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JOBURG
PROPERTY COMPANY

DOCUMENT CONTROL

Policy

Supply Chain Management Policy

Responsible Department:

Office of the Chief Financial Officer

Owner

Manager: Supply Chain

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Attention: Chief Financial Officer

Telephone: 010 219 9000

Approval

The signatories hereof, being duly authorised thereto, by their signatures hereto authorise the execution of the policy detailed herein, or confirm their acceptance of the contents hereof and authorise the implementation/adoption thereof, as the case may be, for and on behalf of the JPC represented by them.

Chief Executive Officer: Helen Botes



Date

31/7/2024

Chairperson: Simon Motha



Date

14/08/24

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ABBREVIATIONS

CIDB	Construction Industry Development Board
COJ	City of Johannesburg
CSD	Central Supplier Database
GDS	Growth and Development Strategy
MFMA	Municipal Finance Management Act, 56 of 2003
SCM	Supply Chain Management
PPPFA	Preferential Procurement Policy Framework Act
JPC	Joburg Property Company (SOC) Ltd

DEFINITIONS

“Accounting officer”	Means the Chief Executive Officer of the JPC as defined as per Section 93 of the Municipal Finance Management Act.
“Abuse”	Means any conduct by an official or person that is tantamount to fraud, corruption, favoritism, misrepresentation of facts, unfair, irregular and unlawful practices or any other practice that referred to in relation to this context.
“Alternative bid”	Means a bid offer which is submitted in respect of an invitation to bid by the JPC but presented with substantial or material deviation from the specifications and/or bid

conditions seeking to address the same requirements as those that the JPC has made an invitation for.

“Alternative bidder”	Means a bidder who is considered for award other than the one recommended by the BEC.
“B-BBEE”	Means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;
“B-BBEE Status Level of Contributor”	Means the B-BBEE status received by a measured entity based on its overall performance using the relevant scorecard contained in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
“Bid”	Means a written offer in response to an invitation in a manner and format prescribed by the JPC for the provision of goods, services or works solicited through a competitive bidding process.
“Bidder”	Means a natural or juristic person submitting a bid in response to a bid invitation issued by JPC
“Bid Evaluation Committee”	Means a committee comprising officials and/or technical advisors nominated and duly approved by the Accounting Officer or his/her delegated official to consider bids and make recommendations to the relevant adjudication committee or the Accounting Officer, whichever the case may be.
“Bid Specification Committee”	Means a committee comprising officials and/or technical advisors nominated and duly approved by the Accounting Officer or his/her delegated official to compile specifications or terms of reference for the invitation of bids.

“Blacklisting”	Means, in this context, the process of identifying a supplier for non-participation in or continuing to participate in the procurement processes of JPC or the City of Johannesburg and/or any other organ of state and being recommended for listing in the National Treasury Register of Tender Defaulters.
“Breach of Contract”	Means default in the performance of a contract.
“Central Supplier Database”	Means a database of accredited suppliers maintained by the National Treasury.
“CIDB Act”	Means the Construction Industry Development Board Act, 2000 (Act No 38 of 2000).
“Closing time”	Means the date and time issued and/or specified for receiving bid documents in the invitation to bid
“Code of Conduct”	Means the code of conduct attached to this Policy as Annexure A.
“Competitive bid”	Means a bid allowing for appropriate levels of competition to satisfy the pillars of procurement and in terms of a competitive bidding process.
“Competitive bidding process”	Means a bid in terms of a competitive bidding process as contemplated in Regulation 12 (1) (d) of the Municipal Supply Chain Management Regulations and Clause 17.3 of this Policy.
“Consortium”	Means, in this context a formalized combination of parties and or legal entities who have a binding written agreement between/amongst themselves formed with the intention of combining and/or supplementing their resources for the submission of a bid issued in terms of the competitive

bidding process by JPC in order to execute a contract that may potentially be awarded to those parties.

“Consultant”

Means an entity or person providing services requiring some degree of qualification, knowledge, expertise and experience.

“Contract”

Means a legally binding (written) agreement concluded when a bid is accepted between JPC and its contractor or supplier or service provider for the provision of specified and pre-determined goods, services or works in return for defined compensation by JPC.

“Contract amendment”

Means an extension, variation or expansion of a contract scope, value and/or time in compliance with the provisions of Section 116 (3) of the MFMA and all other changes made in terms of applicable legislative prescripts.

“Contract management”

Means the application of the terms and conditions for the administration and implementation of a contract.

“Contract period”

Means the duration or period of time to undertake the service or deliver the goods or works.

“Contractor”

Means any person or legal entity that is under contract with JPC for the execution of a contract.

“Days”

Means calendar days calculated by excluding the first day and including the last day, unless otherwise stated.

“Delegated authority”

Means a responsibility (duty) delegated to any person, official or committee authorised/delegated to make certain specific decisions in terms of the Municipal Finance Management Act

“Designated group”	Means a group designated for preferential procurement as contemplated in the Preferential Procurement Regulations, 2022
“Designated sector”	Means a sector or industry or product that has been designated in terms of the Preferential Procurement Regulations, 2022.
“Emergency”	Means an unforeseeable and/or sudden event, with materially harmful or potential harmful or risky consequences for JPC that requires immediate action.
“Exempted Micro Enterprise”	Means an exempted micro enterprise in terms of the code of good practice on black economic empowerment issued in terms of the Broad-Based Black Economic Empowerment Act.
“Family member”	Refers to a spouse, permanent life partner, child, parent, adopted child, adoptive parent, sibling, uncle, aunt, cousin, grandchild, niece, or nephew
“Final award”	In relation to bids or quotations submitted for a contract, means the final decision made on which bid or quote to accept.
“Firm price”	Means price offered by the bidder in terms of the final award and is binding and fixed for the duration of the contract period.
“Formal written quotation”	Means a written offer in response to an invitation to submit a quotation or bid.
“Heads of Departments”	Means any official who reports directly to the Chief Executive Officer.

“Fruitless and wasteful expenditure	Means expenditure that was made in vain and would have been avoided had reasonable care been exercised.
“Improper practice”	Means any form of misrepresentation in the information presented for consideration of a bid and execution of a contract, deliberate omission of information, any fraudulent and improper conduct including but not limited to collusion, extortion, bribery and any unlawful behaviour.
“Implementing agent”	Means any municipal entity appointed in terms an approved Service Delivery Agreement for the execution of specified projects.
“Irregular expenditure”	<p>Means—</p> <ol style="list-style-type: none"> a. expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of this Act, and which has not been condoned in terms of section 170; b. expenditure incurred by a municipal entity in contravention of, or that is not in accordance with, a requirement of the Municipal Systems Act, and which has not been condoned in terms of that Act. c. expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality or entity or any of the municipality’s by-laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law, <p>but excludes expenditure by a municipality which falls within the definition of “unauthorised expenditure”;</p>
“In the service of the State”	<p>Means, in terms of Municipal Supply Chain Management Regulation 44, inter alia:</p> <ol style="list-style-type: none"> a. an official of any municipality who has a contract of employment with the municipality and is employed on a permanent, temporary or short term basis; b. an official or public servant of any national or provincial government as defined in terms of Public Services Act c. a person who – <ul style="list-style-type: none"> • is a councillor of any municipal council as defined in the Local Government Municipal Structures Act (Act No 117 of 1998 • is a politician serving in any provincial legislature; or

- is politician serving in the National Assembly or the National Council of Provinces
- d. a member of the board of directors of any municipal entity
- e. an official and a member of a government owned entity as defined in the Public Finance Management Act (Act No 1 of 1999); and such meaning ascribed to it by National Legislation from time to time;
- f. an executive member of the accounting authority of any national or provincial entity or
- g. 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
- h. who is an advisor or consultant contracted with the municipality or municipal entity to the extent to which that advisor or consultant may not submit a bid for any resultant bid invitation

The Minister of Finance has specifically exempted non-executive board members of a Municipal entity from the prohibition for being in the service of the state but only in relation to supply chain awards by a municipal entity that they do not serve on.

“Joint Venture”	Means the same definition as assigned to the definition of a consortium in this definition section above.
“Long term contract”	Means a contract with a duration period exceeding one year.
“Main contractor”	Means a contractor who has a contract with the JPC as a principal or prime contractor for the execution of a specific contract.
“Military Veterans”	Means a designated group as defined in Preferential Procurement Regulations, 2022.
“National Treasury Guidelines/Circulars”	Means guidelines on Supply Chain Management prescripts that are issued in terms of Section 168 of the Municipal Finance Management Act 56 of 2003 from time to time.

“Non-firm price”	Means a price in terms an award that is subject to price adjustments as indicated in the bid offer made by the bidder.
“Other applicable legislation”	Means any other legislation applicable to Municipal Supply Chain Management, including, but not limited to: – <ul style="list-style-type: none"> a. The Constitution of the Republic of South Africa, Act 108 of 1996 b. Municipal Finance Management Act and its Regulations c. The Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000); d. The Preferential Procurement Regulations, 2022, e. The Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003); and its codes of good practice f. The Construction Industry Development Board Act, 2000 (Act No.38 of 2000);
“Practice Notes”	Means all Supply Chain Management Practice Notes issued from time to time by the Office of the Chief Financial Officer accordance with Clause 49 of this Policy.
“Price”	Means in terms of the award the cost of goods, services or works including all applicable taxes excluding any conditional discounts.
“Project Manager”	Means, in this context the delegated official or manager responsible for overseeing the implementation of the contract.
“Qualifying Small Enterprise”	Means any qualifying small enterprise in terms of the code of good practice on black economic empowerment in terms of the Broad Based Black Economic Empowerment Act.
“Regulations”	Means the Local Government: Municipal Supply Chain Management Regulations promulgated under general notice 868 in terms of the Local Government: Municipal Finance Management Act 56, of 2003 and as amended.

“Rural or under-developed area”	Means a designated entity located in an area as contemplated in Preferential Procurement Regulations, 2022.
“SCM Procedure Manual”	Means all Supply Chain Management Procedure Manual(s) issued by the Office of the Chief Financial Officer accordance with Clause 49 of this Policy.
“Service provider”	Means a provider of goods, services and works required from time to time by JPC, duly accredited and awarded business by JPC in terms this Policy.
“Small Medium and Micro Enterprise”	Means a small, medium and micro enterprise in terms of the National Small Business Act 102, 1996.
“Sole supplier”	Means a single provider or manufacture of specific goods and services in a particular market contemplated in Clause 36 of this Policy.
“Subcontractor”	Means a contractor who has been assigned work by the main contractor in partial execution of an award either voluntarily or through the various legislated empowerment initiatives.
“Supplier”	Means an accredited supplier for the provision of goods and services.
“Supply Chain Management”	Means, in this context the systematic and multi-faceted approach of procuring goods, services and works in the public sector.
“Township”	Means a township within the jurisdiction of the Municipality and contemplated in Preferential Procurement Regulations, 2022.

“The Act”	Means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);
“The/this Policy”	Means the Supply Chain Management Policy adopted by JPC in terms of Section 111 of the Act, as amended from time to time.
“Two stage bidding process”	Means two stage competitive bidding process contemplated in Clause 27.1 of this Policy.
“Written quotations”	Means written quotations contemplated in Clause 19.1 of this Policy.
“Unsolicited bid/s”	Means a proposal or concept received without the JPC having invited any bid offers from the market as contemplated in Clause 37.1 of this Policy.
“Variation”	Means any change in the provision of an approved contract in line with the provisions of MFMA Circular 62 on contract variations/expansions.

