

**THEEWATERSKLOOF
MUNICIPALITY**



**SUPPLY CHAIN
MANAGEMENT POLICY**

JULY 2026

This Policy consists of Parts A

Part A is the Supply Chain Management Policy, adopted in terms of section 111 of the Local Government: Municipal finance Management Act, No. 56 of 2003 and the Municipal Supply Chain Management Regulations, Notice 888 of 30 May 2005;

PART A

MUNICIPAL SUPPLY CHAIN MANAGEMENT POLICY

LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003

The Council of the Theewaterskloof Municipality resolved on 29 June 2006 in terms of section 111 of the Local Government: Municipal Finance Management Act (No. 56 of 2003) to adopt the following as the Supply Chain Management Policy of the Municipality:

TABLE OF CONTENTS

01 July 2026	1
PART A	3
MUNICIPAL SUPPLY CHAIN MANAGEMENT POLICY	3
LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003.....	3
1. DEFINITIONS	6
CHAPTER 1	9
IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY	9
2. SUPPLY CHAIN MANAGEMENT POLICY.....	9
3. AMENDMENT OF THE SUPPLY CHAIN MANAGEMENT POLICY	11
4. DELEGATION OF SUPPLY CHAIN MANAGEMENT POWERS AND DUTIES.....	11
5. SUB-DELEGATIONS.....	12
6. OVERSIGHT ROLE OF COUNCIL.....	13
7. SUPPLY CHAIN MANAGEMENT UNIT	13
8. TRAINING OF SUPPLY CHAIN MANAGEMENT OFFICIALS	13
CHAPTER 2	14
SUPPLY CHAIN MANAGEMENT SYSTEM.....	14
9. FORMAT OF SUPPLY CHAIN MANAGEMENT SYSTEM	14
PART 1: DEMAND MANAGEMENT	14
10. SYSTEM OF DEMAND MANAGEMENT	14
PART 2: ACQUISITION MANAGEMENT	14
11. SYSTEM OF ACQUISITION MANAGEMENT.....	14
12. RANGE OF PROCUREMENT PROCESSES.....	15
13. GENERAL PRECONDITIONS FOR CONSIDERATION OF WRITTEN QUOTATIONS OR BIDS	16
14. LISTS OF ACCREDITED PROSPECTIVE PROVIDERS	16
15. PETTY CASH PURCHASES	18
16. WRITTEN OR VERBAL QOUTATIONS	18
17. FORMAL WRITTEN PRICE QUOTATIONS.....	18
18. PROCEDURES FOR PROCURING GOODS OR SERVICES THROUGH FORMAL WRITTEN PRICE QUOTATIONS FORMAL WRITTEN PRICE QUOTATIONS	19
19. COMPETITIVE BIDS	19
20. PROCESS FOR COMPETITIVE BIDDING.....	19
21. BID DOCUMENTATION FOR COMPETITIVE BIDS.....	20
22. PUBLIC INVITATION FOR COMPETITIVE BIDS.....	21
23. PROCEDURE FOR HANDLING, OPENING AND RECORDING OF COMPETITIVE BIDS AND FORMAL WRITTEN PRICE QUOTATION PROCESS	22
24. NEGOTIATIONS WITH PREFERRED BIDDERS	24
25. TWO-STAGE BIDDING PROCESS.....	25
26. COMMITTEE SYSTEM FOR COMPETITIVE BIDS	25
27. BID SPECIFICATION COMMITTEES	25
28. BID EVALUATION COMMITTEES	26
29. BID ADJUDICATION COMMITTEES.....	27
30. PROCUREMENT OF BANKING SERVICES	28
31. PROCUREMENT OF IT RELATED GOODS OR SERVICES.....	28
32. PROCUREMENT OF GOODS AND SERVICES UNDER CONTRACTS SECURED BY OTHER ORGANS OF STATE	29
33. PROCUREMENT OF GOODS NECESSITATING SPECIAL SAFETY ARRANGEMENTS.....	29
34. PROUDLY SA CAMPAIGN	30
35. APPOINTMENT OF CONSULTANTS	30
36. DEVIATION FROM, AND RATIFICATION OF MINOR BREACHES OF, PROCUREMENT PROCESSES	30
37. UNSOLICITED BIDS.....	31
38. COMBATING OF ABUSE OF SUPPLY CHAIN MANAGEMENT SYSTEM.....	32
PART 3: LOGISTICS, DISPOSAL, RISK AND PERFORMANCE MANAGEMENT	33
39. LOGISTICS MANAGEMENT.....	33

THEEWATERSKLOOF MUNICIPALITY
SUPPLY CHAIN MANAGEMENT POLICY

40.	DISPOSAL MANAGEMENT	34
41.	RISK MANAGEMENT	34
PART 4: OTHER MATTERS		35
42.	PROHIBITION ON AWARDS TO PERSONS WHOSE TAX MATTERS ARE NOT IN ORDER	35
43.	PROHIBITION ON AWARDS TO PERSONS IN THE SERVICE OF THE STATE.....	35
44.	AWARDS TO CLOSE FAMILY MEMBERS OF PERSONS IN THE SERVICE OF THE STATE	36
45.	ETHICAL STANDARDS.....	36
46.	INDUCEMENTS, REWARDS, GIFTS AND FAVOURS TO MUNICIPALITIES, OFFICIALS AND OTHER ROLE PLAYERS.....	37
47.	SPONSORSHIPS	37
48.	OBJECTIONS AND COMPLAINTS	37
49.	RESOLUTION OF DISPUTES, OBJECTIONS, COMPLAINTS AND QUERIES	38
50.	CONTRACTS PROVIDING FOR COMPENSATION BASED ON TURNOVER	38
51.	MANAGEMENT OF EXPANSION OR VARIATION OF ORDERS AGAINST THE ORIGINAL CONTRACT.....	38
52.	RIGHT OF APPEAL	39
53.	CONTRACT ADMINISTRATION AND MANAGEMENT	39
54.	PERFORMANCE MANAGEMENTL	41
55.	CONTRACTS HAVING BUDGETARY IMPLICATIONS BEYOND THREE FINANCIAL YEARSL	41

1. **DEFINITIONS**

In this Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Act has the same meaning as in the Act, and –

- ***“Accounting Officer”*** means a person appointed by the Municipality in terms section 82 of the Local government: Municipal Structures Act. 1998 (Act. No. 117 of 1998) and who is the head of administration and also the Municipal Manager for the Municipality.
- ***“Act” or “MFMA”*** means the Local Government Municipal Finance Management Act, 2003 (Act. No. 56 of 2003).
- ***“Approved budget”*** means an annual budget approved by Theewaterskloof Municipal Council.
- ***“B-BBEE”*** means broad-based black economic empowerment as defined in section 1 of the Broad – Based Black Economic Empowerment Act.
- ***“CFO”*** means Chief Financial Officer of Theewaterskloof Municipality or Director of Finance in this instance.
- ***“CIDB”*** means Construction Industry Development Board.
- ***“Close family member”*** Means:
 - a) A spouse, domestic partner, dependent child or relative living in a common household;
 - b) A grandparent, parent, nondependent child, grandchild, brother or sister; and
 - c) The spouse or domestic partner of a child, a parent-in-law, a brother-in-law or a sister-in-law
- ***“Competitive bidding process”*** means a competitive bidding process referred to in paragraph 12(2) (b)(iii) of this Policy;
- ***“Competitive bid”*** means a bid in terms of a competitive bidding process;
- ***“Contract”*** means the agreement that result from the acceptance of a bid by the Municipality;
- ***“Councilor”*** means a member of a municipal council;
- ***“Day(s)”*** means calendar days unless the context indicates otherwise
- ***“Delegation”*** in relation to a duty, includes an instruction or request to perform or to assist in performing the duty;
- ***“Final award”*** in relation to bids or quotations submitted for a contract, means the final decision on which bid or quote to accept;
- ***“Formal written price quotation”*** means quotations referred to in paragraph 12 (1) (c) of this Policy;

- *“In the service of the state”* means to be –
 - a) member of –
 - (i) any municipal council;
 - (ii) any provincial legislature; or
 - (iii) the National Assembly or the National Council of Provinces;
 - b) a member of the board of directors of any municipal entity;
 - c) an official of any municipality or municipal entity;
 - d) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No. 1 of 1999);
 - e) an executive member of the accounting authority of any national or provincial public entity; or
 - f) an employee of Parliament or a provincial legislature;
- *“Long term contract”* means a contract with a duration period exceeding one year and is less than three years and does not have the same meaning as a long-term nature referred to in paragraph 21(1)(b) of this policy;
- *“Contract of a Long-term nature”* means a contract that exceeds the duration of three years covered in the annual budget for that financial year and Section 33 of the MFMA is applicable;
- *“List of accredited prospective”* means the list of accredited prospective providers which Theewaterskloof Municipality must keep in terms of paragraph 14 of this policy;
- *“Other applicable legislation”* means any other legislation applicable to municipal supply chain management, including –
 - 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);
 - c) the Construction Industry Development Board Act, 2000 (Act No. 38 of 2000);
- *“Treasury guidelines”* means any guidelines on supply chain management issued by the Minister in terms of section 168 of the Act;
- *“The Regulations”* means the Local Government: Municipal Finance Management Act, 2003, Municipal Supply Chain Management Regulations published by Government Notice 868 of 2005;
- *“PPPF Regulations”* means Preferential Procurement Regulations, 2022
- *“Written quotations”* means quotations referred to in paragraph 12(1) & 12(2) of this Policy;
- *“Contract with a long term nature”* means a contract with a duration period exceeding three years;
- *“Petty Cash”* means a small amount of cash kept on hand for incidental purchases of low value goods and services (i.e. postage, office suppliers, reimbursement out-of-pocket expenditures), which cannot be accommodated through other purchasing procedures;
- *“South African Revenue Services* Hereafter known as SARS;

- *“SCM TR”* Supply Chain Treasury Regulations, 2005;
- *“SMME”* Small Medium and Micro Enterprise as defined in the National Small Business Act, 102 of 1996, as amended;
- *“Theewaterskloof Municipality* hereafter known as The Municipality;
- *“Strip and quote”* When the repairs and maintenance on machines, vehicles are done by one supplier and/or strip-and-quote, for example a municipal vehicle enters the workshop that needs repairs, however to do the repairs, the vehicle has to be sent to a supplier that determines what repairs should be done;
- *“Single source”* refers to when the competition exists in the market, but from a selected few suppliers due to technical capabilities and abilities comply with the requirements of the municipality;
- *“Sole suppliers”* It refers in instances where there is no competition and only one service provider exist in the market, with sole distribution rights and/or patent rights or manufacturer.
- *“Validity period”* means the period for which a bid is to remain valid and binding as stipulated in the relevant tender document

CHAPTER 1

IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY

2. SUPPLY CHAIN MANAGEMENT POLICY

- (1) All officials and other role players in the supply chain management system of the Theewaterskloof Municipality must implement this Policy in a way that–
- a) gives effect to –
 - (i) section 217 of the Constitution; and
 - (ii) Part 1 of Chapter 11 and other applicable provisions of the Act;
 - b) is fair, equitable, transparent, competitive and cost effective;
 - c) complies with –
 - (i) the Regulations; and
 - (ii) any minimum norms and standards that may be prescribed in terms of section 168 of the Act;
 - d) is consistent with other applicable legislation such as –
 - (i) The Preferential Procurement Policy Framework Act;
 - (ii) Promotion of Administrative Justice Act;
 - (iii) Promotion of Access to Information Act;
 - (iv) Construction Industry Development Board Act;
 - (v) Competition Act, 1998;
 - (vi) National Practice Notes;
 - (vii) The Prevention and Combating of Corrupt Activities Act, 2004;
 - (viii) State Information Technology Agency Act, 1998;
 - (ix) Broad-Based Black Economic Empowerment Act, 2003; and
 - (x) Other relevant legislation.
 - e) does not undermine the objective for uniformity in supply chain management systems between organs of state in all spheres; and
 - f) is consistent with national economic policy concerning the promotion of investments and doing business with the public sector.
- (2) This Policy applies when the Theewaterskloof Municipality –
- a) procures goods or services;
 - b) disposes goods no longer needed;
 - c) selects contractors to provide assistance in the provision of municipal services otherwise than in circumstances where Chapter 8 of the Municipal Systems Act applies; or
 - d) selects external mechanisms referred to in section 80 (1) (b) of the Municipal Systems Act for the provision of municipal services in circumstances contemplated in section 83 of that Act.
- (3) This Policy, except where provided otherwise, does not apply in respect of the procurement of goods and services contemplated in section 110 (2) of the Act, including –
- a) water from the Department of Water Affairs or a public entity, another municipality or a municipal entity;
 - b) electricity from Eskom or another public entity, another municipality or a municipal entity; and
 - c) the acquisition of medical health practitioners / professionals for medical examinations.

