payment. (signing of invoices)	Director Chief Director DDG AO	R500 000 R500 001- R750 000 R750 001- R1 million Above R1million- unlimited	a) SCM Processes must be followed in appointing service provider. b) Direct recipient to confirm goods/services received. Goods Received Note (EF73) must be filled in and signed by Responsibility Manager. c) For invoice amounts above R500 000, Responsibility manager (level 13) prepare a submission to be sent through the line function to CD/DDG/AO as per delegated amount. d) Signature must be appended on the invoice and submission to indicate approval. e) Payments to creditors to be settled within 30 days from receipt of an invoice. f) Payments to be made in line with terms and conditions of contract. g) The rates charged must be commensurate with contract rates.	PFMA, Section 38(1)(f) DOE Financial delegation 8.2.1

MR GN NGCOBO

HEAD OF DEPARTMENT

KWAZULU-NATAL DEPARTMENT OF EDUCATION

DATE: 20 MARCH 2025

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