1. PROBLEM STATEMENT

- 1.1. The Joburg Property Company, herein referred to as "JPC" is committed in terms of Section 217 of the Constitution and its procurement policies to have a supply chain policy that is fair, equitable, transparent, competitive and cost effective and to combat irregular practices in the tendering process in order to acquire the best goods and services
- 1.2. Section 111 of the Municipal Finance Management Act 56 of 2003 ("the Act") stipulates that each municipality and each municipal entity must have and must implement a Supply Chain Management (SCM) Policy which gives effect to the requirements of the Act.
- 1.3. Furthermore, the Preferential Procurement Policy Framework Act prescribes that an organ of state must determine its Preferential Procurement Policy for implementation within the prescribed framework. In this Policy, such is articulated in the Preferential Procurement section of this Policy

2. DESIRED OUTCOMES

- 2.1. The purpose of this Policy is to regulate all Supply Chain Management practices within the JPC. This Policy implements the Supply Chain Management practices as envisaged in terms of Section 217 of the Constitution of the Republic of South Africa, and the Act; Municipal Finance Management Act and its Regulations.
- 2.2. The Policy, as far as possible sets out a system of procurement that is fair, transparent, equitable, competitive and cost-effective. All JPC employees shall adhere, implement and observe the provisions and requirements of this Policy.
- 2.3. The Policy also strives to align the JPC's procurement practices with its strategic goals, as identified in the five outcomes of the Growth and Development Strategy. In particular, the Policy aims to promote quality, sustainable services and honest, transparent and responsive local government.
- 2.4. Further to the above, the Policy seeks to address the following socio-economic objectives:
 - 2.4.1. Stimulation and promotion of local economic development and facilitating job creation and business growth opportunities, especially focused on previously disadvantaged groups;
 - 2.4.2. Promoting resource efficiency and reducing the negative environmental impact of the daily operations of JPC, through taking a green approach to procurement;

- 2.4.3. Improving JPC's ability to fulfil its service delivery mandate through efficient and cost effective procurement practices that holds service providers to account and ensures delivery against contractual obligations;
- 2.4.4. Actively fighting fraud and corruption in procurement practices through a system of checks and balances;
- 2.4.5. Modernization of the JPC's procurement practices through the use of e-Procurement system and other measures aimed at increasing efficiency; and
- 2.4.6. Improving JPC's financial sustainability through measures that ensure that JPC derives maximum value for money

3. STRATEGIC INTENT

Policy Framework

This policy provides systems for:

- 3.1. Demand Management
- 3.2. Acquisition Management
- 3.3. Logistics Management
- 3.4. Disposal Management
- 3.5. Risk Management
- 3.6. Performance Management
- 3.7. Consequence Management
- 3.8. Irregular, Fruitless and Wasteful Expenditure

Policy Parameters

- 3.9. This Policy is applicable to the entire JPC and must be adhered to when
 - 3.9.1. procuring goods, works and/or services, including construction works and consultant services;
 - 3.9.2. Disposal of redundant goods; and
 - 3.9.3. Selecting service providers other than in circumstances where chapter 8 of the Systems Act applies

Policy Principles

- 3.10. This Policy ascribes to a procurement system in terms of the Municipal Supply Chain Management Regulation 2 and entails amongst others a system which:

- 3.10.1. Is fair, equitable, transparent, competitive and cost effective in terms of Section 217 of the Constitution of South Africa No 108 of 1996;
- 3.10.2. Enhances uniformity in SCM systems in the local sphere of government;
- 3.10.3. Is consistent with the enterprise development programmes as approved by the JPC, including promoting emerging and other previously marginalised potential service providers/suppliers and other policies and programmes that seeks to aggressively advance the empowerment of the SMMEs and previously disadvantaged communities;
- 3.10.4. Embraces the principles of transparency and accountability;
- 3.10.5. Is consistent with the Broad Based Black Economic Empowerment Amendment Act No. 46 of 2013 and any Codes promulgated thereunder in the Government Gazette; and;
- 3.10.6. Is consistent with the Preferential Procurement Policy Framework Act, the Preferential Procurement Regulations 2022

Guiding Commitments

- 3.11. Through adoption of this Policy, the JPC and its officials commits itself to the following:
 - 3.11.1. **Ethical conduct:** all JPC officials, external advisors and service providers will be held against the highest ethical standards, and any contravention of this Policy will be deemed a serious offence.
 - 3.11.2. **Compliance:** The implementation and full compliance with Supply Chain Management Policy and practices as envisaged by the Act and any other applicable legislations
 - 3.11.3. **Fair practices and processes:** Fair, equitable, transparent and competitive SCM practices and processes. To this extent, JPC will accord all a fair administrative process whenever procuring or disposing of goods and services
 - 3.11.4. **Cost-effectiveness:** Sourcing goods and services at competitive market prices taking into account the Total Cost of Ownership (TCO) concept and value adding principles, entailing an end-to-end analysis of goods and services with all associated ancillary goods and services
 - 3.11.5. **Relationship-management:** Enhancing healthy and mutually beneficial relationships with service providers of goods and services and user departments and regions, based on integrity, honesty, professionalism and ethics.

- 3.11.6. **Economic empowerment:** Utilization of the JPC's buying power as leverage to ensure effective implementation of broad based black economic empowerment objectives.
- 3.11.7. **Competitiveness:** Enhancing JPC's viability and competitiveness through effective and efficient supply chain management practices and systems.
- 3.11.8. **SMME support:** Economic development of local communities, start-up's, small and micro enterprises within the area of jurisdiction of the City of Johannesburg.
- 3.11.9. **Confidentiality and the Protection of Personal Information:** Confidentiality of all information received and held by the JPC and its officials. The eight (8) conditions for the lawful processing of personal information contained in the Protection of Personal Information Act 4 2013
- 3.11.10. **Competition Act:** Fulfilling the objectives and provisions of the Competitions Act, 89 of 2001 as amended and shall use their best endeavors to ensure full compliance by all suppliers thereto.
- 3.11.11. **Access to Information:** The principles and provisions contained in the Promotion of Access to Information Act, Act 2 of 2000.
- 3.11.12. **Proudly South African:** Fully support the Proudly South African Campaign and will as far as practical seek to award business to service providers with high local content in their products and services.
- 3.11.13. **Administrative Justice:** The principles and provisions of the Promotion of Administrative Justice Act, Act 3 of 2000.

4. ETHICAL STANDARDS

- 4.1. JPC in acknowledgment of being an honest and transparent government, follows a zero-tolerance approach to corruption. All officials, external advisors, service providers and any other parties involved in any procurement processes are bound to the Code of Conduct for Supply Chain Management Practitioners and Other Role Players Involved in Supply Chain Management (Code of Conduct) of this Policy, as outlined in Annexure A. Furthermore, all practitioners are bound by the Code of Conduct of Municipal Staff contained in schedule 2 of the Municipal Systems Act.
- 4.2. The Code of Conduct is aimed at creating mutual trust and respect between JPC and its stakeholders through transparent procedures and accountability for officials and service providers.

- 4.3. Additionally, the Policy seeks to establish an environment where business can be conducted with integrity and in a fair and reasonable manner.
- 4.4. City of Johannesburg Councillors, members of the JPC Board or any person holding an elected office may never be involved in any procurement processes of JPC, as stipulated in section 117 of the Act.
- 4.5. Breach of any ethical standards or the Code of Conduct amounts to a serious offence, and may lead to appropriate disciplinary proceedings being instituted or cancellations of contracts with service providers.

5. LEGISLATIVE FRAMEWORK

- 5.1. The Constitution of the Republic of South Africa
- 5.2. Municipal Finance Management Act 56 of 2003 (MFMA)
- 5.3. Preferential Procurement Policy Framework Act of 2000 (PPPFA)
- 5.4. Preferential Procurement Regulations, 2022
- 5.5. Broad-Based Black Economic Empowerment Act of 2003 (B-BBEEA)
- 5.6. Construction Industry Development Board Act 38 of 2000 (CIDB)
- 5.7. Local Government: Municipal Systems Act 32 of 2000
- 5.8. Promotion of Administrative Justice Act 3 of 2000
- 5.9. Promotion of Access to Information Act 2 of 2000
- 5.10. Municipal Supply Chain Management Regulations
- 5.11. National Treasury Circulars/Guidelines
- 5.12. Protection of Personal Information Act (POPIA) Act 4 2013

6. ROLE PLAYERS AND STAKEHOLDERS

Internal

- 6.1. JPC and its employees are bound by the provisions of this policy, including the Code of Conduct.

External

- 6.2. All parties bidding for tenders from JPC are bound by the provisions of this Policy.
- 6.3. Service providers providing services to JPC are bound by this Policy.
- 6.4. All external advisors providing services to JPC during the procurement process are bound by this Policy.

7. OVERSIGHT ROLE OF THE BOARD OF DIRECTORS

- 7.1. The Board has and must maintain an oversight role over the implementation of this Policy. However, board members may never participate in procurement processes of JPC by serving as a member of or attending a meeting as an observer of committees specifying, evaluating or approving quotations or bids.
- 7.2. For the purposes of such oversight, the Chief Executive Officer shall, within 10 days of the end of each quarter, submit a report on the implementation of this Policy, specifically as outlined in section 8, to the Board, and within 30 days of the end of each financial year submit a report for the financial year to Board.
- 7.3. If any serious or material problems or breaches arise in relation to the implementation of this Policy, the Chief Executive Officer shall report such to Board as soon as is reasonably possible, but no longer than 30 days after he/she has become aware of such breach.

8. REPORTING REQUIREMENTS

The Chief Executive Officer must submit the following reports to the Board through established channels.

Reporting by the Chief Executive Officer to Board through the Audit and Risk Committee

- 8.1. Quarterly reports, or as soon as it is practically possible, containing particulars of each final award made by the Adjudication Committees during that period, including: –
 - 8.1.1. the amount of the award;
 - 8.1.2. the name of the service provider to whom the award was made;
 - 8.1.3. the reason why the award was made to that service provider;
 - 8.1.4. the B-BBEE status level of contribution of the service provider.
- 8.2. Quarterly consolidated reports on the implementation of this Policy within 10 days of the end of each quarter, or as soon as it is practically possible;
- 8.3. Annual consolidated reports on the implementation of this Policy within 30 days of the end of each financial year, or as soon as it is practically possible;
- 8.4. Report on a periodic basis all deviations and ratifications in the implementation of this Policy and any remedial action taken or envisaged, where applicable;
- 8.5. Reports on awards of unsolicited bids, as soon as it is practically possible after the award of such bids, where applicable;

- 8.6. Reports on all awards to close family members or persons in the service of the State or has been in the service of the State in the previous 12 months, as soon as it is practically possible after such awards;
- 8.7. Report on any abuses found and the remedial actions taken; and
- 8.8. Report on all declarations made and gifts received by officials;

Reporting by Chief Financial Officer to the Chief Executive Officer and the Executive Management Team.

- 8.9. Report on Final awards made by Adjudication Committees Team within 5 days of the end of each month;
- 8.10. Report to the relevant Heads of Departments on non-compliance, deviations and remedial action proposed or taken;
- 8.11. Report to the CIDB on construction projects awarded;
- 8.12. Report on the operations of the Supply Chain Management Unit on a monthly basis;
- 8.13. Report containing particulars of each final award made by Heads of Department or Adjudication Committees during that month within 5 days of the end of each month, including: –
 - 8.13.1. the amount of the award;
 - 8.13.2. The name of the person to whom the award was made;
 - 8.13.3. The reason why the award was made to that person;
 - 8.13.4. the B-BBEE status level of contribution of the service provider and
 - 8.13.5. details of the acquisition plan versus the spend for the month

Reporting by JPC to Department of Trade and Industry-

- 8.14. The CFO shall, on behalf of the JPC, submit to the Department of Trade and Industry a report on all transactions/contracts to the value of R100 million and more with a foreign content of USD 10 million.
- 8.15. The CFO, on behalf of the JPC, submit to the Department of Trade and Industry all bids with a stipulated minimum threshold on local content.