(4) Overall Purpose And Objectives Of The Supply Chain Management Policy

1. Theewaterskloof Municipality's overall purpose of the Supply Chain Management Policy, Principles and Operational System is the following:
 - a) Ensure effective and efficient application of resources.
 - b) Promote accountability, transparency and fairness.
 - c) Provide access to contracts for local small, medium and micro enterprises.
 - d) Stimulate socio-economic development.
 - e) Eliminate and counter corruption.
 - f) Contribute towards reduction of unemployment, especially within the Theewaterskloof Municipal area.
 - g) Broadening the tax base within the Theewaterskloof Municipal area.
 - h) Encourage linkages between small and large enterprises.
 - i) Promote skills transfer and training of the historically disadvantaged.
2. In order to achieve this, empowerment goals will be set and revised from time to time, which aims to redress the skewed distribution of wealth and therefore contribute to the alleviation of poverty, as well as increasing usage of local resources, stimulation of skills development and transfer, fast tracking the growth and ensuring sustainability of SMME's.
 - a. Senior management responsible for each tender must report monthly to Management and quarterly to Council on the empowerment goals that were set per award above R 300 000 and the performance for each contract in terms of the empowerment goals.
3. The policy rests upon certain core principles of behavior as set out in the Constitution and is ratified by the Constitutional Certification Judgements. In this context, the policy will be applied in accordance with a system which is fair, equitable, transparent, competitive and cost-effective.
4. Theewaterskloof Municipality's overall objective of the Supply Chain Management Policy, Principles and Operational System is the following:
 - a) Implement best procurement practices through effective planning, strategic purchasing and contract management.
 - b) Standardise levels of skill and knowledge of employees/workers.
 - c) Promote B-BBEE - enterprises providing services and goods within the Theewaterskloof Municipal area.
 - d) Introduce a systematic approach to the appointment of service providers and to promote consistency in respect of supply chain management.
 - e) Promote SMME's, Joint Ventures and partnerships, especially within the Theewaterskloof Municipal area.
 - f) Create new jobs or intensify labour absorption within the local area.
 - g) Promote enterprises located within the Theewaterskloof Municipal area for work to be done or services to be rendered.
 - h) Empower the work force by standardising the level of skill and knowledge of workers.

- i) Develop human resources, inclusive of assistance with tertiary and other advanced training programs, in line with key indicators such as percentage of wage bill spent on education and training and improvement of management skills.
- j) Ensure that specific goals are measurable and quantifiable and the organs of state must monitor the execution of the contract for compliance with such goals.

3. AMENDMENT OF THE SUPPLY CHAIN MANAGEMENT POLICY

- (1) The Accounting Officer must –
 - a) at least annually review the implementation of this Policy; and
 - b) when the Accounting Officer considers it necessary, submit proposals for the amendment of this Policy to the Theewaterskloof Council.
- (2) If the Accounting Officer submits proposed amendments to the Theewaterskloof Council that differs from the model policy issued by the National Treasury, the Accounting Officer must –
 - a) ensure that such proposed amendments comply with the Regulations; and
 - b) report any deviation from the model policy to the National Treasury and the relevant provincial treasury.
- (3) When amending this supply chain management policy, the need for uniformity in 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.
- (4) The Accounting Officer must in terms of section 62(1)(f)(iv) of the Act, take all reasonable steps to ensure that the municipality implements the Supply Chain Management Policy.

4. DELEGATION OF SUPPLY CHAIN MANAGEMENT POWERS AND DUTIES

- (1) The Theewaterskloof Council hereby delegates all powers and duties to the Accounting Officer which are necessary to enable the Accounting Officer –
 - a) to discharge the supply chain management responsibilities conferred on Accounting Officers in terms of –
 - (i) Chapter 8 or 10 of the Act; and
 - (ii) this Policy;
 - b) to maximise administrative and operational efficiency in the implementation of this Policy;
 - c) to enforce reasonable cost-effective measures for the prevention of fraud, corruption, favoritism and unfair and irregular practices in the implementation of this Policy; and
 - d) to comply with his or her responsibilities in terms of section 115 and other applicable provisions of the Act.
- (2) Sections 79 and 106 of the Act apply to the sub delegation of powers and duties delegated to an Accounting Officer in terms of subparagraph (1).
- (3) The Accounting Officer may not sub-delegate any supply chain management powers or duties to a person who is not an official of Theewaterskloof Municipality or to a committee which is not exclusively composed of officials of the Theewaterskloof Municipality.
- (4) Paragraph 4(3) may not be read as permitting an official to whom the power to make final awards has been delegated, to make a final award in a competitive bidding process otherwise than

through the committee system provided for in paragraph 25 of this Policy.

5. SUB-DELEGATIONS

- (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, but any such sub-delegation must be consistent with subparagraph (2) of this paragraph and paragraph 4 of this Policy.
- (2) The power to make a final award –
 - a) above R10 million (VAT included) may not be sub-delegated by the Accounting Officer;
 - b) above R2 million (VAT included), but not exceeding R10 million (VAT included), may be sub-delegated but only to – (i) the chief financial officer;
(ii) a senior manager; or
(iii) a bid adjudication committee of which the chief financial officer or a senior manager is a member;
 - c) not exceeding R2 million (VAT included) may be sub-delegated but only to – (i) the chief financial officer;
(ii) a senior manager;
(iii) a manager directly accountable to the chief financial officer or a senior manager; or (iv) a bid adjudication committee.
- (3) An official or bid adjudication committee to which the power to make final awards has been sub-delegated in accordance with subparagraph (2) must within five working days of the end of each month submit to the official referred to in subparagraph (4) a written report containing particulars of each final award made by such official or committee during that month, including–
 - a) the amount of the award;
 - b) the name of the person to whom the award was made; and
 - c) the reason why the award was made to that person.
- (4) A written report referred to in subparagraph 5(3) must be submitted:
 - a) to the Accounting Officer, in the case of an award by – (i) the chief financial officer;
(ii) a senior manager; or
(iii) a bid adjudication committee of which the chief financial officer or a senior manager is a member; or
 - b) to the chief financial officer or the senior manager responsible for the relevant bid, in the case of an award by –
 - (i) a manager referred to in subparagraph 5(2)(c)(iii); or
 - (ii) a bid adjudication committee of which the chief financial officer or a senior manager is not a member.
- (5) Subparagraphs 5(3) and 5(4) of this policy do not apply to procurements out of petty cash.
- (6) This paragraph may not be interpreted as permitting an official to whom the power to make final awards has been sub-delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 26 of this Policy.

- (7) No supply chain management decision-making powers may be delegated to an advisor or consultant.
- (8) The Accounting Officer may sub-delegate the power to cancel bids on recommendation by the relevant department.

6. OVERSIGHT ROLE OF COUNCIL

- (1) The Theewaterskloof Council reserves its right to maintain oversight over the implementation of this Policy.
- (2) For the purposes of such oversight the Accounting Officer must –
 - a) within 30 days of the end of each financial year, submit a report on the implementation of this Policy and the supply chain management policy of any municipal entity under the sole or shared control of the municipality, to the council of the municipality; and
 - b) whenever there are serious and material problems in the implementation of this Policy, immediately submit a report to the council.
- (3) The Accounting Officer must, within 10 days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the mayor.
- (4) The reports must be made public in accordance with section 21A of the Municipal Systems Act.

7. SUPPLY CHAIN MANAGEMENT UNIT

- (1) The Theewaterskloof Municipality has established a Supply Chain Management Unit to implement this Policy.
- (2) The Supply Chain Management Unit shall operate as a centralised supply chain management function to administer and co-ordinate all the supply chain management activities and functions of the Municipality as described in this Policy unless a function or activity is specifically excluded by the Accounting Officer from the Unit's terms of reference.
- (3) The Supply Chain Management Unit operates under the direct supervision of the Chief Financial Officer or an official to whom this duty has been delegated in terms of Section 82 of the Act.

8. TRAINING OF SUPPLY CHAIN MANAGEMENT OFFICIALS

- (1) The training of officials involved in implementing this Policy should be in accordance with any Treasury guidelines on supply chain management training as well as the Municipal Regulations on Minimum Competency Levels, 2007

CHAPTER 2

SUPPLY CHAIN MANAGEMENT SYSTEM

9. FORMAT OF SUPPLY CHAIN MANAGEMENT SYSTEM

This Policy provides systems for –

Part 1

- (i) Demand management

Part 2

- (ii) Acquisition management

Part 3

- (iii) Logistics management
- (iv) Disposal management
- (v) Risk management and
- (vi) Performance management.

PART 1: DEMAND MANAGEMENT

10. SYSTEM OF DEMAND MANAGEMENT

- (1) The Accounting Officer must establish and implement an appropriate demand management system in order to ensure that the resources required by the municipality support its operational commitments and its strategic goals outlined in the Integrated Development Plan.
- (2) The demand management system must –
 - a) include timely planning and management processes to ensure that all goods and services required by the Theewaterskloof Municipality are quantified, budgeted for and timely and effectively delivered at the right locations and at the critical delivery dates, and are of the appropriate quality and quantity at a fair cost;
 - b) take into account any benefits of economies of scale that may be derived in the case of acquisitions of a repetitive nature;
 - c) provide for the compilation of the required specifications to ensure that its needs are met;
 - d) to undertake appropriate industry analysis;
 - e) research to ensure that innovations and technological benefits are maximized; and
 - f) take requirements set for the appointment of consultant in consideration, (for example, submission of GAP analysis / needs assessment and compliance with Cost Containment Policy)
- (3) All user departments are required to submit their draft procurement plans by middle March, for the following financial year to the Manager Supply Chain Management to improve planning and management of resources.
- (4) Green procurement must be incorporated as far as reasonably possible for all specifications of goods, services and construction works.

THEEWATERSKLOOF MUNICIPALITY
SUPPLY CHAIN MANAGEMENT POLICY
PART 2: ACQUISITION MANAGEMENT

11. SYSTEM OF ACQUISITION MANAGEMENT

- (1) The Accounting Officer must implement the system of acquisition management taking cost containment measures in consideration set out in this Part in order to ensure –
- a) that goods and services are procured by the Theewaterskloof Municipality in accordance with authorised processes only;
 - b) that expenditure on goods and services is incurred in terms of an approved budget in terms of section 15 of the Act;
 - c) that the threshold values for the different procurement processes are complied with;
 - d) that bid documentation, evaluation and adjudication criteria, and general conditions of a contract, are in accordance with any applicable legislation; and
 - e) that any Treasury guidelines on acquisition management are properly taken into account.
- (2) When procuring goods or services contemplated in section 110(2) of the Act, the Accounting Officer must make public the fact that such goods or services are procured otherwise than through the Theewaterskloof Municipality's supply chain management system, including –
- a) the kind of goods or services; and
 - b) the name of the supplier.
- (3) The Manager: Supply Chain Management may extend the bid closing date, if circumstances justify the action, provided that the closing date may not be extended unless a notice is published by the Manager: Supply Chain Management in the same newspapers as the original advertisement as well as the website, seven working days prior to the original bid closing date. In the event where a site / clarification meeting was applicable, the notice to extend the closing date can only be issued to the bidders that attended the meeting.
- All prospective bidders must also be informed in writing by the Manager: Supply Chain Management of the extension of the bid closing date
- (4) Unless otherwise indicated in the bid documents, the Municipality shall not be liable for any expenses incurred by prospective bidders in the preparation and / or submission of a bid or quotation.

12. RANGE OF PROCUREMENT PROCESSES

- (1) Goods and services may only be procured by way of –

Reference	Value of purchase (VAT inclusive)	Range of Procurement Processes
12(1)(i)	R0.01– R2 000	One price quotation.
	R2 001 – R30 000	Three formal written price quotations.
12(1)(ii)	R30 001 – R300 000	Formal written price quotations: (i) Advertisement for 7 (seven) days on the Council's website and all official notice boards.
12(1)(iii)	R 300 001 - R10 million	A competitive bidding process: (i) advertised for 14 (fourteen) days on Council's website and notice boards; and

THEEWATERSKLOOF MUNICIPALITY
SUPPLY CHAIN MANAGEMENT POLICY

Reference	Value of purchase (VAT inclusive)	Range of Procurement Processes
		(ii) advertised for 14 (fourteen) days on the ePortal and in newspapers commonly circulating locally, but not limited there to depending on the circumstances for example targeted sourcing.
12(1)(iv)	Above million – R10 R50	A competitive bidding process; (i) advertised for 30 (thirty) days on Council's website and notice boards; and (ii) advertised for 30 (thirty) days on the ePortal and in newspapers commonly circulating locally, but not limited there to depending on the circumstances for example targeted sourcing. If the responsible official or members of the Bid Specification Committee is of the opinion that a tender might exceed R10 million notwithstanding the fact that the cost estimate is below R10 million, the prescribed process for bids above R10 million must be followed.
12(1)(v)	Above million R50	Supply Chain Management Policy for Infrastructure Procurement and Delivery Management.
12(1)(vi)	Term contracts	A competitive bidding process will be followed for the supply of goods and services or construction works that is of an ad-hoc or repetitive nature for a predetermined period of time not exceeding 3 years. Section 33 of the MFMA will be applicable if the duration exceeds 3 years.