Publication of all construction projects on the CIDB Website

- 8.16. All construction related projects shall over and above the normal JPC advertisements be:
 - 8.16.1. advertised on the CIDB website;

- 8.16.2. registered on the CIDB website within 21 days of the commencement of the project; and
- 8.16.3. registered or terminated on the said CIDB website upon completion of the project

Reporting by the JPC to National Treasury and/or Provincial Treasury

8.17. Chief Financial Officer shall, on behalf of the JPC, submit the following reports to National Treasury and/or Provincial Treasury-

- 8.17.1. Reports on all purchases paid for in foreign currency;
- 8.17.2. Reports on contracts and/or transaction to the value of R100 million and more;
- 8.17.3. Reports on supplier or director thereof that has abused the Supply Chain Management system and has been found guilty of improper conduct;
- 8.17.4. Reports on awards of unsolicited bids;
- 8.17.5. Report on any sponsorship promised, offered or granted, whether directly or through a representative or intermediary, by any person who is: -
 - 8.17.5.1. a provider or prospective provider of goods or services;
 - 8.17.5.2. a recipient or prospective recipient of goods disposed or to be disposed;
- 8.17.6. Reports on any service provider that has been found guilty of inducing or bribing City of Johannesburg officials for the award of business;
- 8.17.7. Reports on all awards of more than R2 000 to a close family member of persons in the service of the state or has been in the service of the state in the previous 12 months;
- 8.17.8. Reports on abuses of Supply Chain Management and the remedial steps taken; and
- 8.17.9. Reports on contracts awarded with a duration that extends beyond three years;

9. TRAINING OF SUPPLY CHAIN MANAGEMENT PRACTITIONERS

9.1. The training of Supply Chain Management practitioners involved in implementing this Policy shall comply with any applicable National Treasury Guidelines on Supply Chain Management training, the South African Qualification Authority Act 58 of 1995, the Skills Development Act of 1998

- 9.2. The Chief Financial Officer must take reasonable proactive measures to ensure that all SCM practitioners comply with the highest training standards, and retraining of practitioners will take place where necessary.
- 9.3. The Chief Executive Officer, with assistance from the Chief Financial officer, must take reasonable proactive steps to ensure that Supply Chain Management Unit is at all times capacitated in manner that promotes the efficient functioning of the unit and its functions.

10. DEMAND MANAGEMENT

- 10.1. The aim of Demand Management is to ensure that the resources required to support the strategic and operational commitments of JPC are delivered at the right time, at the right price and at the right location, and that the quantity and quality satisfy the needs of JPC. Demand Management processes include the following activities:
 - 10.1.1. A determination that JPC do not have the requisite capability to reasonably be expected to perform the function that is being procured;
 - 10.1.2. Understanding of the future needs of JPC;
 - 10.1.3. A commitment to the economic growth initiatives of JPC;
 - 10.1.4. Identification of critical delivery dates;
 - 10.1.5. Identification of the frequency of the need;
 - 10.1.6. Linking the requirement to the available budget;
 - 10.1.7. Conducting expenditure analysis based on past expenditure;
 - 10.1.8. Conducting research on market related prices and alternatives in determination of the value of planned expenditure.
- 10.2. JPC's procurement requirements must be consolidated through Office of the Chief Financial Offer to maximise economies of scale. To this extent, all consolidated requirements must be processed through the Office of the Chief Financial Offer in line with duly approved acquisition plans.
- 10.3. Procuring departments must develop clearly articulated requirements and specifications that meet the needs and expectations of multiple users, where applicable on a "like for like" basis for similar requirements. The specifications shall be unbiased, functional and not brand specific; 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 words 'or equivalent'
- 10.4. Acquisition of all goods and services required must be aligned to the Business Plan and the City of Johannesburg's IDP, quantified on a quarterly basis and translated to approved annual procurement plans.

- 10.5. Similar requirements will necessitate one contract and splitting of requirements shall be avoided.
- 10.6. Where necessary, industry analysis and research should be undertaken to ensure best value for money and potential economic transformation
- 10.7. In planning for procurement, due consideration should be taken of the provisions of the Preferential Procurement Regulations of 2022.

11. ACQUISITION MANAGEMENT

- 11.1. JPC shall only proceed with the acquisition of goods and services for which there is an approved budget. The onus will be on the relevant Head of Department/End User to ensure that sufficient funds are available and the requirement is valid. All procurement of goods and services will be measured against approved acquisition plans.
- 11.2. For any exceptional and unplanned needs, permission shall be sought from the relevant Head of Department in conjunction with Office of the Chief Financial Officer for the confirmation of the availability of funds to support the procurement and a motivation to deviate from the approved Acquisition Plan shall be prepared and approved by the relevant Head of Department.
- 11.3. Accounting Officers must submit the approved procurement plans to the Accounting Officer of the parent municipality prior to commencement of each financial year for the development of consolidated City of Johannesburg-wide procurement plan.
- 11.4. The Chief Financial Officer shall prior to advertisement of bids with estimated value above R10 million verify with Heads of Departments that:
 - 11.4.1. Budgetary provision exists for procurement of the goods, services and/or infrastructure projects;
 - 11.4.2. Any ancillary budgetary implications related to the bid, have budgetary provision for the operation of the asset, maintenance costs relating to the asset, administration costs and rehabilitation/renewal costs;
 - 11.4.3. Estimated expenditure per year is provided for any project with multi-year budgetary implications, for example, if a project will take more than one financial year.
- 11.5. JPC's acquisition management will ensure that:
 - 11.5.1. Goods and services are procured by the JPC in accordance with authorised processes only;

- 11.5.2. Expenditure on goods and services is incurred in terms of an approved budget and acquisition plan or in exceptional cases proper approval has been granted in terms of Clause 11.2 above;
 - 11.5.3. The threshold values for the different procurement mechanisms as contained in Table 1 below are complied with or as would have been amended by the National Treasury;
 - 11.5.4. Bid documentation including compiled bid specification/terms of reference where applicable, evaluation and adjudication criteria, and general conditions of a contract, are in accordance with any applicable legislation; and
 - 11.5.5. Any National Treasury guidelines on acquisition management are properly taken into account.
- 11.6. This Policy, except where otherwise provided for herein, does not apply in respect of the procurement of goods and services contemplated in Section 110 (2) of the Act, including:
- 11.6.1. water from the Department of Water Affairs or a public entity, another municipality or a municipal entity; and
 - 11.6.2. electricity from Eskom or another public entity, another municipality or a municipal entity.
- 11.7. The following information will be made public whenever goods or services contemplated in Section 110 (2) of the Act are procured other than through the Supply Chain Management system:
- 11.7.1. the kind of goods or services;
 - 11.7.2. the name of the supplier;
 - 11.7.3. the total value of the contract or project; and
 - 11.7.4. delivery / completion period for the kind of goods or service
- 11.8. Notwithstanding the provisions of Clause 11.1 above, JPC may during any given financial year commence with the procurement processes with the view of procuring goods or services in respect of an ensuing financial year, provided that written approval is granted by the Accounting Officer or delegated official and in conjunction with prior approval of the Chief Financial Officer:
- 11.8.1. the order for such goods or services shall only be placed after the commencement of the ensuing financial year; and/or
 - 11.8.2. sufficient budgetary provision has been made for the resultant expenditure and confirmed by the Chief Financial Officer.
- 11.9. In order to prevent over-paying for goods and services, acquisition management should include research on market prices for the goods and services procured.

11.10. JPC have an obligation in terms of this Policy to ensure that acquisition management is conducted in such a manner that interruptions to service delivery is minimised, i.e. procurement processes must be initiated in a timely manner in order to ensure that a new service provider is appointed and ready to provide the procured goods and services by the time that a previous contract comes to an end.

11.10.1. The head of the relevant unit is responsible for ensuring that new procurement processes are initiated in a timely manner. Failure to manage the procurement processes may result in institution of disciplinary procedures.

12. LOGISTICS MANAGEMENT

Inventory Management

12.1. JPC is committed to the following principles of inventory management: -

12.1.1. consolidation of stock items to avoid duplication and redundancy;

12.1.2. operating and managing the stores in an efficient and cost effective manner;

12.1.3. maintaining an effective item identification system;

12.1.4. avoiding fruitless and wasteful expenditure by disposing redundant material on time;

12.1.5. designing and implementing internal control systems that seeks to ensure that JPC minimizes theft and avoid losses; and

12.1.6. Increasing efficiencies of inventory management mechanisms over time to reduce losses, which may include, amongst others, modernisation and automation.

12.2. JPC will ensure appropriate standards of internal controls and stores/ warehouse management are in place to ensure goods placed in stores are safely secured and only used for the purpose they were purchased;

12.3. JPC will ensure that all assets including vehicles utilized at the respective stores / warehouses are properly managed, appropriately maintained and only used for official purposes.

Asset Disposal Management

12.4. The process of asset disposal shall be transparent, competitive, equitable, fair and comply with Supply Chain Management Processes and practices;

- 12.5. The asset disposal management shall be linked to the other components of JPC's supply chain and shall also be directly linked and aligned to the Asset Management Strategy of the entity
- 12.6. Disposal management for JPC shall therefore include the following:
 - 12.6.1. Obsolescence planning;
 - 12.6.2. Maintaining a database of redundant material;
 - 12.6.3. Determining the most suitable disposal strategy;
 - 12.6.4. Execution of actual disposal strategy.
- 12.7. All asset disposal transactions, excluding harmful materials and chemicals, shall be done through a public bidding process or public auction;
- 12.8. The appointment of auctioneers shall be through a competitive bidding process;
- 12.9. Prior to the disposal of assets, reasonable efforts must be made to ensure that core departments and regions have no need for any of the items, except for IT equipment, in which case the Provincial Department of Education must be given the first right of refusal.
- 12.10. Appropriate policies and procedures must be followed when donating assets that are no longer required by JPC.
- 12.11. The cost of disposal in an environmental and safe manner must be included in the lifecycle costs assessment of all products.
- 12.12. The respective departments must assume a responsibility of ensuring that all assets are indeed redundant / obsolete / unserviceable prior to disposal.

13. RISK MANAGEMENT

- 13.1. JPC will effectively manage risk through a system of identification, consideration, transfer and avoidance of potential risks in the Supply Chain Management system.
- 13.2. During each procurement process, a risk register must be compiled by the procuring department during the demand management stage of the process. The risk register must be updated during each stage, as is necessary.
- 13.3. The criteria for the identification, consideration and avoidance of potential risks in the Supply Chain Management system, are as follows:
 - 13.3.1. the identification of risks on a case-by-case basis;
 - 13.3.2. the allocation of risks to the risk owner best suited to manage such risks;
 - 13.3.3. acceptance of the cost of the risk where the cost of transferring the risk is greater than that of retaining it;
 - 13.3.4. the management of risks in a pro-active manner and the provision of adequate cover for residual risks; and

- 13.3.5. the assignment of relative risks to the contracting parties through clear and unambiguous contract documentation.
- 13.4. Due care must be taken in the bid administration and management process to minimise the risk of litigation by unsatisfied service provider/s.

14. PERFORMANCE MANAGEMENT

- 14.1. The Accounting Officer must establish and implement an internal monitoring system in order to determine whether the authorised supply chain management processes were followed and whether the objectives of the Policy were achieved.
- 14.2. In monitoring the performance of service providers, the following must be taken into account
 - 14.2.1. timely delivery of goods and services;
 - 14.2.2. quality of goods and services delivered;
 - 14.2.3. cost-effectiveness of the process (i.e. value for money);
 - 14.2.4. compliance with all aspects of the contract;
 - 14.2.5. whether desired objectives have been achieved;
 - 14.2.6. compliance with procedural requirements; and
 - 14.2.7. deviations from procedures, and if so, reasons for deviations.
- 14.3. JPC will keep a database of non-performing and underperforming suppliers.
 - 14.3.1. Non-performing suppliers may be excluded from qualifying for bids from the JPC for a period of five years following an adverse finding against such supplier.
 - 14.3.2. Under-performing suppliers, if the under-performance could reasonably be deemed to be material, may be excluded from qualifying for bids from JPC for a period of three years following an adverse finding against such supplier.
 - 14.3.3. In the case of companies, all directors of the company must be registered individually on the database of non-performing or under-performing suppliers, and no companies in which
 - 14.3.4. those individuals have directorship may be disqualified from doing business with the JPC for a period of up to five years.
 - 14.3.5. All companies or individuals registered on the database will be allowed to appeal the decision to place them on the database.
 - 14.3.6. Malicious reporting on the performance of service providers with the intent to exclude such service providers from qualifying for doing business with

JPC is deemed a serious offence. Any officials found to have acted maliciously in reporting on performance of service providers may be subjected to a disciplinary procedure.

15. CONSEQUENCE MANAGEMENT

15.1. In order to prevent the abuse of the SCM processes of JPC by internal or external parties, JPC will adopt a system of consequence management.

15.2. In addition to the stipulations of this section, the Accounting Officer must provide further measures for the combatting of abuse of the SCM system. The Accounting Officer is provided with the authority to:

15.2.1. take all reasonable steps to prevent such abuse;

15.2.2. refer any allegations of abuse against officials or any other role player for investigation;

15.2.3. take appropriate action against officials or other role players, including the reporting of any alleged misconduct to the South African Police Service; and

15.2.4. must report such cases to the Board.

15.3. Any official that has adverse findings against them relating to the abuse of the SCM system will be prohibited from taking part in any procurement processes. This section is not applicable to adverse findings related to mistakes made in good-will during the normal execution of duties.

15.3.1. participation by such officials in SCM processes will automatically result in that process being put under review, and the process may be invalidated.

15.3.2. participation by such officials will result in further appropriate disciplinary steps:

15.3.2.1. against the offending official if the offending official was found to have misled the party making the decision to include them in the process; or

15.3.2.2. against the offending official and the party that made the decision to include the offending official if the decision-making party should have reasonably known that the offending official must have been excluded from the process.

15.4. Where the bids exceed a total value in excess of R5 million, JPC must conduct a probity process to ensure that:

15.4.1. the National Treasury's Database of Restricted Suppliers and Register for Tender Defaulters has been cross-checked for bidders or directors that are prohibited from doing business with the public sector;

- 15.4.2. there has been no abuse of the SCM process;
 - 15.4.3. no official with adverse findings against them relating to the abuse of the SCM process was part of the specific SCM process;
 - 15.4.4. no member of the board exercised any influence over the SCM process;
 - 15.4.5. the preferred bidder is not on the City of Johannesburg's nor JPC'S database of underperforming and non-performing bidders; and
- 15.5. JPC reserves the right to cancel a contract awarded to a bidder if it is found that:
- 15.5.1. the bidder committed any abuse of the SCM system during the bidding process or the execution of the contract; or
 - 15.5.2. any official or other role player committed any corrupt or fraudulent act during the bidding or in the execution of the contract that benefited the person.
- 15.6. The Accounting Officer must inform National Treasury, in a timely manner, of any decisions taken in terms of Clauses 15.5.
- 15.7. Sureties or performances guarantees for the procurement of goods and services (including consultant services) will not generally be called for, but in exceptional circumstances, where required, will be in accordance with the limits set for construction works below. The performance guarantees required for construction works are as follows:

Amount (Incl. VAT)	Percentage
Up to R1 000 000	0%
R1 000 001 to R10 000 000	5%
Above R10 000 000	10%

16. GENERAL PRECONDITIONS FOR CONSIDERATION OF WRITTEN QUOTATIONS AND BIDS

- 16.1. JPC shall not consider any written quotation or bid, unless the provider who submitted the quotation or bid has submitted:
- 16.1.1. a signed binding quotation or bid that contains the service provider's: –
 - 16.1.1.1. full name; and
 - 16.1.1.2. identity number or company or other registration number.
 - 16.1.2. a signed declaration form –

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- 16.1.2.1. stating 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;
- 16.1.2.2. stating 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 for the previous twelve months; or
- 16.1.2.3. stating whether a spouse, child or parent of the service provider or of a director, manager, shareholder or stakeholder referred to in subparagraph (ii) above is in the service of the state, or has been in the service of the state in the previous twelve months; and
- 16.1.2.4. declaring any conflict of interest, the provider may have in the transaction for which the quotation or bid is submitted
- 16.1.3. a One Time Pin issued by SARS and a master registration number as issued by the central supplier database (CSD).
- 16.1.4. a certificate signed by the provider certifying that the service provider has no undisputed commitments for municipal services towards the City of Johannesburg or any other municipality in respect of which payment is overdue for more than 90 days, or certifying that an appropriate agreement has been entered into between the relevant municipality and the service provider for the repayment of all undisputed commitments for municipal services, in respect of which no payment is overdue for more than 90 days;
- 16.1.5. If the value of the transaction is expected to exceed R10 million (VAT included):
 - 16.1.5.1. and the service provider is required by law to prepare annual financial statements for auditing, must submit its audited or independently reviewed annual financial statements –
 - 16.1.5.1.1. for the past three years; or
 - 16.1.5.1.2. since its establishment, if established during the past three years.
 - 16.1.5.2. particulars of any contract awarded to the provider 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;
 - 16.1.5.3. 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 JPC is expected to be transferred out of the Republic;
 - 16.1.5.4. an undertaking that the bid offer was independently determined.

17. PROCUREMENT MECHANISMS AND THE PREFERENCE POINT SYSTEM

17.1. JPC shall adhere to the principles of fair, equitable, competitive, cost effective and transparent procurement systems whenever sourcing goods and services from the market.

17.2. To ensure attainment of this critical requirement the following procurement mechanisms are prescribed when procuring goods and services on behalf of JPC.

TABLE 1: RANGE OF PROCUREMENT PROCESSES	
Procurement Mechanism	Total Transaction Value
Petty Cash Purchases	R nil to R2 000 (VAT Inclusive)
Formal Written Price Quotations	Above R2 000 up to R750 000 (VAT Inclusive)
Competitive Bidding Process	1. Above R750 000 (VAT Inclusive); and 2. The procurement of long-term contracts
Sole Suppliers	Any Value
Unsolicited Bids	Any Value
Quotations solicited from established panels	Any Value

The 80/20 and 90/10 preference point system for the acquisition of goods and/or services

- 17.3. The formulae for the 80/20 and 90/10 preference points system are as follows:
- (a) the price in respect of bids (including quotations) with an estimated Rand value of greater than R2 000 and up to a Rand value of R50 000 000 (all applicable taxes included):
 - (b) the price in respect of bids (including price quotations) with an estimated Rand value of greater than R50 000 000 (all applicable taxes included):

Where:

$$P_s = 80 [1 - (P_t - P_{min})]$$

$$P_{min}$$

$$P_s = 90 [1 - (P_t - P_{min})]$$

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P_{min}

Where:

P_s = Points scored for comparative price of the bid under consideration;

P_t = Comparative price the bid under consideration; and

P_{min} = Comparative price of the lowest responsive bid.

Categories of preferential goals for JPC

17.4. The categories of preferential goals as contained in the relevant legislation and the COJ IDP document is hereby listed below and JPC will be at liberty to apply specific goals in any combination format depending on preference targets and availability of suppliers. Any one of these goals must be included in the Request for Quotations and tenders.

17.5. Preferential Goal 1: Designated Groups

17.6. A maximum of 20 points when applying the 80/20 Preference Point System or 10 points when using the 90/10 Preference Points System, may be allocated under this category. Bidder may score the points based on company ownership. If this goal is applied, the tender/RFQ must be advertised with specific tendering preferential procurement requirement that in order to claim 20/10 points for specific goals, the tenderer must be 51% owned or more by the following designated groups: (a) Black People;

(b) Women;

(c) Youth

(d) People with Disabilities;

(e) An EME or QSE;

(f) Black People who are Military Veterans; and

(g) Cooperatives which is at least 51% owned by Black People;

17.7. The verification of company's ownership details will be done through the BBBEE Certificates issued by SANAS accredited verification agencies. In the case of

EMEs and QSEs a Sworn Affidavit issued in terms of a prescribed template/CIPC BBBEE Certificates will also be accepted. Central Supplier Database Registration Reports will also be used to verify the information

17.8. Preferential Goal 2: Specific Goals

17.9. In addition to allocating the Preference Points to advance certain designated groups, the tendering conditions may stipulate those specific goals, as contemplated in section 2(1)(d)(ii) of the Act will be allocated Preference Points. These Specific Goals are regarded as critical in contributing towards the economic development and growth in Gauteng Province. Therefore, additional points may be allocated for the following, including the City of Johannesburg's IDP Goals:

- (a) The promotion of South African owned enterprises and local products;
- (b) The promotion of SMMEs;
- (c) The creation of new jobs or the intensification of labour absorption,
- (d) The promotion of enterprises located in a specific municipal area for work to be done or services to be rendered in that municipal area.
- (e) The promotion of enterprises located in Townships.
- (f) The upliftment of communities through, but not limited to, housing, transport, schools, infrastructure donations, and charity organisations.
- (g) Sub-contracting to designated groups.

17.10. Preferential Goal 3: Combination of any other goals above

17.11. JPC may also combine any specific goals above in a manner that will help them evaluate and apply preference points to tenders.

18. PETTY CASH PURCHASES

18.1. Petty cash purchases may be allowed in cases where it is not possible or economically viable to procure goods and services through written quotation or competitive bidding processes. This situation will arise where the total costs of engaging in written quotation or competitive bidding far outweighs the value of the item(s) or services been sought.

18.2. Petty cash purchases shall be limited for the procurement of items or services below R2 000 (VAT inclusive) only. The amount of R2 000 (VAT inclusive) should be the total value of all of the Department's requirements for a particular item or service per

occasion, or the requirements must be so incidental that it is not viable/feasible for JPC to establish a contract or keep stock.

- 18.3. Petty cash expenditure should be authorized by Head of the requesting department, in the absence of the head of the department may delegate to the immediate senior manager to authorize.

19. WRITTEN QUOTATIONS

- 19.1. To ensure that transparent and equitable objectives are adhered to at all times when procuring different goods and services, JPC shall use the written quotation mechanism when:

19.1.1. The total value of goods and services is more than R2 000 but below R750 000 inclusive of VAT. These thresholds shall, where possible, apply to the yearly-consolidated requirements of JPC; and

19.1.2. Goods and services are required from service providers on any panel of service providers approved by the appropriate Adjudication Committee, in which event the provisions of sub-paragraph 8 below shall apply

- 19.2. Such quotations must be obtained in writing from at least three different suppliers, subject to Clause 19.3 below. As far as possible all suppliers must be afforded an opportunity to quote on a rotational basis.

- 19.3. Should it not be possible to obtain three quotations, the reasons must be recorded and approved by the Chief Financial Officer

19.3.1. In instances where it is not possible to obtain 3 quotations due to repairs work requiring stripping prior quoting such reasons as applicable must be recorded in the relevant report including all relevant evidence and supported by the Senior Manager: Supply Chain Management or the Head of Department as per their individual delegated authorities.

- 19.4. If there are frequent requirements, in respect of which the amount per individual transaction is less than R750 000 per user department, such requirements must be reflected in the acquisition plan for consolidation and a contract be established through a competitive bidding process.

- 19.5. Splitting of requirements with the sole intention of circumventing any of the procurement mechanisms listed is prohibited.

- 19.6. All written quotations solicited above the R2 000 threshold must be processed in accordance with paragraph 2.3 of the City of Johannesburg's Practice Note 01/2023: Application of Preferential Goals for Procurement above the Rand Value of R2000 and

in accordance with the Preferential Procurement Policy Framework Act and its Regulations.

19.7. In the event of the appointment of service providers on any panel approved by the appropriate authority and subject to the conditions of approval by that authority, the preferred bidder shall be appointed by the relevant Bid Adjudication Committee contemplated in Annexure B, after having obtained quotations from all of the service providers in that category of goods and services of the approved panel of service providers: provided that:

19.7.1. the utilisation of the panel is in accordance with the terms and conditions of the award and the approved service providers shall be afforded at least 5 days to provide their quotations;

19.7.2. in the event of predetermined rates that are standardised, allocation of work will be on a rotational basis to ensure fair and equitable distribution of work to the respective service providers.