(2) The Accounting Officer may, in writing-

- a) lower, but not increase, the different threshold values specified in subparagraph 12(1); or
- b) direct that –
 - (i) written quotations be obtained for any specific procurement of a transaction value lower than R2,000.00 (VAT included);
 - (ii) formal written price quotations for procurement of transaction value over R 2000.00 up to R 300 000.00 (VAT Included); or
 - (iii) a competitive bidding process be followed for any specific procurement of a transaction value lower than R 300 000 (VAT included).

(3) Goods or services may not deliberately be split into parts or items of a lesser value merely to avoid complying with the requirements of the policy. When determining transaction values, a requirement for goods or services consisting of different parts or items must as far as possible be treated and dealt with as a single transaction.

13. GENERAL PRECONDITIONS FOR CONSIDERATION OF WRITTEN QUOTATIONS OR BIDS

(1) A written quotation or bid may not be considered unless the provider who submitted the quotation or bid

- a) has furnished that provider's –
 - (i) full name;
 - (ii) identification number or company or other registration number; and
 - (iii) tax reference number and VAT registration number, if any;
- b) has either supplied a valid tax clearance certificate or has authorised the Theewaterskloof

Municipality to obtain a tax clearance from the South African Revenue

Services that the provider's tax matters are in order; and

c) has indicated –

- (i) whether he or she is in the service of the state, or has been in the service of the state in the previous twelve months;
- (ii) if the provider is not a natural person, whether any of its directors, managers, principal shareholders or stakeholder is in the service of the state, or has been in the service of the state in the previous twelve months; or
- (iii) whether a spouse, child or parent of the provider or of a director, manager, shareholder or stakeholder referred to in subparagraph (ii) is in the service of the state, or has been in the service of the state in the previous twelve months.

14. LISTS OF ACCREDITED PROSPECTIVE PROVIDER

(1) The Accounting Officer must –

- a) keep a list of accredited prospective providers of goods and services that must be used for the procurement requirements of the municipality or municipal entity through formal written price quotations;”.
- 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;
- c) specify the listing criteria for accredited prospective providers; and
- d) disallow the listing of any prospective provider whose name appears on the National Treasury's database as a person prohibited from doing business with the public sector.

(2) The list must be updated at least quarterly to include any additional prospective providers and any new commodities or types of services. Prospective providers must be allowed to submit applications for listing at any time.

(3) The list must be compiled per commodity and per type of service.

(4) The listing criteria for accredited prospective suppliers are:-

- Name of supplier / service provider / trade name;
- Business physical address;
- Business postal address;
- Sales department telephone number;
- Sales department email address;
- Type of enterprise;
- Company / Close Corporation registration number (as per CIPC document) (if applicable);
- Vat registration number (if applicable);
- Income Tax registration number (subject to clause 42(4));
- Details and ID numbers of Directors /Owners /Partners/Members;
- Bank details (certified correct by preferred bank);
- CIDB number (if applicable);
- Classification of services / goods offered for registration;
- Declaration by supplier;
- A valid Tax Compliance Status (TCS) Pin Certificate for verification of Tax status; and
- If the required conditions are not met the prospective supplier will be informed and given 30

days for rectification. The document will be destroyed if not rectified within the prescribed period.

15. PETTY CASH PURCHASES

- (1) The Municipality's Petty Cash Policy, as approved by the Accounting Officer, shall be applicable to all purchases not exceeding R350.00, including VAT, or amount as determined by the Accounting Officer in terms of this Policy, or as may be legislated from time to time.
- (2) The Petty Cash Policy must include conditions –
 - a) determining the terms on which a manager may delegate responsibility for petty cash to an official reporting to the manager;
 - b) limiting the number of petty cash purchases or the maximum amounts per month for each manager;
 - c) excluding any types of expenditure from petty cash purchases, where this is considered necessary; and
 - d) requiring monthly reconciliation reports from each manager to the Chief Financial Officer, including –
 - (i) the total amount of petty cash purchases for that month; and
 - (ii) receipts and appropriate documents for each purchase.

16. WRITTEN OR VERBAL QUOTATIONS

[Deleted by amendment dated 25 January 2024]

17. FORMAL WRITTEN PRICE QUOTATIONS

- (1) The conditions for the procurement of goods or services through formal written price quotations are as follows:
 - a) quotations must be obtained in writing from at least three different providers whose names appear on the list of accredited prospective providers of the Theewaterskloof Municipality;
 - b) quotations may be obtained in writing from providers who are not listed, provided that such providers meet the listing criteria set out in paragraph 14(1)(c), 14(4) and (4) of this Policy;
 - c) where no suitable providers are available from the list of accredited prospective providers, quotations may be obtained from other possible providers not registered on the municipal supplier database;
 - d) if it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the chief financial officer or an official designated by the chief financial officer, and
 - e) the Accounting Officer must record the names of the potential providers and their written quotations.
- (2) A designated official referred to in subparagraph 17(1)(c) must within three working days of the end of each month report to the chief financial officer on any approvals given during that month by that official in terms of that subparagraph.

18. PROCEDURES FOR PROCURING GOODS OR SERVICES THROUGH FORMAL WRITTEN PRICE QUOTATIONS

- (1) A supply chain management policy must determine the procedure for the procurement of goods or services through formal written price quotations, and must stipulate—;
 - a) when using the list of accredited prospective providers, the Accounting Officer must promote on going competition amongst providers by inviting providers to submit quotations on a rotation basis;
 - b) all requirements in excess of R30 000 (VAT included) that are to be procured by means of formal written price quotations must, in addition to the requirements of paragraph 17, be advertised for at least seven days on the website and an official notice board of the Theewaterskloof Municipality;
 - c) that the accounting officer must take all reasonable steps to ensure that the procurement of goods and services through formal written price quotations is not abused;
 - d) that the accounting officer or chief financial officer must on a monthly basis be notified in writing of all formal written price quotations accepted by an official acting in terms of a sub-delegation;
 - e) offers below R30 000 (VAT included) must be awarded based on compliance to specifications and conditions of contract, ability and capability to deliver the goods and services and lowest price;
 - f) acceptable offers, which are subject to the preference points system (PPPFA and associated regulations), must be awarded to the bidder who scored the highest points; and
 - g) Theewaterskloof Municipality will maintain a proper record keeping system.

19. COMPETITIVE BIDS

- (1) Goods or services above a transaction value above R300 00 (VAT included) and any contract exceeding one year (long term contracts) may only be procured through a competitive bidding process, subject to paragraph 11(2) of this policy; and
- (2) that no requirement for goods or services above an estimated transaction value of—
 - (i) R300 000 (VAT included), may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process.”.

20. PROCESS FOR COMPETITIVE BIDDING

- (1) The procedures for the following stages of a competitive bidding process are as follows:
 - a) Compilation of bidding documentation as detailed in paragraph 21;
 - b) Public invitation of bids as detailed in paragraph 22;
 - c) Site meetings or briefing sessions as detailed in paragraph 22;
 - d) Handling of bids submitted in response to public invitation as detailed in paragraph 23(a) & 23(b);
 - e) Evaluation of bids as detailed in paragraph 28;
 - f) Award of contracts as detailed in paragraph 29;
 - g) Administration of contracts;
 - h) After approval of a bid, the Accounting Officer and the bidder must enter into a written agreement;
 - i) Proper record keeping; and

- j) Original / legal copies of written contracts agreements should be kept in a secure place for reference purposes.

21. BID DOCUMENTATION FOR COMPETITIVE BIDS

- (1) The criteria to which bid documentation for a competitive bidding process must comply, must –
- a) take into account –
 - (i) the general conditions of contract and any special conditions of contract, if specified;
 - (ii) any Treasury guidelines on bid documentation; and
 - (iii) the requirements of the Construction Industry Development Board, in the case of a bid relating to construction, upgrading or refurbishment of buildings or infrastructure;
 - b) include the preference points system to be used , goals as contemplated in the Preferential Procurement Regulations and evaluation and adjudication criteria, including any criteria required by other applicable legislation;
 - c) compel bidders to declare any conflict of interest they may have in the transaction for which the bid is submitted;
 - d) if the value of the transaction is expected to exceed R10 million (VAT included), require bidders to furnish–
 - (i) if the bidder is required by law to prepare annual financial statements for auditing, their audited annual financial statements –
 - 1. for the past three years; or
 - (ii) a certificate signed by the bidder certifying that the bidder has no undisputed commitments for municipal services towards a municipality or other service provider in respect of which payment is overdue for more than 30 calendar days;
 - (iii) particulars of any contracts awarded to the bidder by an organ of state during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract; and
 - (iv) a statement indicating whether any portion of the goods or services are expected to be sourced from outside the Republic of South Africa, and, if so, what portion and whether any portion of payment from the municipality or municipal entity is expected to be transferred out of the Republic of South Africa;
 - e) stipulate that disputes must be settled by means of mutual consultation, mediation (with or without legal representation), when unsuccessful, in a South African court of law; and
 - f) The period for which bids are to remain valid and binding must be indicated in the bid documents.
 - g) Bid document must state that Theewaterskloof Municipality shall not be obliged to accept the lowest bid, any alternative or any bid. In other words, Council reserves the right not to award any tender or quotation.

Bids to be evaluated on functionality:

- h) The Municipality must indicate in the tender documents if the tender will be evaluated on functionality
- i) The evaluation criteria for measuring functionality must be objective
- j) The bid documents must specify-
 - (i) Evaluation criteria for measuring functionality;
 - (ii) The points for each criteria and, if any each sub-criterion; and
 - (iii) Minimum qualifying score for functionality

- k) The minimum qualifying score for functionality for a tender to be considered further
 - (i) Must be determined separately for each tender; and
 - (ii) May not be too Low that it may jeopardise the quality of the required goods or
 - (iii) May not be too high that it unreasonably restrictive
- l) Points scored for functionality must be rounded off to the nearest two decimal places.
- m) Each tender that obtained the minimum qualifying score for functionality must be evaluated further in terms of price and the preference point system and any objective criteria envisaged.

22. PUBLIC INVITATION FOR COMPETITIVE BIDS

(1) The procedure for the invitation of competitive bids, is as follows:

- a) Any invitation to prospective providers to submit bids must be by means of a public advertisement in newspapers commonly circulating locally, the website and notice boards of the Theewaterskloof Municipality or any other appropriate ways (which may include an advertisement in the Government Tender Bulletin, or e-Tender Publication Portal or on the i-Tender website of CIDB for construction related transactions); and
 - b) the information contained in a public advertisement, must include –
 - (i) the closure date for the submission of bids, which may not be less than 30 days in the case of transactions over R10 million (VAT included), or which are of a long term nature with a contract duration period exceeding three years, or 14 days in any other case, from the date on which the advertisement is in a newspaper, subject to subparagraph 22(2) of this policy;
 - (ii) a statement that bids may only be submitted on the bid documentation provided by the Theewaterskloof Municipality;
 - (iii) a statement that bids will only be considered if it was deposited into the bid box indicated in the bid invitation;
 - (iv) date, time and venue of any proposed site meetings or briefing sessions; and
 - (v) the bid notice may require payment of a non-refundable deposit by bidders wanting to collect bid documents. This deposit shall be determined by the municipality's council tariffs from time to time.
- (2) The Accounting Officer may determine a closure date for the submission of bids which is less than the 30- or 14-days requirement, but only if such a shorter period can be justified on the grounds of urgency or emergency or any exceptional case where it is impractical or impossible to follow the official procurement process.
- (3) Bids submitted must be sealed and must clearly indicate the bid number on the outside of the envelope for which the bid is being submitted.
- (4) Where bids are requested in electronic format, such bids must be submitted by sealed hard copies.
- (5) Amendments before closing date
- (i) The contract owner must approach the chairperson of the Bid Specification Committee, if necessary, to consider request in writing, of communication with bidders prior to bids closing;
 - (ii) The municipality is entitled to amend any bid condition, validity period, specification or

plan, or extend the closing date of such a bid or quotation before the closing date, provided that such amendments or extensions are advertised on e-Portal and website and/or where possible, that all bidders to whom bid documents have been issued, are advised in writing per e-mail of such amendments or of the extension clearly reflecting the new closing date and time.

- (iii) It is the responsibility of the bidder to check the e-Portal and website of Theewaterskloof Municipality for amendments (addendums) till closing date of the bid and to ensure that the correct information is provided; and
- (iv) All amendments must be approved by the Accounting Officer or the delegated director prior to the closing date of the bid invitation. The communication of the minutes of site meetings is not subject to this requirement.