19.8. All requirements in excess of R30 000 (VAT included) that are to be procured by means of written quotations, excluding goods or services available on contract and goods and services to be procured from service providers on any panel of service providers approved by the appropriate authority, must be advertised for **at least seven** days on the National Treasury e-tender portal as well as the official website and notice board of JPC.

20. COMPETITIVE BIDDING PROCESS

General Conditions Applicable for a Competitive Bidding Process

20.1. In order to ensure transparency and equitability when procuring goods and services, the JPC shall use the competitive bidding process mechanism when:

20.1.1. Procuring goods or services above a value of R750 000 (VAT inclusive);

20.1.2. Procuring goods and services requiring long-term contracts as defined;
and

20.1.3. Procuring of banking services.

20.2. The competitive bidding process mechanism shall be utilised in the manner prescribed in the appropriate Procedure Manual.

20.3. Splitting of requirements with the sole intention of circumventing any of the procurement mechanisms listed in this Policy shall be prohibited.

Public Invitation for Competitive Bids

- 20.4. Any invitation to prospective providers to submit bids must be by means of the following platforms:
- 20.4.1. Advertisement in the newspaper commonly circulating locally, e.g. Star Newspaper, Sowetan, Business day or Sunday Times etc.
 - 20.4.2. JPC Website
 - 20.4.3. E-Tenders Publication Portal
 - 20.4.4. Tender Bulletin
 - 20.4.5. Construction Industry Development Board website for contraction related projects and
 - 20.4.6. Any other platform acceptable by National Treasury.
- 20.5. Advertisement on a newspaper will be assessed on a case by case basis and not mandatory, in line with MFMA Circular 97 on cost containment, Annexure A Cost Containment Measures.
- 20.6. JPC will advertise bids on the JPC website and at least one other platform indicated in clause 20.4 above
- 20.7. The information a public advertisement must contain, which must include; -
- 20.7.1. The closure date for the submission of the bids, which may not be less than 30 days in the case of transaction over R10 million (VAT included), or which are for long term nature or 14 days in any other case, from the date on which the advertisement is published, subject to clause 20.8
 - 20.7.2. A statement that bids may only be submitted on the bid document provided by JPC
- 20.8. Accounting Officer may determine a closure date for submission of bids which is less than the 30 or 14 days' requirement, but only if such 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.
- 20.9. Bids submitted to JPC must be sealed.
- 20.10. Where bids are requested in electronic format, such bids must be supplemented by sealed hard copies.
- 20.11. Bid documentation for a competitive bidding process must:
- 20.11.1. Take into account:
 - 20.11.1.1. The general conditions of the contracts and any special conditions of contract, if specified;
 - 20.11.1.2. any Treasury guidelines on bid documentation;

- 20.11.1.3. the requirements of the Construction Industry Development Board, in the case of a bid relating to construction, upgrading or refurbishment of buildings or infrastructure;
- 20.11.2. include the evaluation criteria, preference points system to be used as contemplated in the Preferential Procurement Regulations, 2022 and any criteria required by other applicable legislation;
- 20.11.3. compel bidders to declare any conflict of interest they may have in the transaction for which the bid is submitted;
- 20.11.4. if the value of the transaction is expected to exceed R10 million (VAT included), require bidders to furnish–
 - 20.11.4.1. if the bidder is required by law to prepare annual financial statements for auditing, their audited or independently reviewed annual financial statements –
 - 20.11.4.1.1. for the past three years; or
 - 20.11.4.1.2. since its establishment, if established during the past three years.
 - 20.11.4.2. particulars of any contract awarded to the provider 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;
 - 20.11.4.3. 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 JPC is expected to be transferred out of the Republic;
 - 20.11.4.4. an undertaking that the bid offer was independently determined.

21. SUPPLY CHAIN MANAGEMENT COMMITTEE SYSTEMS AND PROCEDURES

- 21.1. The JPC makes use of committee system to ensure that the acquisition process for goods and services is open, fair and transparent.
- 21.2. The Committee system ensures that objectivity, value for money and cost effectiveness principles are espoused in all phases of the acquisition process
- 21.3. The JPC will make use of the following committees:

Committee	High Level Function	Composition
Bid Specification Committee (BSC)	Compiling specifications for the JPC's requirements to be acquired	1. Chair: Manager upwards 2. User Department 3. Legal Advisor (if required)

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Committee	High Level Function	Composition
		4. SCM representative 5. Finance representative (if required) 6. External Specialist advisors (if required)
Bid Evaluation Committee (BEC)	Evaluation of Bids, compilation of reports & making recommendations	1. Chair: Manager upwards; 2. User Department 3. Legal Advisor (if required) 4. SCM representative 5. Finance representative (if required) 6. External Specialist advisors (if required)
Bid Adjudication Committee (BAC)	Consideration of the recommendations and award	1. Chair: Chief Financial Officer 2. User Department 3. Legal Advisor (if required) 4. SCM representatives 5. Finance representative (if required)

- 21.4. The Accounting Officer appoints members of each committee, taking into account Section 117 of MFMA and Regulation 26 of the Municipal SCM Regulations
- 21.5. No persons sitting in the Bid Evaluation Committee shall be permitted to be a member of Bid Adjudication Committee
- 21.6. The Bid Specification and Bid Evaluation Committees shall form a quorum when they are 50% plus one member available for each committee
- 21.7. At least 60% of members shall be required to be present to consider any reports or recommendations in the Bid Adjudication



22. BID SPECIFICATION COMMITTEE

Purpose

- 22.1. Bid specification committees are responsible for compiling technical specifications incorporating set criteria for JPC's requirements to be acquired. The Committee shall approve the specifications for the procurement of goods or services/works by JPC, the evaluation criteria and any special conditions of contract.

Composition

- 22.2. The bid specification committee must be composed of at least three officials of JPC from the user department and preferably include the official responsible for the function; representatives from Supply Chain Management and Chairperson; and may include external specialist advisors.
- 22.3. JPC officials that form part of the bid specification committee must be deemed by the user Department's Head to have the required skills and competency to form part of the committee.
- 22.4. Persons, advisors or corporate entities who participate in the bid specification or the directors of such corporate entities are, however, prohibited from bidding for the contracts.

Function

- 22.5. When a bid specification committee compiles the technical specifications for a particular requirement, the technical specifications: –
- 22.5.1. must be drafted in an unbiased manner to allow all potential service providers to offer their goods or services;
 - 22.5.2. must take account of any acceptable standards recognised and issued by but not limited to South Africa Bureau of Standards (SABS), the International Standards Organisation (ISO), or an authority accredited or recognised by the South African National Accreditation System (SANAS);
 - 22.5.3. must be functional and not be outcome based or brand inclined;
 - 22.5.4. must consider the requirements of the Preferential Procurement Regulations, 2022, in relation to the procurement of goods and services that have been designated for local production and content.

- 22.5.5. must not create trade barriers in contract requirements in the forms of plans, drawings, designs, testing and test methods, packaging, marking or labelling of conformity certification;
- 22.5.6. shall 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 words "equivalent";
- 22.5.7. must indicate each specific goal for which points may be awarded in terms of points system and
- 22.5.8. must be approved by the Accounting Officer prior to publication of the invitation for bids in terms clause 20.4.
- 22.5.9. No person, advisor or corporate entity involved with the bid specification committee, or director of such a corporate entity, shall bid for any resulting bids.

23. BID EVALUATION COMMITTEE

Purpose

- 23.1. Bid evaluation committees are responsible for the evaluation of bids, compilation of comprehensive reports, and making recommendations for consideration by the respective adjudication committees.

Composition

- 23.2. The bid evaluation committee must be composed of at least three officials of JPC from the user department and preferably include the official responsible for the function; representatives from Supply Chain Management and Chairperson and may include external specialist advisors.
- 23.3. JPC officials that form part of the bid evaluation committee must be deemed by the user Department's Head to have the required skills and competency to form part of the committee.

Function

- 23.4. The bid evaluation committee must check the National Treasury's database of restricted suppliers prior to recommending any bid to ensure that no recommended

bidder or any of its directors is listed as a person prohibited from doing business with the public sector and must also verify the recommended bidder/s credentials on the Central Supplier Database.

23.5. A bid evaluation committee must: -

23.5.1. Evaluate bids in accordance with the approved specification and the preference point system set out in the Preferential Procurement Regulations, 2022.

23.5.2. Evaluate each bidder's capability to execute the contract from a technical, financial and commercial perspective;

23.5.3. Ascertain whether the bidder complies to all the general conditions as set out in Clause 16 above.

23.5.4. Check in respect of the recommended bidder whether municipal rates and taxes and municipal services charges are not in arrears and

23.5.5. Submit to the adjudication committee a report and recommendations regarding the award of the bid or any other related matter pertaining to the bid/s.

23.6. Ensure that proper risk and financial analysis is undertaken in the evaluation of bids.

23.7. Ensure that the credentials of the bidder/s are verified in the National Treasury Central Supplier Database.

24. BID ADJUDICATION COMMITTEE

Purpose

24.1. The Bid Adjudication Committee shall be responsible for making recommendations to Accounting Officer relating to transactions above R10 million (inclusive of Vat), making final awards relating to transactions below R10 million (inclusive of Vat) and /or referring back the proposed recommendations back to the Bid Evaluation Committee for further analyses where necessary.

24.2. In considering the report and recommendations of the bid evaluation committee, the bid adjudication committee must act independently from the bid evaluation committee.

Composition

24.3. The bid adjudication committee must be composed of at least four senior managers of the JPC, which must include:

- 24.3.1. the Chief Financial Officer or, if the Chief Financial Officer is not available, another manager in Finance reporting directly to the Chief Financial Officer and designated by the Chief Financial Officer
 - 24.3.2. at least one senior supply chain management practitioner who is an official of JPC;
 - 24.3.3. a technical expert in the relevant field who is an official of JPC, if such an expert exists;
- 24.4. The Accounting Officer must appoint the chairperson of the bid adjudication committees. If the chairperson is absent from a meeting, the members of that committee who are present must elect one of them to preside at the meeting.
- 24.5. Neither a member of a bid evaluation committee, nor an advisor or person assisting the specification or evaluation committee, may be a member of a bid adjudication committee.
- 24.6. However, members of the Bid Evaluation Committee may be invited to present their recommendations / reports to the Bid Adjudication Committee and clarify any issues; but shall not have any voting powers.

Function

- 24.7. A bid adjudication committee must: –
- 24.7.1. Consider the report and recommendations of the bid evaluation committee;
 - 24.7.2. Consider the report and recommendations of the internal/external probity advisor for bids in excess of R5 million.
 - 24.7.3. Either -
 - 24.7.3.1. depending on its delegations, makes a final award or a recommendation to the Accounting Officer to make the final award; or
 - 24.7.3.2. make another recommendation to the Accounting Officer on how to proceed with the relevant procurement.
- 24.8. 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: -
- 24.8.1. ensure in respect of the preferred bidder whether that bidder's municipal rates and taxes and municipal service charges are not in arrears, and;
 - 24.8.2. confirm that the credentials of the bidder are in order on the National Treasury Central Supplier Database
 - 24.8.3. notify the Chief Executive Officer, who is the Accounting Officer of JPC

- 24.9. The Accounting Officer may: -
- 24.9.1. after due consideration of the reasons for the deviation, ratify or reject the decision of the bid adjudication committee referred to in Clause 24.7 above; and
 - 24.9.2. If the decision of the bid adjudication committee is rejected, refer the decision of the adjudication committee back to that committee for reconsideration.
- 24.10. 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.
- 24.11. The Accounting Officer shall, in accordance with Section 114 of the Act, notify the Auditor-General, the Provincial Treasury and National Treasury in writing within 10 working days where a bid, other than the one recommended in the normal course of implementing this Policy, has been approved.
- 24.12. The bid adjudication committees must consider all reports and recommendations of the bid evaluation committee in terms of their respective mandates/Terms of Reference as determined from time to time.
- 24.13. The bid adjudication committees shall make the award based on their satisfaction with the integrity of the bid evaluation process being followed and compliance to this Policy

25. PROBITY

- 25.1. Awards greater than R5 million must be subjected to probity
- 25.2. Probity reports should be considered prior to making or recommending any awards
- 25.3. The costs for probity should be classified as consultancy fee for the project in question

26. REQUIREMENTS FOR THE INVITATION OF BIDS THAT INCLUDES FUNCTIONALITY AS A CRITERION

- 26.1. All bids that have a functionality aspect must adhere to the following:
 - 26.1.1. The invitation to bid must indicate that the bid will be evaluated on functionality.
 - 26.1.2. Bid invitation should clearly stipulate that the bid will be evaluated on functionality in order to give prospective bidders insight to the evaluation criteria and an understanding that the bidder will be required to

demonstrate certain level of functional competence in order to compete effectively for the requirement for which a bid has been invited.

- 26.1.3. The bid document must indicate the evaluation criteria for measuring functionality. All the functional elements that will form part of the evaluation should be specified. Such elements should be quantifiable and measurable and clear guidelines in terms of how such are going to be evaluated should be given in order to ensure that the evaluation panel has a common understanding on how to evaluate and score bidders on functionality.
- 26.1.4. The bid document must indicate the weight for each criterion. Each functionality element must be allocated a weight and such must be in accordance with the significance of that element in relation to the totality of the functionality aspect. In essence, each element must be allocated a weight that demonstrates its worth relative to other elements that are going to be evaluated.
- 26.1.5. The applicable values as well as the minimum threshold for functionality. The range of values that are going to be utilized in the computation of the scores must be stipulated upfront and no deviations should be allowed once such has been decided even though such a deviation might not affect the final outcome.
- 26.1.6. The minimum participation threshold that a company must obtain for functionality in order to be considered for further evaluation must be outlined and all bidders who do not meet the required threshold must be disqualified. Scores for functionality must be expressed to two decimal places.
- 26.1.7. All bids that do not have functionality element shall be evaluated and adjudicated on a straight 90/10 and 80/20-point system respectively, where 90 or 80 points will be for price and the 10 or 20 points will be B-BBEE level of contribution as per the PPPFA.
- 26.1.8. The assessment of functionality must first be done in terms of the evaluation criteria and the minimum threshold stipulated in the bid invitation. In other words, bids must first be evaluated and scored on the functionality elements.
- 26.1.9. Only those bidders that meet the minimum threshold shall be considered for the subsequent stages of the evaluation process and all those who did not meet the minimum threshold shall be disqualified and not considered further.

27. TWO STAGE BIDDING PROCESS

27.1. A two-stage bidding process is allowed when: –

- 27.1.1. The requirements are not easily determinable and it is ideal to engage the market in firming up the requirements;
- 27.1.2. Long term projects with a duration period exceeding three years
- 27.1.3. Sensitive projects or services requiring security clearance prior to the award or where it is undesirable to prepare complete detailed technical specifications;
- 27.1.4. Complex projects that require multiple stages before award and are requiring period of three years;
 - 27.1.4.1. The first stage entails technical proposal on conceptual design or performance specifications, issuing out a Request for Information to the market through public invitations;
 - 27.1.4.2. The second stage entails issuing out a detailed Request for Proposals to only short listed suppliers.

28. PROCEDURE FOR HANDLING, OPENING AND RECORDING OF BIDS

The following procedures for the handling, opening and recording of bids shall apply:

28.1. Bids –

- 28.1.1. must be opened in public;
 - 28.1.2. must be opened at the same time and as soon as possible after the period for the submission of bids has expired; and
 - 28.1.3. received after the closing time shall not be considered and shall be returned unopened without delay.
- 28.2. 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;
- 28.3. No information, except the information referred to in clause 28.2 above, relating to the bid shall be disclosed to bidders or other persons until the successful bidder is notified of the award;
- 28.4. The Accounting Officer must –
- 28.4.1. record all bids received in time in an appropriate bid opening register;
 - 28.4.2. make the bid opening register available for public inspection; and
 - 28.4.3. publish the entries in the register and the bid results on the website of JPC.

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

- 29.1. Service providers whose tax matters are not known or have not been declared to be in order by the South African Revenue Services are not eligible to be awarded business by the JPC. Verification of supplier credentials in the Central Supplier Database is a mandatory requirement for all procurement mechanisms listed in this Policy with the exception of Petty Cash purchases.
- 29.2. It is the service provider's responsibility to provide the JPC with a valid Tax Compliance Certificate or One Time Pin and/or proof of registration on the Central Supplier Database. Failure to do so may result in the automatic disqualification of the relevant service provider.
- 29.3. It is an offence to deregister for VAT purposes after obtaining business from JPC, without advising the JPC accordingly. Should JPC establish that a service provider has deregistered after the contract award and is claiming VAT, JPC shall be entitled to summarily cancel the contract, prohibit the offender from doing future business with JPC and/or lay criminal charges against the offender.
- 29.4. In line with MFMA Circular 90, where the recommended bidder is not tax compliant, the bidder should be notified of their non-compliant status and the bidder must be requested to submit to JPC within 7 working days, written proof from SARS of their tax compliant status or proof from SARS that they have made an arrangement to meet their outstanding tax obligations. The proof of tax compliance status by the bidder to JPC must be verified via CSD or e-Filing.
- 29.5. The Accounting Officer should reject a bid submitted by the bidder if such bidder fails to provide proof of tax compliance status within the timeframe stated above

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

- 30.1. JPC will not, subject to such amendments to the Act and exemptions as the Minister may promulgate from time to time, award contracts to service providers who are owned directly or indirectly by the following categories of persons:
- 30.1.1. Person in the service of the state;
 - 30.1.2. 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
 - 30.1.3. An advisor or consultant contracted with the municipal entity.

31. AWARDS TO CLOSE FAMILY MEMBERS AND FRIENDS OF PERSONS IN THE SERVICE OF THE STATE

- 31.1. The awarding of contracts by officials in decision-making positions to close family members or friends shall not be allowed. To this extent, all relevant officials shall make full disclosure of businesses owned by close family members and / or friends on an annual basis and no such officials shall directly or indirectly be involved in the awarding of such business transactions.
- 31.2. Should officials in the employment of JPC fail to make the disclosure outlined in **31.1** and it is found that any contract is awarded to a bidder that is closely related to an official, the Accounting Officer is mandated to take disciplinary action against the official.
- 31.3. 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, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months, which particulars shall include:
- 31.3.1. the name of that person
 - 31.3.2. the capacity in which that person is in the service of the state; and
 - 31.3.3. the amount of the award.

32. PROCUREMENT OF CONSULTING SERVICES

- 32.1. JPC may procure consulting services provided that any Treasury Guidelines in respect of consulting services are taken into account when such procurements are made.
- 32.2. The relevant Head of Department must in the first instance prepare a motivation and seek permission from the Accounting Officer for the procurement of consulting services
- 32.3. Procurement of consultants shall follow the normal procurement process of competitive bidding
- 32.4. Copyright in any document produced, and the patent rights and ownership in any plant, machinery, article, system or process designed or devised by a consultant in the course of the consultancy service shall vest in JPC.
- 32.5. Where applicable, appointed consultants shall ensure that there shall be transfer of skills to JPC employees by providing a skills transfer plan and issuing a report on skills transfer to JPC's relevant Project Manager employees prior to project completion.
- 32.6. The Chief Executive Officer shall introduce such steps as may be required to ensure that the provisions of Clause 32.5 above are complied with.

33. PROCUREMENT OF BANKING SERVICES

- 33.1. A contract for banking services –
 - 33.1.1. must be procured through competitive bidding process;
 - 33.1.2. must be consistent with section 85 of the Act; and
 - 33.1.3. may not be for a period of more than five years at a time
- 33.2. The process for procuring a contract for banking services must commence at least 9 months before the end of an existing contract.
- 33.3. 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 Clause 33.2 above.
- 33.4. Bids must be restricted to banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990).

34. PROCUREMENT OF IT RELATED SERVICES

- 34.1. The procurement of all of the IT related goods or services must be made in accordance with the JPC's approved IT strategy.
- 34.2. 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.
- 34.3. In the event that the JPC requests SITA to assist in the acquisition of IT related goods in terms of Clause 34.2 above, both parties must enter into a written agreement to regulate the services rendered by, and the payments to be made to SITA.
- 34.4. In the event the Accounting Officer has requested assistance as contemplated in 34.2 above, must notify SITA together with a motivation of the IT needs if:
 - 34.4.1. the transaction value of IT related goods or services required in any financial year will exceed R50 million (VAT included); or
 - 34.4.2. the transaction value of a contract to be procured whether for one or more years exceeds R50 million (VAT included).
- 34.5. If SITA comments on the submission and the JPC disagrees with such comments, the comments and the reasons for rejecting or not following such comments must be submitted to the Board, the National Treasury, the relevant Provincial Treasury and the Auditor General.
- 34.6. The provisions of Clause 34.2 above are applicable to all procurement mechanisms and does not apply when JPC is utilising transversal contracts secured by SITA.

35. UTILISATION OF APPROVED PANELS OF SERVICE PROVIDERS

- 35.1. The City of Johannesburg's established panel of service providers or that of JPC, will be utilised as follows:
- 35.1.1. All providers on the panel of service providers shall, as far as possible, be used on a rotational basis to allow all providers on the panel fair and equal opportunity to compete for the JPC's business.
 - 35.1.2. Any continued engagement of service providers on the panel shall be dependent on the performance and quality standards set out.
 - 35.1.3. The appointment of service providers drawn from existing panels must be dealt with in terms of the delegation of Supply Chain Management powers and duties.
 - 35.1.4. All quotations solicited by the end-users, from the respective panels, will be deposited into the quotation box, in a sealed envelope clearly identifiable in terms of the panel number and the item being procured from that panel. Where functionality is key to the requirements, the requirements of MFMA Circular 53 shall apply.
 - 35.1.5. The utilisation of the service providers of the respective panels will not exceed the duration of the panels nor exceed the approved estimated value, if indicated.
 - 35.1.6. All procurement under Clause 35 shall be for a maximum set by the Accounting Officer and any procurement above this amount (currently R5 million) shall be subject to a normal public tendering process.
 - 35.1.7. Application of the PPPFA Regulations to the extent that Price and BBBEE preferential points becomes the basis for preference for one bidder over the other shall not apply when appointing bidders onto a panel of service providers. Preferential Points system shall apply when a service provider appointed onto the panel is requested to submit quotations. In the case where a fixed or standardised rates are agreed upon by all members of the Panel no further preferential elimination shall apply and service providers shall be utilised on a rotational basis.
 - 35.1.8. Bid Specification Committee will not be required to convene where the Terms of Reference or Specifications applicable have been outlined in detail at the time of establishing the panel and there is no further qualification required when requesting quotations once the Panel has been established
 - 35.1.9. Service Providers must be given a reasonable time to submit their quotations. A minimum of 5 days is required.

36. SOLE SUPPLIERS

- 36.1. Procuring goods and services from sole suppliers occur when:
- 36.1.1. Only one service provider manufactures or renders goods and services due to the unique nature of the requirements;
 - 36.1.2. Goods and services already in the JPC's value chain / employ are only supplied by an Original Equipment Manufacturer (OEM) or by a licensed agent thereof; or
 - 36.1.3. There is a requirement for compatibility, continuity and/or alignment.
 - 36.1.4. Authorised agents must produce:
 - 36.1.4.1. An appropriate letter from the relevant OEM before the award is made; and,
 - 36.1.4.2. Documentary evidence confirming its status as a licensed owned agent.
- 36.2. To ensure transparency and fairness, all requirements categorised to be sourced from sole service providers shall be advertised for at least 14 calendar days, provided that in respect of banking services and bids valued above R10 million (inclusive of VAT), the periods contemplated in Clause 33 are adhered to.