23. (a) PROCEDURE FOR HANDLING, OPENING AND RECORDING OF FORMAL WRITTEN PRICE QUOTATION PROCESS

(1) The procedures for the handling, opening and recording of Formal Written Price Quotations

- (i) will not be opened in public;
- (ii) must be opened at the same time and as soon as possible after the period for the submission of bids has expired; and
- (iii) received after the closing time should not be considered and returned unopened immediately.
- (iv) record in a register all bids received in time;
- (v) make the register available for public inspection;
- (vi) publish the entries in the register and the bid results on the website; and

(b) PROCEDURE FOR HANDLING, OPENING AND RECORDING OF COMPETITIVE BIDS PROCESS

(1) The procedures for the handling, opening and recording of bids, are as follows:

a) Bids–

- (i) must be opened only in public;
- (ii) must be opened at the same time and as soon as possible after the period for the submission of bids has expired; and
- (iii) received after the closing time should not be considered and returned unopened immediately.

b) Any bidder or member of the public has the right to request that the names of the bidders who submitted bids in time must be read out and, if practical, also each bidder's total bidding price;

c) No information, except the provisions in subparagraph (b), relating to the bid should be disclosed to bidders or other persons until the successful bidder is notified of the award;

d) The Accounting Officer must –

- (i) record in a register all bids received in time;
- (ii) make the register available for public inspection;
- (iii) publish the entries in the register and the bid results on the website; and

e) Opening of Bids, –

- (i) At the specified closing time on the closing date the applicable bid box shall be closed;
- (ii) The bid box shall be opened in public immediately after the closing time by at least two officials from the Supply Chain Management Unit;

- (iii) Bids received after the closing time shall not be considered.
- (iv) It is the responsibility of the bidder to ensure that their bid is placed in the correct bid box. The municipality will not on its own initiative redirect any bid if it is placed in an incorrect bid box before the closing time of submissions;
- (v) Immediately after the opening of the bid box all bids shall be opened in public;
- (vi) At the official opening of the bids, the bids shall in all cases be read out in terms of the name of the bidder and, if practical, the amount of the bid;
- (vii) As soon as a bid or technical proposal has been opened the bid / proposal shall be stamped with the official stamps, and endorsed with the opening officials' signatures;
- (viii)
- (ix) The name of the bidder, and where possible, the bid sum shall be recorded in a bid opening record kept for that purpose; and The responsible officials who opened the bidding documentation received shall forthwith place their signatures on the bid opening record (register) and shall ensure that the bid opening record, indicating at least the bid price of each bidder, the BBBEE status level contribution of each bidder and the locality are made available for public inspection and are published on the municipality's website.
- f) Site inspections (site meeting) or clarification meeting –
 - (i) Site inspections or clarification meetings must be compulsory.
 - (ii) If site inspections or clarification meetings are to be held, full details must be included in the bid notice (*including time when meeting will commence – if bidder arrives after the grace period their bid will not be considered*). A grace period of 15 minutes will be allowed.

(3) **CANCELLATION OF TENDER**

- (1) An organ of state may, before the award of a tender, cancel a tender invitation if-
 - (a) due to changed circumstances, there is no longer a need for the goods or services specified in the invitation;
 - (b) funds are no longer available to cover the total envisaged expenditure;
 - (c) no acceptable tender is received; or
 - (d) there is a material irregularity in the tender process.
- (2) The decision to cancel a tender invitation in terms of sub regulation (1) must be published in the same manner in which the original tender invitation was advertised.

(4) **BID VALIDITY PERIODS**

- (i) A minimum bid validity period will apply to all bids and will be calculated from the bid closure date. Bids shall remain in force and binding for a period of six (6) months, as indicated in the invitation to bid and the bid documents, subject to any other applicable legislation and instructions from the National Treasury for specific types of procurement.
- (ii) The period of validity may be extended by the SCM Department, provided that the original bid validity period has not expired and that all bidders are given an opportunity to extend such period.
- (iii) Any such extension shall be agreed to by the bidder in writing. Bidders who failed to

respond to such a request before the validity of their bid expires, or who decline such a request shall not be considered further in the evaluation process.

- (iv) All bidders who indicated the acceptance of the extension of the bid validity period, bids will be considered for evaluation purposes.
- (v) Second extensions will be limited to those bidders that responded the first time.
When validity lapses the contractual obligation that the bidder accepted on signing the relevant bid documentation falls away, therefore, when a bid expires there is nothing to extend. It cannot be evaluated further, and it must be cancelled and re-advertised.
- (vi) After award of the bid, the validity of all bids will remain up until the award is finalized including the appeal processes.
- (vii) If the validity of all bids expired without it being awarded within the bid validity period, including any extensions thereof allowable in terms of applicable legislation, the bid must be cancelled and published in the same media in which the original bid invitation appeared.
- (viii) All bidders must be notified in writing of the cancellation of a bid.

- (5) Copies of the results must be made available at municipal offices and libraries. The information must be published within 10 working days after closure of the bid and it must remain on the website for at least 30 days.
- (6) The bidder shall choose a *domicilium citandi et executandi* in the Republic of South Africa and unless notice of the change thereof has duly been given in writing, it shall be the address stated in the bid.
- (7) Bid sum
 - (i) A bid will not be necessarily be invalidated if the amount in words and the amount in figures do not correspond, in which case the amount in words shall be read out at the bid opening.

24. NEGOTIATIONS WITH PREFERRED BIDDERS

- (1) The Accounting Officer may negotiate the final terms of a contract with bidders identified through a competitive bidding process as preferred bidders, provided that such negotiation –
 - a) does not allow any preferred bidder a second or unfair opportunity;
 - b) is not to the detriment of any other bidder;
 - c) does not lead to a higher price than the bid as submitted; and
 - d) does not lead to a lower price in respect of sale of land / goods.
- (2) The Accounting Officer may -
 - (i) negotiate a market-related price with the tenderer scoring the highest points or cancel the tender;
 - (ii) if the tenderer does not agree to a market-related price, negotiate a market-related price with the tenderer scoring the second highest points or cancel the tender;
 - (iii) if the tenderer scoring the second highest points does not agree to a market related price, negotiate a market-related price with the tenderer scoring the third highest points or cancel the tender.
- (3) If a market-related price is not agreed as envisaged in paragraph (2), Theewaterskloof Municipality must cancel the tender.

- (4) Minutes of such negotiations must be kept for record purposes and a member of Supply Chain Management unit must be present at such negotiations.

25. TWO-STAGE BIDDING PROCESS

- (1) A two-stage bidding process is allowed for –
- a) large complex projects;
 - b) projects where it may be undesirable to prepare complete detailed technical specifications;
or
 - c) long term projects with a duration period exceeding three years.
- (2) In the first stage technical proposals on conceptual design or performance specifications should be invited, subject to technical as well as commercial clarifications and adjustments.
- (3) In the second stage final technical proposals and priced bids should be invited.

26. COMMITTEE SYSTEM FOR COMPETITIVE BIDS

- (1) A committee system for competitive bids is hereby established, consisting of the following committees for each procurement or cluster of procurements as the Accounting Officer may determine:
- a) a bid specification committee;
 - b) a bid evaluation committee; and
 - c) a bid adjudication committee;
- (2) The Accounting Officer appoints the members and secundus of each committee, taking into account section 117 of the Act; and
- (3) A neutral or independent observer, appointed by the Accounting Officer, must attend or oversee a committee when this is appropriate for ensuring fairness and promoting transparency.
- (4) The committee system must be consistent with –
- a) paragraph 27, 28 and 29 of this Policy; and
 - b) any other applicable legislation.
- (5) The Accounting Officer may apply the committee system to formal written price quotations.

27. BID SPECIFICATION COMMITTEES

- (1) A bid specification committee must compile the specifications for each procurement of goods or services by the Theewaterskloof Municipality.
- (2) Specifications –
- a) must be drafted in an unbiased manner to allow all potential suppliers to offer their goods or services;
 - b) must take account of any accepted standards such as those issued by Standards South Africa, the International Standards Organisation, or an authority accredited or recognised by the South African National Accreditation System with which the equipment or material or workmanship should comply;

- c) must, where possible, be described in terms of performance required rather than in terms of descriptive characteristics for design;
 - d) may not create trade barriers in contract requirements in the forms of specifications, plans, drawings, designs, testing and test methods, packaging, marking or labelling of conformity certification;
 - e) may not make reference to any particular trade mark, name, patent, design, type, specific origin or producer unless there is no other sufficiently precise or intelligible way of describing the characteristics of the work, in which case such reference must be accompanied by the word “equivalent”;
 - f) must indicate the preference points system set out in the Preferential Procurement Regulations of 2022; and
 - g) must be approved by the Accounting Officer prior to publication of the invitation for bids in terms of paragraph 22 of this Policy.
 - h) The Accounting Officer may sub-delegate the requirements in subparagraph 2(g) above to the Chairperson of the Bid Specifications Committee.
- (3) A bid specification committee must be composed of one or more officials of the Theewaterskloof Municipality preferably the manager responsible for the function involved, and may, when appropriate, include external specialist advisors.
- (4) No person, advisor or corporate entity involved with the bid specification committee, or director of such a corporate entity, may bid for any resulting contracts.

28. BID EVALUATION COMMITTEES

- (1) A bid evaluation committee must –
- a) evaluate bids in accordance with –
 - (i) the specifications for a specific procurement; and
 - (ii) the points system set out in terms of paragraph 27(2)(f).
 - b) evaluate each bidder’s ability to execute the contract;
 - c) check in respect of the recommended bidder whether municipal rates and taxes and municipal service charges are not in arrears for more than three months, and;
 - d) submit to the Adjudication Committee a report and recommendations regarding the award of the bid or any other related matter.
- (2) A Bid Evaluation Committee must as far as possible be composed of-
- a) officials from departments requiring the goods or services; and
 - b) at least one supply chain management practitioner of the Theewaterskloof Municipality.
- (3) The Relevant user department’s official shall carry out a preliminary evaluation of all valid bids, excluding quotations, received and shall submit a bid evaluation report to the Bid Evaluation Committee for consideration.
- (4) In the cases where functionality is deemed necessary and is included in the bidding document, the Accounting Officer or delegated director must appoint the three independent evaluators for the technical evaluation (test for functionality) in writing and the appointment letters must be provided to the Supply Chain Management unit for audit purposes.

29. BID ADJUDICATION COMMITTEES

General

- (1) Theewaterskloof municipality shall not be obliged to accept any bid.
- (2) For goods and service bids, Theewaterskloof Municipality shall have the right to accept the whole bid or part of the bid or any item or part of an item or accept more than one bid

Bid Adjudication Committee

- (1) A bid adjudication committee must –
 - a) consider the report and recommendations of the bid evaluation committee; and
 - b) either –
 - (i) depending on its delegations, make a final award or a recommendation to the Accounting Officer to make the final award; or
 - (ii) make another recommendation to the Accounting Officer how to proceed with the relevant procurement.
 - c) Consider the report and recommendations of the bid evaluation committee where it is recommended that the tender not be awarded; and either
 - (i) take a decision that the tender not be awarded for the reasons presented and that it be re-advertised; or
 - (ii) take a decision that the tender be awarded and make a final award or a recommendation to the Accounting Officer to make the final award.
- (2) A bid adjudication committee must consist of at least four senior managers of the Theewaterskloof Municipality which must include –
 - a) the chief financial officer or, if the chief financial officer is not available, another manager in the budget and treasury office reporting directly to the chief financial officer and designated by the chief financial officer; and
 - b) at least one senior supply chain management practitioner who is an official of the Theewaterskloof Municipality; and
 - c) a technical expert in the relevant field who is an official, if such an expert exists.
- (3) The Accounting Officer must appoint the chairperson of the committee. If the chairperson is absent from a meeting, the members of the committee who are present must elect one of them to preside at the meeting.
- (4) Neither a member of a bid evaluation committee, nor an advisor or person assisting the evaluation committee, may be a member of a bid adjudication committee.
- (5) If the bid adjudication committee decides to award a bid other than the one recommended by the bid evaluation committee, the bid adjudication committee must prior to awarding the bid –
 - (i) check in respect of the preferred bidder whether that bidder's municipal rates and taxes and municipal service charges are not in arrears, and;
 - (ii) notify the Accounting Officer.
 - b) The Accounting Officer may –
 - (iii) after due consideration of the reasons for the deviation, ratify or reject the decision of the bid adjudication committee referred to in paragraph (a); and

(iv) if the decision of the bid adjudication committee is rejected, refer the decision of the adjudication committee back to that committee for reconsideration.

- (6) The Accounting Officer may at any stage of a bidding process, refer any recommendation made by the evaluation committee or the adjudication committee back to that committee for reconsideration of the recommendation.
- (7) The Accounting Officer must comply with section 114 of the Act within 10 working days –
- (i) If a tender other than the one recommended in the normal course of implementing the supply management policy is adjudicated, the Accounting Officer must, in writing, notify the Auditor-General South Africa, the Provincial Treasury and the National Treasury of the reasons for deviating from such recommendation.
 - (ii) Subsection (i) does not apply if a different tender was approved in order to rectify an irregularity.