37. UNSOLICITED BIDS

- 37.1. Unsolicited bids are bids that are pre-emptively submitted by the prospective service provider(s) to JPC without any requirements being identified and advertised by JPC. This situation arises when the service provider(s) identify an opportunity to render services or supply products not ordinarily required by JPC, or where the need for such services or goods have not yet been identified by JPC.
- 37.2. JPC shall not be obliged to consider unsolicited bids received outside the normal competitive bidding process.
- 37.3. The Accounting Officer may consider an unsolicited bid, but only if:
- 37.3.1. The product or service offered in terms of the bid has a demonstrably or proven unique innovative concept;
 - 37.3.2. The product or service will be exceptionally beneficial to, or have exceptional cost advantages;
 - 37.3.3. The person who made the bid is the sole provider of the product or service; and
 - 37.3.4. The reasons for not going through the normal bidding processes are approved by the Accounting Officer.

- 37.4. If the Accounting Officer decides to consider an unsolicited bid that complies with Clause 37.3 above, the decision must be made public in accordance with section 21A of the Municipal Systems Act, together with:
- 37.4.1. Reasons as to why the bid should not be opened to other competitors;
 - 37.4.2. An explanation as to why the bid should not be opened to other competitors;
 - 37.4.3. An invitation to the public or other potential suppliers to submit their comments within 30 days of the date the decision has been published.
- 37.5. The Accounting Officer shall submit all written comments received pursuant to Clause 37.4.3 above, including any responses from the unsolicited bidder, to the National Treasury and the Provincial Treasury for comment.
- 37.6. The Bid Adjudication Committee must consider the unsolicited bid and may award the bid or make a recommendation to the Accounting Officer, depending on its delegations.
- 37.7. A meeting of the Bid Adjudication Committee to consider an unsolicited bid must be open to the public.
- 37.8. When considering the matter, the Bid Adjudication Committee must take into account –
- 37.8.1. Any comments submitted by the public, as well as the response received from the unsolicited bidder, if any; and
 - 37.8.2. Any written comments and recommendations of the National Treasury or the Provincial Treasury.
- 37.9. If any recommendations of the National Treasury or Provincial Treasury are rejected or not followed, the Accounting Officer must submit to the Auditor General and the Provincial and National Treasury the reasons for rejecting or not following those recommendations.
- 37.10. The recommendation referred to in Clause 37.9 above must be made within 7 days after the decision on the award of the unsolicited bid is taken, but no contract committing JPC to the bid shall be entered into or signed within 30 days of the submission.
- 37.11. JPC reserves the right:
- 37.11.1. Not to award the business to the bidder that has made the unsolicited bid;
 - 37.11.2. To award the business to any competitive bidder instead of the unsolicited bidder; and/or
 - 37.11.3. To reject any bidder who may have generated an unsolicited bid having used privileged information owned by JPC or the City of Johannesburg municipality.

38. DEVIATIONS FROM AND RATIFICATION OF MINOR BREACHES OF THE PROCUREMENT PROCESSES IN TERMS OF REGULATION 36 OF THE MUNICIPAL SUPPLY CHAIN MANAGEMENT REGULATIONS

- 38.1. Deviations from the procurement processes contained in this Policy are not encouraged and shall only be allowed in the circumstances provided for in this paragraph.
- 38.2. The Accounting Officer may:
- 38.2.1. deviate from the official procurement processes contained in this Policy and approve the procurement of any required goods or services through any convenient process, which may include direct negotiations, but only
 - 38.2.1.1. in an emergency;
 - 38.2.1.2. if such goods or services are produced or available from a single/sole provider as contemplated in Clause 36 above;
 - 38.2.1.3. for the acquisition of special works of art or historical objects where specifications are difficult to compile;
 - 38.2.1.4. for the acquisition of animals for Johannesburg Zoo, or
 - 38.2.1.5. in any exceptional case where it is impractical or impossible to follow the official procurement processes. and
 - 38.2.2. 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.
- 38.3. Reasons for the deviation or ratification must be motivated and recommended by the responsible manager of a unit in the relevant report for consideration by the Accounting Officer.
- 38.4. The Accounting Officer must record the reasons for any approved deviation or ratification in terms of Clauses 38.2.1 and 33.8.2 above, must report them to the next meeting of the Board and must include any such deviation or ratification as a note to the annual financial statements.
- The full contract value must be included in the annual financial statements, in case of a multi-year contract.

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

- 39.1. The Chief Executive Officer may approve the procurement of goods and/or services under a contract secured by another organ of state, but only if:

- 39.1.1. the contract has been secured by such other organ of state by means of a competitive bidding process applicable to that organ of state;
 - 39.1.2. there is no reason to believe that such contract was not validly procured;
 - 39.1.3. there are demonstrable discounts or benefits to do so;
 - 39.1.4. the other organ of state and the provider has consented to such procurement in writing;
 - 39.1.5. the goods or services required by JPC are similar to those on contract.
 - 39.1.6. the goods are procured under similar terms and conditions.
- 39.2. Clauses 39.1.3 and 39.1.4 above do not apply if the JPC procures goods or services through a contract secured by City of Johannesburg as a parent municipality.
- 39.3. The respective departments within JPC must solicit prior approval from the Accounting Officer for participation in a contract established by other organs of state.
- 39.4. The above must not be exercised to defeat the purpose and intentions of the competitive bidding process and must be considered as a mechanism of last resort.
- 39.5. The contract period should not exceed the remaining contract period.
- 39.6. The total value of the contract should not exceed the original contract value taking into account both institutions requirements.
- 39.7. This section is not applicable to the use of panel of another institution.

40. CONTRACTS PROVIDING FOR COMPENSATION BASED ON TURNOVER

- 40.1. Should the compensation payable to any service provider be determined as an agreed percentage of turnover for the service rendered or the amount collected on behalf of the JPC, the contract between the service provider and JPC must: –
- 40.1.1. contain a cap on the compensation payable to such service provider; and
 - 40.1.2. stipulate that such compensation shall be performance based.

41. GOODS NECESSITATING SPECIAL SAFETY CONSIDERATIONS

- 41.1. The acquisition and storage of goods in bulk (other than water), which necessitate special safety arrangements, including gasses and fuel, must be avoided wherever possible.
- 41.2. 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.

42. NEGOTIATIONS WITH PREFERRED BIDDERS

- 42.1. The necessary prior approval or mandate to negotiate with any service providers must be obtained in writing from the relevant Bid Adjudication Committee or Accounting Officer or any delegated official, as the case may be.
- 42.2. All negotiations must be exercised in a fair, equitable, transparent and competitive manner that will not unduly disadvantage other bidders and compromise the integrity of the processes. The negotiations process shall apply in accordance with the best practice.
- 42.3. The negotiation mechanism may be used only when:
 - 42.3.1. Procuring goods and services from single or sole suppliers;
 - 42.3.2. Annual price increases in respect of existing contracts are requested;
 - 42.3.3. Terms and conditions in respect of existing contracts require amendment;
 - 42.3.4. Finalising the award of business with preferred bidders provided that:
 - 42.3.4.1. Such negotiations do not allow any preferred bidder a second or unfair opportunity;
 - 42.3.4.2. Such negotiations are not to the detriment of any other bidder
 - 42.3.4.3. Such negotiations do not lead to a higher price than the bid as submitted; and
 - 42.3.4.4. The preferred bidder's quoted price exceeds 11% or 25% premium for the promotion of B-BBEE objectives as provided for in the revised Preferential Procurement Regulations, 2022 for both quotations and bids.
 - 42.3.4.5. Such negotiations must be aimed at realising cost effectiveness in the procurement of goods and services where the market rates are easily determinable for both quotations and bids.
- 42.4. The approval or mandate to negotiate must at least include the following:
 - 42.4.1. Reasons for negotiations
 - 42.4.2. Negotiation parameters
 - 42.4.3. Objectives of the negotiations
 - 42.4.4. Names of identified service providers (s) to negotiate with; and
 - 42.4.5. Names of the persons authorised to conduct the negotiations
- 42.5. The outcome of the negotiations must be approved by the relevant Bid Adjudication Committee or Accounting Officer or delegated authority, as the case may be, before award.
- 42.6. Records of all negotiations must be kept.

43. REJECTION OF BIDS/NON-RESPONSIVE BIDS

- 43.1. Bidding documents must provide for the rejection of all bids if and when deemed necessary. This is justified when there is lack of effective competition or bids are not substantially responsive, provided that lack of competition should not be determined solely on the basis of the number of bidders.
- 43.2. If all bids were rejected, JPC must review the causes justifying the rejection and consider making revisions to the specific conditions of contract, design and specifications, scope of the contract, or a combination of these, before inviting new bids.
- 43.3. If rejection is due to lack of competition, wider advertising should be considered.
- 43.4. If the rejection was due to most or all of the bids being non responsive, new bids may be invited from the initially pre-qualified bidders, or with the agreement of the Accounting Officer, from only those that submitted bids in the first instance.
- 43.5. All bids should not be rejected solely for the purpose of obtaining lower prices to the extent to which the provisions of the Preferential Procurement Regulations, 2022 are complied with. If the lowest evaluated responsive bid exceeds the JPC's pre-bid cost estimates by a substantial margin, JPC must investigate the causes for the excessive cost and consider requesting new bids as described above.
- 43.6. JPC should negotiate with the identified preferred bidder(s) to try to obtain a satisfactory contract as contemplated in the Preferential Procurement Regulations, 2022.
- 43.7. The Accounting Officer's prior approval must be obtained before rejecting all bids, soliciting new bids, or entering into negotiations with the identified preferred bidder. This approval should be recorded for auditing purposes.
- 43.8. JPC should report to the Provincial Treasury when a bid is cancelled for the second time.

44. CANCELLATION OF BIDS

- 44.1. Cancellation of bids must be in line with the provisions of the Preferential Procurement Regulations, 2022.
- 44.2. In the event of irregularities or fraudulent activities in any stage of the procurement process, JPC reserves the right to cancel the bid, subject to the provisions of this Clause.
- 44.3. In the event of a bid being cancelled as a result of the recommendations of the Bid Evaluation Committee, the relevant Bid Evaluation Committee must submit a report

- requesting permission from the Accounting Officer for cancellation of the bid stating the reasons for such cancellation prior to the bidders being notified of the cancellation.
- 44.4. Where goods and services are no longer required, the relevant manager of a unit must submit a report requesting permission for the cancellation of the bid stating the reasons for such cancellation to the Accounting Officer prior to bidders being notified of the cancellation.
 - 44.5. In the event that the bid is being cancelled for the second time, prior approval must be sought and obtained from the relevant Provincial Treasury before issuing new bid invitations from the market.
 - 44.6. For construction related projects a cooling off period of six months' period is to be adhered to unless permission is sought and granted by CIDB.
 - 44.7. The cancellation of bids must be advertised in the same publications where it was initially advertised, JPC's website and notice board as well as the National Treasury e-tender portal.
 - 44.8. The cancellation of construction related projects must also be advertised on the CIDB website.

45. PENALTIES FOR ABUSE OF SUPPLY CHAIN MANAGEMENT

- 45.1. Abuse of Supply Chain Management is not acceptable and the JPC will take harsh steps against any person found to have violated and/or abused this policy.
- 45.2. Employees found guilty of conniving with suppliers or contravening this Policy will be disciplined.
- 45.3. Service providers and their directors who have been found guilty of abusing this Policy will be barred from doing business with the JPC and National Treasury will be informed accordingly.
- 45.4. The JPC reserves the right to criminally prosecute any person found to have violated or abused this Policy. To this extent the South African Law Enforcement agencies will be informed and the case will be handed over to them.
- 45.5. The JPC reserves the right to cancel or not to award business to service providers found to have:
 - 45.5.1. unfairly influenced the process of award and have been found guilty of improper conduct;
 - 45.5.2. been convicted for fraud or corruption during the past 5 years;
 - 45.5.3. willfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or

- 45.5.4. 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.
- 45.6. All employees are expected to assist the JPC in fighting corruption and to this extent are encouraged to report all suspicious acts in terms of the CoJ's Anti-Corruption Policy.