30. PROCUREMENT OF BANKING SERVICES

- (1) A contract for banking services –
- a) must be procured through competitive bids;
 - b) must be consistent with section 7 or 85 of the Act; and
 - c) may not be for a period of more than five years at a time.
- (2) The process for procuring a contract for banking services must commence at least nine months before the end of an existing contract.
- (3) The closure date for the submission of bids may not be less than 60 days from the date on which the advertisement is placed in a newspaper in terms of paragraph 22(1). Bids must be restricted to banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990).

31. PROCUREMENT OF IT RELATED GOODS OR SERVICES

- (1) The Accounting Officer may request the State Information Technology Agency (SITA) to assist with the acquisition of IT related goods or services through a competitive bidding process.
- (2) Both parties must enter into a written agreement to regulate the services rendered by, and the payments to be made to, SITA.
- (3) The Accounting Officer must notify SITA together with a motivation of the IT needs if –
- a) the transaction value of IT related goods or services required in any financial year will exceed R50 million (VAT included); or
 - b) the transaction value of a contract to be procured whether for one or more years exceeds R50 million (VAT included).
- (4) If SITA comments on the submission and the Theewaterskloof Municipality disagrees with such comments, the comments and the reasons for rejecting or not following such comments must be submitted to the council, the National Treasury, the relevant provincial treasury and the Auditor General.
- (5) Procurement of ICT related equipment should be done, if applicable, in accordance with the ICT

Standardisation Policy.

32. PROCUREMENT OF GOODS AND SERVICES UNDER CONTRACTS SECURED BY OTHER ORGANS OF STATE

- (1) The Accounting Officer may procure goods or services under a contract secured by another organ of state, but only if –
 - a) the contract has been secured by that other organ of state by means of a competitive bidding process applicable to that organ of state;
 - b) there is no reason to believe that such contract was not validly procured;
 - c) there are demonstrable discounts or benefits to do so; and
 - d) that other organ of state and the provider have consented to such procurement in writing.
- (2) Subparagraphs 31(1)(c) and (d) do not apply if –
 - a) a municipal entity procures goods or services through a contract secured by its parent municipality; or
 - b) a municipality procures goods or services through a contract secured by a municipal entity of which it is the parent municipality.
- (3) If paragraph (1) is complied with, Theewaterskloof Municipality must request at least the following documents from the relevant organ of state and service provider as referred to under subparagraph (1)(d) –
 - a) A written declaration confirming –
 - (i) That the organ of state followed a competitive bidding process applicable to it;
 - (ii) That the organ of state has no reason to believe that the contract was not validly procured by itself;
 - (iii) That the organ of state evaluated the bid in terms of price and preference and if applicable, in terms of functionality or quality, and concluded that the bid(s) that were accepted were in all aspects the best compliant and respective bid(s); and
 - (iv) That the organ of state gives formal written permission to Theewaterskloof Municipality to procure goods and / or services from the approved bid(s) as accepted by the organ of state;
 - b) Minutes of the organ of state's Bid Evaluation Committee at which the specific bid was evaluated;
 - c) Minutes of the organ of state's Bid Adjudication Committee at which the bid was awarded or the approval of the Accounting Officer of that organ of state who approved the bid;
 - d) A copy of the successful bidder(s) bid submissions; and
 - e) Written consent from the service provider.
- (4) If Theewaterskloof Municipality should enter into a contract secured by other organs of state, it shall enter into a contract with the successful bidder(s) on the same terms and conditions as accepted by the relevant organ of state.

33. PROCUREMENT OF GOODS NECESSITATING SPECIAL SAFETY ARRANGEMENTS

- (1) The acquisition and storage of goods in bulk (other than water), which necessitate special safety arrangements, including gasses and fuel, should be avoided where ever possible.

- (2) Where the storage of goods in bulk is justified, such justification must be based on sound reasons, including the total cost of ownership, cost advantages and environmental impact and must be approved by the Accounting Officer.

34. PROUDLY SA CAMPAIGN

- (1) Theewaterskloof Municipality supports the Proudly SA Campaign to the extent that, all things being equal, preference is given to procuring local goods and services from:
- Firstly – suppliers and businesses within the municipality or district;
 - Secondly – suppliers and businesses within the relevant province;
 - Thirdly – suppliers and businesses within the Republic of South Africa.

35. APPOINTMENT OF CONSULTANTS

- (1) A supply chain management policy may allow the accounting officer to procure consulting services provided that any Treasury guidelines in respect of consulting services are taken into account when such procurement is made.
- (2) A contract for the provision of consultancy services to a municipality or municipal entity must be procured through competitive bids if—
- (a) the value of the contract exceeds—
 - (i) R300 000 (VAT included), in the case of a local municipality;
 - (b) the period of the contract exceeds one year.”
- (3) In addition to any requirements prescribed by this policy for competitive bids, bidders must furnish particulars of –
- a) all consultancy services provided to an organ of state in the last five years; and
 - b) any similar consultancy services provided to an organ of state in the last five years.
- (4) The Accounting Officer must ensure that copyright in any document produced, and the patent rights or ownership in any plant, machinery, thing, system or process designed or devised, by a consultant in the course of the consultancy service is vested in the Theewaterskloof Municipality.
- (5) Where the estimated value of fees is less than R300 000 and the duration of the appointment is less than one year, any National Treasury and, where applicable, Construction Industry Development Board guidelines in respect of consultancy services and Council's Containment Policy are taken into account.
- (6) The procurement of Consultants will be done in accordance with the prescripts contained in the Policy on the use of Consultants. Should a difference of interpretation arise between this policy and the Policy on the use of Consultants, the interpretation as ascribed to in this policy will prevail.

36. DEVIATION FROM, AND RATIFICATION OF MINOR BREACHES OF, PROCUREMENT PROCESSES

- (1) The Accounting Officer may –
- a) dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –

- (i) in an emergency; (An emergency is an unforeseeable sudden event with harmful or potential harmful consequences for the municipality which requires urgent action to address.)

Circumstances that warrant emergency dispensation, includes but are not limited to –

- a) the possibility of human injury or death,
- b) the prevalence of human suffering or deprivation of rights,
- c) the possibility of damage to property, or suffering and death of livestock and animals, the interruption of essential services, including transportation and communication facilities or support services critical to the effective functioning of the municipality as a whole, the possibility of serious damage occurring to the natural environment,
- d) the possibility that failure to take necessary action may result in the municipality not being able to render an essential community service,
- e) the possibility that the security of the state could be compromised.

The prevailing situation, or imminent danger, should be of such a scale and nature that it could not readily be alleviated by interim measures, in order to allow time for the formal tender process.

Procurement in the case of emergency must be approved by the Accounting Officer or delegated authority prior to processing of the expenditure (before issuing an instruction to the supplier)

- (ii) if such goods or services are produced or available from a single source or sole provider only (as per definition);
- (iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;
- (iv) acquisition of animals for zoos and/or nature and game reserves; or
- (v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes; and
- (vi) strip and quote

- b) ratify any minor breaches of the procurement processes by an official or Committee acting in terms of delegated powers or duties which are purely of a technical nature.

- (2) The Accounting Officer must record the reasons for any deviations in terms of subparagraphs 36(1)(a) and (b) of this policy and report them to the next meeting of the council and include as a note to the annual financial statements.

- (3) Subparagraph 36(2) does not apply to the procurement of goods and services contemplated in paragraph 11(2) of this policy.

37. UNSOLICITED BIDS

- (1) In accordance with section 113 of the Act there is no obligation to consider unsolicited bids received outside a normal bidding process.
- (2) The Accounting Officer may decide in terms of section 113(2) of the Act to consider an unsolicited bid, only if –
 - a) the product or service offered in terms of the bid is a demonstrably or proven unique innovative concept;

- b) the product or service will be exceptionally beneficial to, or have exceptional cost advantages;
 - c) the person who made the bid is the sole provider of the product or service; and
 - d) the reasons for not going through the normal bidding processes are found to be sound by the Accounting Officer.
- (3) If the Accounting Officer decides to consider an unsolicited bid that complies with subparagraph 36(2) of this policy, the decision must be made public in accordance with section 21A of the Municipal Systems Act, together with –
- a) reasons as to why the bid should not be open to other competitors;
 - b) an explanation of the potential benefits if the unsolicited bid were accepted; and
 - c) an invitation to the public or other potential suppliers to submit their comments within 30 days of the notice.
- (4) The Accounting Officer must submit all written comments received pursuant to subparagraph 36(3), including any responses from the unsolicited bidder, to the National Treasury and the relevant provincial treasury for comment.
- (5) The Adjudication Committee must consider the unsolicited bid and may award the bid or make arecommendation to the Accounting Officer, depending on its delegations.
- (6) A meeting of the Adjudication Committee to consider an unsolicited bid must be open to the public.
- (7) When considering the matter, the Adjudication Committee must take into account –
- a) any comments submitted by the public; and
 - b) any written comments and recommendations of the National Treasury or the relevant provincial treasury.
- (8) If any recommendations of the National Treasury or provincial treasury are rejected or not followed, the Accounting Officer must submit to the Auditor General, the relevant provincial treasury and the National Treasury the reasons for rejecting or not following those recommendations.
- (9) Such submission must be made within seven days after the decision on the award of the unsolicited bid is taken, but no contract committing the Theewaterskloof Municipality to the bid may be entered into or signed within 30 days of the submission.

38. COMBATING OF ABUSE OF SUPPLY CHAIN MANAGEMENT SYSTEM

- (1) The Accounting Officer must–
- a) take all reasonable steps to prevent abuse of the supply chain management system;
 - b) investigate any allegations against an official or other role player of fraud, corruption, favouritism, unfair or irregular practices or failure to comply with this Policy, and when justified –
 - (i) take appropriate steps against such official or other role player; or
 - (ii) report any alleged criminal conduct to the South African Police Service;

- c) check the National Treasury's database prior to awarding any contract to ensure that no recommended bidder, or any of its directors, is listed as a person prohibited from doing business with the public sector;
 - d) reject any bid from a bidder –
 - (i) if any municipal rates and taxes or municipal service charges owed by that bidder or any of its directors to the Theewaterskloof Municipality, or to any other municipality or municipal entity, are in arrears for more than three months; or
 - (ii) who during the last five years has failed to perform satisfactorily on a previous contract with the Theewaterskloof Municipality or any other organ of state after written notice was given to that bidder that performance was unsatisfactory;
 - e) reject a recommendation for the award of a contract if the recommended bidder, or any of its directors, has committed a corrupt or fraudulent act in competing for the particular contract;
 - f) cancel a contract awarded to a person if –
 - (i) the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract; or
 - (ii) an official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of the contract that benefited that person; and
 - g) reject the bid of any bidder if that bidder or any of its directors –
 - (i) has abused the supply chain management system of the Theewaterskloof Municipality or has committed any improper conduct in relation to such system;
 - (ii) has been convicted for fraud or corruption during the past five years;
 - (iii) has wilfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
 - (iv) has been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).
- (2) The Accounting Officer must inform the National Treasury and relevant provincial treasury in writing of any actions taken in terms of subparagraphs 38(1)(b)(ii), (e) or (f) of this policy.

PART 3: LOGISTICS, DISPOSAL, RISK AND PERFORMANCE MANAGEMENT

39. LOGISTICS MANAGEMENT

- (1) The Accounting Officer must establish and implement an effective system of logistics management, which must include -
- a) the monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number;
 - b) the setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock;
 - c) the placing of manual or electronic orders for all acquisitions other than those from petty cash;
 - d) before payment is approved, certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract;
 - e) appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased;
 - f) regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes; and
 - g) monitoring and review of the supply vendor performance to ensure compliance with

specifications and contract conditions for particular goods or services.

40. DISPOSAL MANAGEMENT

- (1) The criteria for the disposal or letting of assets, including unserviceable, redundant or obsolete assets, subject to sections 14 and 90 of the Act, are as follows:
- (2) Assets may be disposed of by –
 - a) transferring the asset to another organ of state in terms of a provision of the Act enabling the transfer of assets;
 - b) transferring the asset to another organ of state at market related value or, when appropriate, free of charge;
 - c) selling the asset; or
 - d) destroying the asset.
- (3) The Accounting Officer must ensure that –
 - a) immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise;
 - b) movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous;
 - c) firearms are not sold or donated to any person or institution within or outside the Republic of South Africa unless approved by the National Conventional Arms Control Committee;
 - d) immovable property is let at market related rates except when the public interest or the plight of the poor demands otherwise;
 - e) all fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed;
 - f) where assets are traded in for other assets, the highest possible trade-in price is negotiated; and
 - g) in the case of the free disposal of computer equipment, the provincial department of education is first approached to indicate within 30 days whether any of the local schools are interested in the equipment.
- (4) For purposes of Sec. 14 of the act the Asset Management policy will be deemed to form part of this policy.
- (5) Should a difference of interpretation arise between this policy and the Asset Management policy, the interpretation as ascribed to in this policy will prevail.

41. RISK MANAGEMENT

- (1) The criteria for an effective risk management strategy within supply chain management system, should include the identification, consideration and avoidance of potential risks.
- (2) Risk management should include –
 - a) the identification of risks on a case-by-case basis;
 - b) the allocation of risks to the party best suited to manage such risks;
 - c) acceptance of the cost of the risk where the cost of transferring the risk is greater than that of retaining it;

- d) the management of risks in a pro-active manner and the provision of adequate cover for residual risks; and
- e) the assignment of relative risks to the contracting parties through clear and unambiguous contract documentation.

PART 4: OTHER MATTERS

42. PROHIBITION ON AWARDS TO PERSONS WHOSE TAX MATTERS ARE NOT IN ORDER

- (1) No award above R 15 000 may be made in terms of this Policy to a person whose tax matters have not been declared by the South African Revenue Service to be in order.
- (2) Before making an award to a person the accounting person must first check with SARS whether that person's tax matters are in order.
- (3) Where the recommended bidder is not tax compliant, the bidder should be notified of the non-compliant status and be requested to submit written proof of tax compliance from SARS within 7 working days from notification. The proof of tax compliance submitted by the bidder must be verified by the municipality. The municipality will reject a bid submitted by the bidder if such bidder fails to provide proof of tax compliance within the timeframe as set out in this sub-paragraph. The proof of tax compliance status submitted by the bidder to the Municipality or municipal entity must be verified via CSD or e-Filing.
- (4) Theewaterskloof Municipality will process transactions per supplier on the proviso that the accumulative amounts per supplier does not exceed R 15 000 (including VAT) per financial year, without the required tax clearance certificate as per clause 42(1) above.

43. PROHIBITION ON AWARDS TO PERSONS IN THE SERVICE OF THE STATE

- (1) Irrespective of the procurement process followed, no award may be made to a person in terms of this Policy –
 - a) who is in the service of the state;
 - b) if that person is not a natural person, of which any director, manager, principal shareholder or stakeholder is a person in the service of the state; or
 - c) a person who is an advisor or consultant contracted with the Theewaterskloof Municipality.
- (2) As no award may be given to a person who is in the service of the state, it is expected of all prospective bidders to declare their interest in the prescribed forms in the bidding documents
- (3) Theewaterskloof Municipality use the Central Supplier Database of National Treasury as a compliance tool in line with clause 14 of this policy for all procurement. The municipality may utilize mechanisms at its disposal to determine whether a person is in the service of the state.

44. AWARDS TO CLOSE FAMILY MEMBERS OF PERSONS IN THE SERVICE OF THE STATE

- (1) The Accounting Officer must ensure that the notes to the annual financial statements disclose particulars of any award of more than R2,000 to a person who is a spouse, domestic partner, dependent child or relative living in a common household; a grandparent, parent, nondependent child, grandchild, brother or sister; a parent-in-law, a brother-in-law or a sister-in-law of a person in the service of the state, or has been in the service of the state in the previous twelve months, including –
- a) the name of that person;
 - b) the capacity in which that person is in the service of the state; and
 - c) the amount of the award.

45. ETHICAL STANDARDS

- (1) A code of ethical standards as set out in [subparagraph (2) / **the “National Treasury’s code of conduct for SupplyChain Management practitioners and other role players involved in Supply Chain Management”**] is hereby established for officials and other role players in the Supply Chain Management system of the Theewaterskloof Municipality in order to promote –
- a) mutual trust and respect; and
 - b) an environment where business can be conducted with integrity and in a fair and reasonable manner.
- (2) An official or other role player involved in the implementation of the supply chain management policy –
- a) must treat all providers and potential providers equitable;
 - b) may not use his or her position for private gain or to improperly benefit another person;
 - c) may not accept any reward, gift, favour, hospitality or other benefit directly or indirectly, including to any close family member, partner or associate of that person, of a value more than R 350;
 - d) must declare to the Accounting Officer details of any private or business interest which that person, or any close family member, partner or associate, may have in any proposed procurement or disposal process of, or in any award of a contract by, the municipality;
 - e) must immediately withdraw from participating in any manner whatsoever in a procurement or disposal process or in the award of a contract in which that person, or any close family member, partner or associate, has any private or business interest;
 - f) must be scrupulous in his or her use of property belonging to the Theewaterskloof Municipality;
 - g) must assist the Accounting Officer in combating fraud, corruption, favouritism and unfair and irregular practices in the supply chain management system; and
 - h) must report to the Accounting Officer any alleged irregular conduct in the Supply Chain Management system which that person may become aware of, including –
 - (i) any alleged fraud, corruption, favoritism or unfair conduct;
 - (ii) any alleged contravention of paragraph 45(1) of this policy; or
 - (iii) any alleged breach of this code of ethical standards.
- (3) Declarations in terms of subparagraph (2)(d) and (e) -
- a) must be recorded in a register which the accounting officer must keep for this purpose; and

b) all declarations by the Accounting Officer must be made to the mayor of Theewaterskloof Municipality who must ensure that such declarations are recorded in the register.

(4) The National Treasury's code of conduct and Schedule 2 of the Systems Act must be adhered to by Supply Chain Management practitioners and other role players involved in supply chain management. (Annexed to this Policy)

(5) A breach of the code of ethics must be dealt with as follows -

- a) in the case of an employee, in terms of the disciplinary procedures of the Theewaterskloof Municipality envisaged in section 67(1)(h) of the Municipal Systems Act;
- b) in a case a councillor, in terms of Schedule 1 of the Systems Act;
- c) in the case a role player who is not an employee, through other appropriate means in recognition of the severity of the breach;
- d) All instances of non-compliance this policy should be reported to the Accounting Officer and must be dealt with in terms of chapter 15 of the Act.

46. INDUCEMENTS, REWARDS, GIFTS AND FAVOURS TO MUNICIPALITIES, OFFICIALS AND OTHER ROLE PLAYERS

(1) No person who is a provider or prospective provider of goods or services, or a recipient or prospective recipient of goods disposed or to be disposed of may either directly or through a representative or intermediary promise, offer or grant –

- a) any inducement or reward to the Theewaterskloof Municipality for or in connection with the award of a contract; or
- b) any reward, gift, favour or hospitality to –
 - (i) any official; or
 - (ii) any other role player involved in the implementation of this Policy.

(2) The Accounting Officer must promptly report any alleged contravention of subparagraph 46(1) to the National Treasury for considering whether the offending person, and any representative or intermediary through which such person is alleged to have acted, should be listed in the National Treasury's database of persons prohibited from doing business with the public sector.

(3) Subparagraph 46(1) does not apply to gifts less than R350 in value.

47. SPONSORSHIPS

(1) The Accounting Officer must promptly disclose to the National Treasury and the relevant provincial treasury any sponsorship promised, offered or granted, whether directly or through a representative or intermediary, by any person who is –

- a) a provider or prospective provider of goods or services; or
- b) a recipient or prospective recipient of goods disposed or to be disposed.

48. OBJECTIONS AND COMPLAINTS

(1) Persons aggrieved by decisions or actions taken in the implementation of this supply chain management system, may lodge within 14 days of the decision or action, a written objection or complaint against the decision or action.

49. RESOLUTION OF DISPUTES, OBJECTIONS, COMPLAINTS AND QUERIES

- (1) The Accounting Officer may, if deem (sic) so, appoint an independent and impartial person, not directly involved in the supply chain management processes –
 - a) To assist in the resolution of disputes between the Theewaterskloof Municipality and other persons regarding –
 - (i) Any decisions or actions taken in the implementation of the supply chain management system; or
 - (ii) Any matter arising from a contract awarded in the course of the supply chain management system.
 - b) To deal with objections, complaints or queries regarding any such decisions or actions or any matters arising from such contract.
- (2) The Accounting Officer, or another official designated by the Accounting Officer, is responsible for assisting the appointed person to perform his or her functions effectively.
- (3) The person appointed must, if appointed –
 - a) Strive to resolve promptly all disputes, objections, complaints or queries received; and
 - b) Submit monthly reports to the Accounting Officer on all disputes, objections, complaints or queries received, attended to or resolved.
- (4) A dispute, objection, complaint or query may be referred to the relevant provincial treasury if –
 - a) The dispute, objection, complaint or query is not resolved within 60 days; or
 - b) No response is forthcoming within 60 days.
- (5) If the Provincial Treasury does not or cannot resolve the matter, the dispute, objection, complaint or query may be referred to the National Treasury for resolution.
- (6) This paragraph must not be read as affecting a person's rights to approach a court at any time.

50. CONTRACTS PROVIDING FOR COMPENSATION BASED ON TURNOVER

- (1) If a service provider acts on behalf of Theewaterskloof Municipality to provide any service or act as a collector of fees, service charges or taxes and the compensation payable to the service provider is fixed as an agreed percentage of turnover for the service or the amount collected, the contract between the service provider and the Theewaterskloof Municipality must stipulate–
 - a) a cap on the compensation payable to the service provider; and
 - b) that such compensation must be performance based.

51. MANAGEMENT OF EXPANSION OR VARIATION OF ORDERS AGAINST THE ORIGINAL CONTRACT

- (1) The Accounting Officer may expand or vary orders against the original contract by -
 - a) not more than 20% for construction related goods, services and/or infrastructure projects; and;
 - b) by not more than 15% for all other goods and/or services of the original value of the contract.
- (2) Any expansion or variation in excess of these thresholds must be dealt with in terms of the provisions of section 116(3) of the Act which will be regarded as an amendment to the contract.

- (3) The contents of paragraph (2) are not applicable to transversal term contracts, facilitated by the relevant treasuries on behalf of municipalities and specific term contracts. The latter refers to orders placed as and when commodities are required and at the time of awarding contracts, the required quantities were unknown.

52. RIGHT OF APPEAL

- (1) In terms of Section 62 of the Municipal Systems Act (Act 32 of 2000 as amended), a person whose rights are affected by a decision taken by the Municipality, in terms of a delegated authority, in the implementation of its supply chain management system, may appeal against that decision by giving written notice of the appeal and reasons to the Accounting Officer within 21 days of the date of receipt of the notification of the decision.
- (2) Notification of the decision must state that any appeal must be submitted in writing to the Municipal Manager and must at least contain the following information:
- a) The reasons and / or grounds for the appeal;
 - b) The way in which the appellants rights have been affected; and
 - c) The remedy sought by the appellant.
- (3) The appeal authority must consider the appeal and confirm, vary or revoke the decision, but no such variation or revocation of a decision may detract from any rights that may have accrued as a result of the decision.
- (4) No bid shall be formally accepted until either the expiry of the 21 day appeal period, or confirmation in writing before the expiry of the 21 day appeal period that none of the affected parties intended to appeal, or confirmation of the satisfactory resolution of any appeals.

53. CONTRACT ADMINISTRATION AND MANAGEMENT

- 1) Line departments are fully responsible for contract administration and management.
- 2) Contract administration includes all administrative duties associated with a contract that has arisen through one of the acquisition/procurement processes described in this policy or an Act.
- 3) All contracts must be monitored, managed and administered by the contract owner and/or contract manager.
- 4) The contract manager will typically be the internal project manager assigned to the project as a whole but may also be a cost centre owner or other responsible official.
- 5) A contract owner and manager must be assigned to each contract and, where possible, should be involved from the earliest stages of the acquisition process.
- 6) The contract manager's duties and powers shall be governed by the conditions of contract and the general law.
- 7) In administering a contract, the contract manager will be required to form opinions and make decisions which, while in the Municipality's best interests, must be fair to all parties concerned.

- 8) Directors shall be responsible for ensuring that contract owners and managers-
- a) are assigned to all contracts within the Department Head's area of responsibility; and
 - b) are adequately trained so that they can exercise the necessary level of responsibility in the performance of their duties.
- 9) The contract owner and/or manager must:
- a) ensure that all the necessary formalities in signing up of legally sound contracts and/or issuing the purchase order(s) are adhered to related to goods and services, excluding CIDB tenders;
 - b) ensure that legally sound contracts for goods, services and CIDB related procurement are provided to Supply Chain Management Unit who will obtain the signature of the accounting officer;
 - c) ensure that all original contract documentation is lodged with the Supply Chain Management Unit for record purposes;
 - d) monitor the performance of the contractor in order to ensure that all of the terms and conditions of the contract are met;
 - e) where necessary, take appropriate action where a contractor is underperforming or is in default or breach of the contract;
 - f) present proof of information in paragraph (e) or submit a report with relevant proof of the breaches of the contract to the Senior Manager: Legal Services and Manager: Supply Chain Management for initiating appropriate action if remedies addressed in agreement with the contractor or service provider cannot be resolved;
 - g) where appropriate, authorise payments due in terms of the contract by processing payment certificates (if applicable),
 - h) manage contract variations or change procedures;
 - i) administer disputes where necessary, in terms of this policy and the applicable Conditions of Contract;
 - j) conduct, if necessary, post contract reviews;
 - k) maintain adequate records (paper and/or electronic) in sufficient detail on an appropriate contract file to provide an audit trail;
 - l) act with care and diligence and observe all accounting and legal requirements;
 - m) complete and update the contracts registered on the i-Tender systems as required;
 - n) report non-performance and non-compliance of contractors to the CIDB as per the CIDB guidelines;
 - o) maintain all aspects required, if applicable, in terms of the CIDB regulations and guidelines; and
 - p) periodically review contracts or agreements once every three years in the case of a contract or agreement awarded for longer than three years and provide a report to SCM in compliance with Section 116(1)(b)(iii) of the MFMA.
- 10) The Supply Chain Management officials must:
- a) provide all contracts for tenders awarded to the accounting officer for signature;
 - b) register the award or cancellation of all CIDB related contracts within 21 days of the signing of the contract in terms of Regulation 18 of the CIDB Regulations on the website of the CIDB and ePortal (if applicable);
 - c) register the award or cancellation of all contracts for goods and service within 21 days of the signing of the contract on the ePortal;

- d) file proof of registration on CIDB for audit purposes; and
- e) file proof of registration on ePortal for audit purposes.

54. PERFORMANCE MANAGEMENT

- 1) The Accounting Officer must establish and implement an internal monitoring system in order to determine, on the basis of a retrospective analysis, whether the authorised supply chain management processes were followed and whether the objectives of this Policy were achieved. The retrospective analysis will link to the regulatory reports and submissions on the implementation of the Supply Chain Management Policy to the delegated authorities as prescribed in terms of supply chain management regulations and the delegation system of council, as amended from time to time
- 2) In the case of goods and services supplied in response to a quotation or deviation invited by the section of the Municipality which requested the goods or service must certify on the supplier's invoice that the goods or service had been supplied in accordance with the Municipality's requirements before payment is made.
- 3) The appointed contract manager which required the goods or a service in terms of a competitive bidding process must ensure that the goods had been delivered or the service completed according to the Municipality's quality and other requirements as specified in the relevant bid documentation.
- 4) In the case of goods or services procured through a tender process as specified in terms of paragraph 18 of this Policy, the Director must provide a written report on a monthly basis on all bids awarded, whether it is a progress report or a report of completion per supplier per tender before the 10th working day of each month.
- 5) The monthly report must include items listed in paragraph 49(9) in terms of-
 - a) whether or not the performance of the supplier was satisfactory in terms of adherence to specifications and delivery or completion schedules,
 - b) level of product or service quality and/or quality of workmanship;
 - c) details, supported by copies of any written notifications regarding service delivery given to the supplier;
 - d) a recommendation, if applicable, on any further action to be taken against the supplier in terms of paragraph 37 of this Policy.

55. CONTRACTS HAVING BUDGETARY IMPLICATIONS BEYOND THREE FINANCIAL YEARS

Theewaterskloof 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.

Commencement: This Policy took effect on 29 June 2006

<i>Approved /Amended</i>	<i>Meeting</i>	<i>Date</i>	<i>Council Resolution</i>
<i>Approved</i>	<i>Council</i>	<i>2006/11/01</i>	<i>C69/2006</i>

THEEWATERSKLOOF MUNICIPALITY
SUPPLY CHAIN MANAGEMENT POLICY

<i>Approved Amended Policy</i>	<i>Council</i>	<i>2010/11/23</i>	<i>C105/2010</i>
<i>Review Date</i>	<i>Mgt.</i>	<i>2013/01/17</i>	<i>N/A</i>
<i>Approved Amended Policy</i>	<i>Council</i>	<i>2013/01/24</i>	<i>C10/2013</i>
<i>Review Date</i>	<i>SCM</i>	<i>2013/03/05</i>	<i>N/A</i>
<i>Approved Amended Policy</i>	<i>Council</i>	<i>2013/05/28</i>	<i>C51/2013</i>
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<i>Review Date</i>	<i>SCM</i>	<i>2013/09/26</i>	<i>N/A</i>
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<i>Approved Amended Policy</i>	<i>Council</i>	<i>2014/03/27</i>	<i>C27/2014</i>
<i>Review Date</i>	<i>SCM + Legal</i>	<i>2015/03/13</i>	<i>N/A</i>
<i>Review Date</i>	<i>CFO + Legal + SCM</i>	<i>2015/03/17</i>	<i>N/A</i>
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<i>Review Date</i>	<i>SCM</i>	<i>2015/10/19</i>	<i>N/A</i>
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<i>Review Date</i>	<i>Dep. CFO, SCM & Legal</i>	<i>2016/03/07</i>	<i>N/A</i>
<i>Review Date</i>	<i>CFO & SCM</i>	<i>2016/03/08</i>	<i>N/A</i>
<i>Approved Amended Policy</i>	<i>Council</i>	<i>2016/03/23</i>	<i>C19/2016</i>
<i>Review Date</i>	<i>Dep. CFO & SCM</i>	<i>2017/01/26</i>	<i>N/A</i>
<i>Approved Amended Policy</i>	<i>Council</i>	<i>2017/02/23</i>	<i>C34/2017</i>
<i>Review Date</i>	<i>Dep. CFO & SCM</i>	<i>2018/03/06</i>	<i>N/A</i>
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<i>Final Approval</i>	<i>Council</i>		

APPENDIX A: CODE OF CONDUCT FOR SCM ROLE PLAYERS



THE NATIONAL TREASURY

MUNICIPALITY / MUNICIPAL ENTITY

CODE OF CONDUCT FOR SUPPLY CHAIN MANAGEMENT PRACTITIONERS AND OTHER ROLE PLAYERS

The **purpose** of this Code of Conduct is to promote mutual trust and respect and an environment where business can be conducted with integrity and in a fair and reasonable manner.

1 General Principles

The municipality commits itself to a policy of fair dealing and integrity in the conducting of its business. Officials and other role players involved in supply chain management (SCM) are in a position of trust, implying a duty to act in the public interest. Officials and other role players should not perform their duties

to unlawfully gain any form of compensation, payment or gratuities from any person, or provider/contractor

for themselves, their family or their friends.

- 1.1 Officials and other role players involved in SCM should ensure that they perform their duties efficiently, effectively and with integrity, in accordance with the relevant legislation, policies and guidelines. They should ensure that public resources are administered responsibly.
- 1.2 Officials and other role players involved in SCM should be fair and impartial in the performance of their functions. They should at no time afford any undue preferential treatment to any group or individual or unfairly discriminate against any group or individual. They should not abuse the power and authority vested in them.

2 Conflict of interest

An official or other role player involved with supply chain management –

- (a) must treat all providers and potential providers equitably;
- (b) may not use his or her position for private gain or to improperly benefit another person;
- (c) may not accept any reward, gift, favor, hospitality or other benefit directly or indirectly, including to any close family member, partner or associate of that person, of a value more than R350;
- (d) must declare to the accounting officer details of any reward, gift, favor, hospitality or other benefit promised, offered or granted to that person or to any close family member, partner or associate of that person;
- (e) must declare to the accounting officer details of any private or business interest which that person, or any close family member, partner or associate, may have in any proposed procurement or disposal process, or in any award of a contract by the municipality;
- (f) must immediately withdraw from participating in any manner whatsoever in a procurement or disposal process or in the award of a contract in which that person, or any close family member, partner or associate, has any private or business interest;
- (g) must declare any business, commercial and financial interests or activities undertaken for financial gain that may raise a possible conflict of interest;
- (h) should not place him/herself under any financial or other obligation to outside individuals or organizations that might seek to influence them in the performance of their official duties; and
- (i) should not take improper advantage of their previous office after leaving their official position.

3 Accountability

- 3.1 Practitioners are accountable for their decisions and actions to the public.
- 3.2 Practitioners should use public property scrupulously.
- 3.3 Only accounting officers or their delegates have the authority to commit the municipality to any transaction for the procurement of goods and / or services.
- 3.4 All transactions conducted by a practitioner should be recorded and accounted for in an appropriate accounting system. Practitioners should not make any false or misleading entries into such a system for any reason whatsoever.

Practitioners must assist the accounting officer in combating fraud, corruption, favoritism and unfair and irregular practices in the supply chain management system. Practitioners must report to the accounting officer any alleged irregular conduct in the supply chain management system which that person may become aware of, including

- (i) any alleged fraud, corruption, favoritism or unfair conduct;
- (ii) any alleged contravention of the policy on inducements, rewards, gifts and favors to municipalities or municipal entities, officials or other role players; and
- (iii) any alleged breach of this code of conduct.

Any declarations made must be recorded in a register which the accounting officer must keep for this purpose. Any declarations made by the accounting officer must be made to the mayor who must ensure that such declaration is recorded in the register.

4 Openness

Practitioners should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only if it is in the public interest to do so.

5 Confidentiality

Any information that is the property of the municipality or its providers should be protected at all times. No information regarding any bid / contract / bidder / contractor may be revealed if such an action will infringe on the relevant bidder's / contractor's personal rights.

Matters of confidential nature in the possession of officials and other role players involved in SCM should be kept confidential unless legislation, the performance of duty or the provisions of law requires otherwise.

Such restrictions also apply to officials and other role players involved in SCM after separation from service.

6 Bid Specification / Evaluation / Adjudication Committees

- 6.1 Bid Specification, Evaluation and Adjudication Committees should implement supply chain management on behalf of the municipality in an honest, fair, impartial, transparent, cost-effective and accountable manner.
- 6.2. Bid Evaluation / Adjudication Committees should be familiar with and adhere to the prescribed legislation, directives and procedures in respect of supply chain management in order to perform effectively and efficiently.
- 6.3 All members of Bid Adjudication Committees should be cleared by the accounting_officer at the level of "CONFIDENTIAL" and should be required to declare their financial interest annually.
- 6.4 No person should-
 - 6.4.1 interfere with the supply chain management system of the; or
 - 6.4.2 amend or tamper with any price quotation / bid after its submission.

7 Combative Practices

Combative practices are unethical and illegal and should be avoided at all cost. They include but are not limited to:

- (i) Suggestions to fictitious lower quotations;
- (ii) Reference to non-existent competition;
- (iii) Exploiting errors in price quotations / bids;
- (iv) Soliciting price quotations / bids from bidders / contractors whose names appear on the Register for Tender Defaulters.

SCHEDULE 1 (Municipal Systems Act 2000, Act no 32)

CODE OF CONDUCT FOR COUNCILLORS

Preamble

Councillors are elected to represent local communities on municipal councils, to ensure that municipalities have structured mechanisms of accountability to local communities, and to meet the priority needs of communities by providing services equitably, effectively and sustainable within the means of the municipality. In fulfilling this role councillor must be accountable to local communities and report back at least quarterly to constituencies on council matters, including the performance of the municipality in terms of established indicators. In order to ensure that councillors fulfil their obligations to their communities, and support the achievement by the municipality of its objectives set out in section 19 of the Municipal Structures Act, the following Code of Conduct is established.

Definitions

1. In this Schedule 'partner' means a person who permanently lives with another person in a manner as if married.

General conduct of councillors

2. A councillor must—
 - (a) perform the functions of office in good faith, honestly and a transparent manner; and
 - (b) at all times act in the best interest of the municipality and in such a way that the credibility and integrity of the municipality are not compromised.

Attendance at meetings

3. A councillor must attend each meeting of the municipal council and of a Committee of which that councillor is a member, except when—
 - (a) leave of absence is granted in terms of an applicable law or as determined by the rules and orders of the council; or
 - (b) that councillor is required in terms of this Code to withdraw from the meeting.Sanctions for non-attendance of meetings
4. (1) A municipal council may impose a fine as determined by the standing rules and orders of the municipal council on a councillor for:

- (a) not attending a meeting which that councillor is required to attend in terms of item 3; or
 - (b) failing to remain in attendance at such a meeting.
- (2) A councillor who is absent from three or more consecutive meetings of a municipal council, or from three or more consecutive meetings of a committee, which that councillor required to attend in terms of item 3, must be removed from office as a councillor.
- (3) Proceedings for the imposition of a fine or the removal of a councillor must be conducted in accordance with a uniform standing procedure which each municipal council must adopt for the purposes of this item. The uniform standing procedure must comply with the rules of natural justice.

Disclosure of interests

- 5.
 - (1) A councillor must—
 - (a) disclose to the municipal council, or to any committee of which that councillor is a member, any direct or indirect personal or private business interest that that councillor, or any spouse, partner or business associate of that councillor may have in any matter before the council or the committee: and
 - (b) withdraw from the proceedings of the council or committee when that matter is considered by the council or committee, unless the council or committee decides that the councillor's direct or indirect interest in the matter is trivial or irrelevant.
 - (2) A councillor who, or whose spouse, partner, business associate or close family member, acquired or stands to acquire any direct benefit from a contract concluded with the municipality, must disclose full particulars of the benefit of which the councillor is aware at the first meeting of the municipal council at which it is possible for the councillor to make the disclosure.
 - (3) This section does not apply to an interest or benefit which a councillor or, or a spouse, partner, business associate or close family member, has or acquires in common with other residents of the municipality.

Personal gain

- 6.
 - (1) A councillor may not use the position or privileges of councillor, or confidential information obtained as a councillor, for private gain or to improperly benefit another person.
 - (2) Except with the prior consent of the municipal council, a councillor may not—
 - (a) be a party to or beneficiary under a contract for—
 - (i) the provision of goods or services to the municipality; or
 - (ii) the performance of any work otherwise than as a councillor for the municipality;

- (b) obtain a financial interest in any business of the municipality: or
 - (c) for a fee or other consideration appear on behalf of any other person before the council or a committee.
- (3) If more than one quarter of the councillor's object to consent being given to a councillor in terms of sub item (2) such consent may only be given to the councillor with the approval of the MEC for local government in the province.

Declaration of interests

7. (1) When elected or appointed, a councillor must within 60 days declare in writing to the Accounting Officer the following financial interests held by that councillor:
- (a) shares and securities in any company;
 - (b) membership of any close corporation;
 - (c) interest in any trust;
 - (d) directorships;
 - (e) partnerships;
 - (f) other financial interests in any business undertaking;
 - (g) employment and remuneration;
 - (h) interest in property;
 - (i) pension; and
 - (j) subsidies, grants and sponsorships by any organization.
- (2) Any change in the nature or detail of the financial interests of a councillor must be declared in writing to the Accounting Officer annually.
- (3) Gifts received by a councillor above a prescribed amount must also be declared in accordance with sub item (1).
- (4) The municipal council must determine which of the financial interests referred in sub item (1) must be made public having regard to the need for confidentiality and the public interest for disclosure.

Full-time councillors

8. A councillor who is full-time councillor may not undertake any other paid work, except with the consent of a municipal council which consent shall not unreasonably be withheld.

Rewards, gifts and favors

9. A councillor may not request, solicitor accept any reward, gift or favor for—

- (a) voting or not voting in a particular manner on any matter before the municipal council or before a committee of which that councillor is a member;
- (b) persuading the council or any committee in regard to the exercise of any power, function or duty;
- (c) making a representation to the council or any committee of the council; or
- (d) disclosing privileged or confidential information.

Unauthorized disclosure of information

10. (1) A councillor may not without the permission of the municipal council or a committee disclose any privileged or confidential information of the council or committee to any unauthorized person.
- (2) For the purpose of this item 'privileged or confidential information' includes any information—
- (a) determined by the municipal council or committee to be privileged or confidential;
 - (b) discussed in closed session by the council or committee;
 - (c) disclosure of which would violate a person's right to privacy; or
 - (d) declared to be privileged, confidential or secret in terms of law.
- (3) This item does not derogate from the right of any person to access to information in terms of national legislation.

Intervention in administration

11. A councillor may not, except as provided by law—
- (a) interfere in the management or administration of any department of the municipal council unless mandated by council;
 - (b) give or purport to give any instruction to any employee of the council except when authorized to do so;
 - (c) obstruct or attempt to obstruct the implementation of any decision of the council or a committee by an employee of the council: or
 - (d) encourage or participate in any conduct which would cause or contribute to misadministration in the council.

Council property

12. A councillor may not use, take, acquire or benefit from any property or asset owned, controlled or managed by the municipality to which that council or has no right.

Duty of chairpersons of municipal councils

13. (1) If the chairperson of a municipal council, on reasonable suspicion, is of the opinion that a provision of this Code has been breached, the chairperson must—
- (a) authorize an investigation of the Facts and circumstances of the alleged breach;
 - (b) give *the* councillor a reasonable opportunity to reply in writing regarding the alleged breach; and
 - (c) report the matter to a meeting of the municipal council after paragraphs (a) and (d) have been complied with.
- (2) A report in terms of sub item (1) (c) is open to the public.
- (3) The chairperson must report the outcome of the investigation to the MEC for local government in the province concerned.
- (4) The chairperson must ensure that each councillor when taking office is given a copy of this Code and that a copy of the Code is available in every room or place where the council meets.

Breaches of Code

14. (1) A municipal council may—
- (a) investigate and make a finding on any alleged breach of a provision of this Code; or
 - (b) establish a special committee-
 - (i) to investigate and make a finding on any alleged breach of this Code; and
 - (ii) to make appropriate recommendations to the council.
- (2) If the council or a special committee finds that a councillor has breached a provision of this Code, the council may—
- (a) issue a formal warning to the councillor;
 - (b) reprimand the councillor;
 - (c) request the MEC for local government in the province to suspend the councillor for a period;
 - (d) fine the councillor; and
 - (e) request the MEC to remove the councillor from office.

- (3) (a) Any councillor who has been warned, reprimanded or fined in terms of paragraph (a), (b) or (d) of sub item (2) may within 14 days of having been notified of the decision of council appeal to the MEC for local government in writing setting out the reasons on which the appeal is based.
- (b) A copy of the appeal must be provided to the council.
- (c) The council may within 14 days of receipt of the appeal referred to in paragraph (b) make any representation pertaining to the appeal to the MEC for local government in writing.
- (d) The MEC for local government may, after having considered the appeal, confirm, set aside or vary the decision of the council and inform the councillor and the council of the outcome of the appeal.
- (4) The MEC for local government may appoint a person or a committee to investigate any alleged breach of a provision of this Code and to make a recommendation on whether the councillor should be suspended or removed from office.
- (5) The Commissions Act, 1947 (Act 8 of 1947). may be applied to an investigation in terms of sub item (3).
- (6) If the MEC is of the opinion that the councillor has breached a provision of this Code, and that such contravention warrants a suspension or removal from office, the MEC may—
- (a) suspend the councillor for a period and on conditions determined by the MEC;
- (b) remove the councillor from office.
- (7) Any investigation in terms of this item must be in accordance with the rules of natural justice.

Application of Code to traditional leaders

15. (1) Items 1.2 ,5 ,6 ,9(b) to (d),10 ,11 ,12 ,13 and 14(1) apply to a traditional leader who participates or has participated in the proceedings of a municipal council in terms of section 81 of the Municipal Structures Act.
- (2) These items must be applied to the traditional leader in the same way they apply to councillors.
- (3) If a municipal council or a special committee in terms of item 14 (1) finds that a traditional leader has breached a provision of this Code, the council may-
- (a) issue a formal warning to the traditional leader; or
- (b) request the MEC for local government in the province to suspend or cancel the traditional leader's right to participate in the proceedings of the council.
- (4) The MEC for local government may appoint a person or a committee to investigate any alleged breach of a provision of this Code and to make a recommendation on whether the right of the

traditional leader to participate in the proceedings of the municipal council should be suspended or cancelled.

(5) The Commissions Act 1947 may be applied to an investigation in terms of sub item (4).

(6) If the MEC is of the opinion that the traditional leader has breached a provision of this Code, and that such breach warrants a suspension or cancellation of the traditional leader's right to participate in the council's proceedings, the MEC may—

(a) suspend that right for a period and on conditions determined by the MEC; or

(b) cancel that right.

(7) Any investigation in terms of this item must be in accordance with the rules of natural justice.

(8) The suspension or cancellation of a traditional leader's right to participate in the proceedings of a council do not affect that traditional leader's right to address the council in terms of section 81 (3) of the Municipal Structures Act.

APPENDIX C

SCHEDULE 2

CODE OF CONDUCT FOR MUNICIPAL STAFF MEMBERS

Definitions

1. In this Schedule “partner” means a person who permanently lives with another person in a manner as if married.

General conduct

2. A staff member of a municipality must at all times—
 - (a) loyally execute the lawful policies of the municipal council;
 - (b) perform the functions of office in good faith, diligently, honestly and in a transparent manner;
 - (c) act in such a way that the spirit, purport and objects of section 50 are promoted;
 - (d) act in the best interest of the municipality and in such a way that the credibility and integrity of the municipality is not compromised; and
 - (e) act impartially and treat all people, including other staff members equally without favour or prejudice.

Commitment to serving the public interest

3. A staff member of a municipality is a public servant in a developmental local system and must accordingly—
 - (a) implement the provisions of section 50(2);

- (b) foster a culture of commitment to serving the public and a collective sense of responsibility for performance in terms of standards and targets;
- (c) promote and seek to implement the basic values and principles of public administration described in section 195 (1) of the Constitution;
- (d) obtain copies of or information about the municipality's integrated development plan, and as far as possible within the ambit of the staff member's job description, seek to implement the objectives set out in the integrated development plan, and achieve the performance targets set for each performance indicator;
- (e) participate in the overall performance management system for the municipality, as well as the staff member's individual performance appraisal and reward system, if such exists, in order to maximise the ability of the municipality as a whole to achieve its objectives and improve the quality of life of its residents.

Personal gain

- 4. (1) A staff- member of a municipality may not—
 - (a) use the position or privileges of a staff member. or confidential information obtained as a staff member. for private gain or to improperly benefit another person: or
 - (b) take a decision on behalf of the municipality concerning a matter in which that staff member, or that staff member's spouse. partner or business associate, has a direct or indirect personal or private business interest.
- (2) Except with the prior consent of the council of a municipality a staff member of the municipality may not—
 - (a) be a party to a contract for—
 - (i) the provision of goods or services to the municipality; or
 - (ii) the performance of any work for the municipality otherwise than as a staff member;
 - (b) obtain a financial interest in any business of the municipality; or
 - (c) be engaged in any business, trade or profession other than the work of the municipality.

Disclosure of benefits

- 5. (1) A staff member of a municipality who, or whose spouse, partner, business associate or close family member, acquired or stands to acquire any direct benefit from a contract concluded with the municipality, must disclose in writing full particulars of the benefit to the council.

- (2) This item does not apply to a benefit which a staff member, or a spouse, partner, business associate or close family member, has or acquires in common with all other residents of the municipality.

Unauthorised disclosure of information

6. (1) A staff member of a municipality may not without permission disclose any privileged or confidential information obtained as a staff member of the municipality to an unauthorized person.
- (2) For the purpose of this item “privileged or confidential information” includes any information—
- (a) determined by the municipal council or any structure or functionary of the municipality to be privileged or confidential;
 - (b) discussed in closed session by the council or a committee of the council;
 - (c) disclosure of which would violate a person’s right to privacy; or
 - (d) declared to be privileged, confidential or secret in terms of any law.
- (3) This item does not derogate from a person’s right of access to information in terms of national legislation.

Undue influence

7. A staff member of a municipality may not-
- (a) unduly influence or attempt to influence the council of the municipality, or a structure or functionary of the council, or a council or, with a view to obtaining any appointment, promotion, privilege, advantage or benefit, or for a family member, friend or associate;
 - (b) mislead or attempt to mislead the council, or a structure or functionary of the council, in its consideration of any matter: or
 - (c) be involved in a business venture with a councillor without the prior written consent of the council of the municipality.

Rewards, gifts and favours

8. (1) A staff member of a municipality may not request, solicit or accept any reward, gift or favour for-
- (a) persuading the council of the municipality, or any structure or functionary of the council, with regard to the exercise of any power or the performance of

any duty;

- (b) making a representation to the council, or any structure or functionary of the council;
- (c) disclosing any privileged or confidential information: or
- (d) doing or not doing anything within that staff member's powers or duties.

(2) A staff member must without delay report to a superior official or to the speaker of council any offer which, if accepted by the staff member, would constitute a breach of sub item (1).

Council property

9. A staff member of a municipality may not use, take, acquire, or benefit from any property or asset owned, controlled or managed by the municipality to which that staff member has no right.

Payment of arrears

10. A staff member of a municipality may not be in arrears to the municipality for rates and service charges for a period longer than 3 months, and a municipality may deduct any outstanding amounts from a staff member's salary after this period.

Participation in elections

11. A staff member of a municipality may not participate in an election of the council of the municipality, other than in an official capacity or pursuant to any constitutional right.

Sexual harassment

12. A staff member of a municipality may not embark on any action amounting to sexual harassment.

Reporting duty of staff members

13. Whenever a staff member of a municipality has reasonable grounds for believing that there has been a breach of this Code, the staff member must without delay report the matter to a superior officer or to the speaker of the council.

Breaches of Code

14. Breaches of this Code must be dealt with in terms of the disciplinary procedures of the municipality envisaged in section 67(1)(h) of this Act.

a)