46. RESOLUTION OF QUERIES, DISPUTES, OBJECTIONS AND COMPLAINTS

- 46.1. Persons or service providers aggrieved by decisions or actions taken in the implementation of this Policy or in the awarding of business, may, within 10 working days of the decision or action lodge a written complaint, objection or query with the Accounting Officer detailing the following:
 - 46.1.1. the tender/bid or the quotation reference number;
 - 46.1.2. the part of JPC Policy, Regulations or Act that has been violated;
 - 46.1.3. the details of the violation;
 - 46.1.4. the department or region or utilities involved;
 - 46.1.5. relief sought:
- 46.2. Provided that no person aggrieved by any such decisions or actions shall be entitled to lodge such complaint, objection or query after expiry of the period of 10 days, unless the Accounting Officer has on good cause shown, condoned the late lodging thereof.
- 46.3. The Accounting Officer must appoint an independent and impartial person, from outside or within the JPC, to investigate the complaint, objection or query concerned and propose an appropriate resolution. The person so appointed must be someone who was not involved in the transaction in question.
- 46.4. Disputes relating to contracts will be resolved strictly according to the disputes resolution mechanism provided for in the contract document.
- 46.5. The provisions of this paragraph shall not prohibit or infringe on the rights of any party to approach a Court of Law for appropriate relief regarding the dispute in question, provided that:
 - 46.5.1. the laws of the Republic of South Africa shall apply to all and any disputes resulting from the implementation of this Policy, or any contract entered into in terms of this Policy; and
 - 46.5.2. only a South African Court of Law of competent jurisdiction shall decide such dispute.

47. INDUCEMENTS, REWARDS, GIFTS AND FAVOURS

- 47.1. 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 –
- 47.1.1. any inducement or reward to the Company for or in connection with the award of a contract; or
 - 47.1.2. any reward, gift, favor or hospitality to –
 - 47.1.2.1. any official; or
 - 47.1.2.2. any other role player involved in the implementation of this Policy.
- 47.2. The Accounting Officer must promptly report any alleged contravention of clause 47.1 above 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.
- 47.3. Clause 47.1 does not apply to gifts less than R350 in value.

48. PREFERENTIAL PROCUREMENT

- 48.1. Where this Policy does not provide for a matter regulated by the Preferential Procurement Regulations, 2022, the provisions of the regulations will prevail in respect of a "tender" as defined in the regulations.
- 48.2. The acquisition plans of the respective departments must identify procurement opportunities in their projects that reflect the geographic location, project complexity and the potential to effect economic transformation within the JPC.
- 48.3. The requirements must be assessed for possibility of unbundling opportunities to accommodate emerging micro enterprises / exempted micro enterprises as per the provision of the Preferential Procurement Regulations, 2022 and aligned to the Central Supplier Database.
- 48.4. Where emerging businesses have the capacity to deliver on projects but do not have the capital to execute, the JPC will facilitate payments within 14 days from the date of delivery to ensure that projects are delivered according to the requirements of the bid.
- 48.5. JPC's general conditions of contract must include Clauses that will instill principles of economic transformation for designated groups as contemplated in the Preferential Procurement Regulation, 2022.
- 48.6. The following are the City of Johannesburg focus areas on transformation:

- 48.6.1. Skills transfer: Successful bidders will identify targeted beneficiaries and use JPC's project as a practical means to transfer skills between mentor and mentee.
- 48.6.2. Employment: Labour intensive projects will be able to act as catalyst for the employment of targeted beneficiaries.
- 48.6.3. Sub-Contracting and Prequalification: Sub-contracting to designated groups shall be an effective mechanism to achieve the JPC's transformation goals as contemplated in regulations 4 and 9 of the Preferential Procurement Regulations, 2022.
- 48.6.4. Joint venture: In instances where the capital outlay and technical expertise required to successfully deliver a project to specification a joint venture structure shall be an appropriate mechanism for designated groups to participate in large projects.

49. SCM PROCEDURE MANUAL, PRACTICE NOTES, NATIONAL TREASURY GUIDELINES AND CIRCULARS

- 49.1. The Chief Financial Officer may from time to time through the Senior Manager: Supply Chain Management issue practice notes and amendments to the SCM Procedure Manual as may be deemed expedient for the implementation of this Policy.
- 49.2. Any such amendments to the SCM Procedure Manual and Practice Notes referred to in Clause 49.1 and any National Treasury Guidelines that may be issued by National Treasury from time to time, shall upon issuing thereof be deemed to be incorporated and form part of this Policy.
- 49.3. The Chief Financial Officer must, through the Senior Manager: Supply Chain Management
 - 49.3.1. Develop a standardised form/checklist to be used in all procurement processes that ensure compliance with each and every step of this Policy.
 - 49.3.2. Develop a guide to JPC's SCM procedures that must be made available to all JPC employees. Such a guide must:
 - 49.3.2.1. Be written in plain language and in such a manner that all JPC officials may understand the processes;
 - 49.3.2.2. Include diagrammatic illustrations of the process wherever possible; and
 - 49.3.2.3. Must be developed in cooperation with National Treasury, wherever possible.

50. AMENDMENT OF CONTRACTS

- 50.1. Contracts or agreement may be amended only after reasons for the proposed amendment have been tabled in the Board meeting of JPC in line with MFMA section 116(3).

51. VARIATION OF CONTRACTS

- 51.1. Variation of contracts in line with MFMA Circular 62 can only be approved by the committee or individual that made the initial award

52. HANDLING OF PROPRIETARY INFORMATION

- 52.1. All information designed and prepared for the JPC is deemed as proprietary. No such information may be distributed, modified or customized for third parties without written permission.
- 52.2. All information pertaining to service providers shall be treated confidential, in line with section 14 of the Constitution read together with the Protection of Personal Information Act [POPI Act]
- 52.3. In appropriate instances, the JPC may require security clearance and confidentiality agreements to be entered into with service providers.

53. DELEGATION OF AUTHORITY AND DUTIES

- 53.1. The Accounting Officer, in terms of Section 106(1) of the Act, hereby delegates Supply Chain Management Powers and duties as set out in Annexure B.
- 53.2. The Accounting Officer shall be entitled at all times to withdraw or amend the delegations contained in Annexure B or to determine new delegations, should the need therefore arise.

54. SPONSORSHIPS

- 54.1. The JPC may approve sponsorship promised, offered or granted by prospective service provider/s that has been awarded a contract by the JPC. Approval of such sponsorships may only be done through the Chief Executive Officer. Sponsorship must not be used by service providers to influence award of business under consideration.

54.2. JPC will not consider any sponsorship offering from service providers whilst there is business under consideration where the service provider is one of the bidders. By the same token acceptance by the JPC of a service provider's sponsorship is no guarantee of future business.

55. BREACHES AND DEVIATIONS

55.1. This policy is applicable to all JPC officials' /role players mentioned herein and any breaches of this policy amounts to unjust administrative action.

55.2. Deviations from this policy may only occur when justifiable under law, or in the case where compliance with this policy will undermine the achievement of the goals of this policy or any superior policy or legislative instruments.

56. REVIEW AND AMENDMENT OF THIS POLICY

56.1. The Accounting Officer must submit all subsequent amendments of this Policy to the Board for approval. Such amendments must be in line with the Regulations and Model Policy as compiled by National Treasury, and any National Treasury Guidelines. Deviations from the Model Policy or Regulations must be reported to the National and Provincial Treasuries.

56.2. The Accounting Officer, through the Chief Financial Officer, must at least bi-annually, or more frequently if required, review the implementation of this Policy to determine to what extent, if any, this Policy needs to be amended in order to remain relevant to changed circumstances.

56.3. Amendments to this Policy shall be presented to and approved by the JPC Board.

56.4. When amending this Policy, the need for uniformity in supply chain management practices, procedures and forms in local government, particularly to promote accessibility of supply chain management systems for small and emerging businesses, must be taken into account.

57. IMPLEMENTATION

57.1. This amended Policy comes into effect from the date of adoption thereof by the Board of JPC

57.2. The adoption of this Policy renders all previous SCM policies repealed. Where this Policy fails to address a specific issue, reference may be made to provisions of previous policies for guidance, unless such provisions is in conflict with any of the

provisions of this Policy. Where such action is taken, clear reference must be made of the policy referred to, and must be reported to the Accounting Officer.

58. COMMUNICATION

- 58.1. Reasonable steps must be taken to ensure that the key provisions of this Policy are communicated to all stakeholders, through advertisements in print publications and prominent publication on the JPC's website.
- 58.2. The Policy, and all subsequent amendments, must be made readily available on the JPC's website.

ANNEXURE A

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

1. Purpose

1.1 The purpose of this Code of Conduct is to ensure that all business transactions take place in an environment of honesty, integrity, fair competition and respect for South African Laws. This Code outlines the JPC's expectations from all its employees and service providers who participate, directly or indirectly, in the Supply Chain Management activities. The main aim is 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.

1.2 Failure to adhere to this Code is inexcusable and punishable by the JPC.

2. General Principles

2.1 The JPC commits itself to a policy of fair dealing and integrity in the conducting of its business. Employees 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. Employees 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.

2.2 Employees 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.

2.3 Employees 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.

3. Employee Ethical Conduct

3.1 An employee or other role player involved with Supply Chain Management: -

- (i) must treat all providers and potential providers equitably;
- (ii) may not use his or her position for private gain or to improperly benefit another person;
- (iii) must not infer with Supply Chain Management processes and system in order to influence the outcome of an award by tempering with any price quotations and bids;
- (iv) Must keep all information, including service provider's information, as confidential. Only the duly authorized official will communicate the outcome of the bidding process;
- (v) must not be soliciting price quotations / bids from bidders / contractors whose names appear on the Register for Tender Defaulters;
- (vi) must not exploit errors in price quotations / bids;
- (vii) 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 R350;
- (viii) must declare to the Managing Director details of any reward, gift, favour, hospitality or other benefit promised, offered or granted to that person or to any close family member, partner or associate of that person and record them on the declaration register to be kept by each manager and signed off on quarterly basis by the respective delegated employee;
- (ix) must declare to the Managing Director 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 JPC;
- (x) 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;

- (xi) must declare any business, commercial and financial interests or activities undertaken for financial gain that may raise a possible conflict of interest;
- (xii) 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;
- (xiii) should not take improper advantage of their previous office after leaving their official position; and
- (xiv) Employees must report to the Accounting Officer any alleged irregular conduct in the Supply Chain Management system which that person may become aware of, including: -
 - (a) any alleged fraud, corruption, favouritism or unfair conduct;
 - (b) any alleged contravention of the policy on inducements, rewards, gifts and favours to the JPC, employees or other role players; and
 - (c) Any alleged breach of this code of conduct.

3.2 The JPC is committed to the highest standard of integrity and any official transgressing this code will be dealt with in accordance with the JPC's Disciplinary code of conduct.

4. Record Keeping

4.1 Every Head of Department must keep an up to date gift register and record of all declarations made by the employees with regards to: -

- (a) Business interest held by the employees;
- (b) Business interest held by the family members;
- (c) Interest in a business transaction where conflict of interest exists

4.2 The Accounting Officer must keep record of all declarations.

5. Service Providers Ethical Conduct

5.1 Service providers are expected to assist the JPC in enforcing good ethical conduct from its employees and: –

- (a) must not induce or reward the employees for contract awarded or to be awarded;

- (b) must not put undue pressure on employees;
 - (c) must not assist or offer financial relief to employees in financial difficulties;
 - (d) must not request from employees information about the JPC's operations or competitors information; and
 - (e) Must not offer favours or hospitality to employees of which the value thereof is above R350.
- 5.2 Service providers are expected to comply with this policy fully and failure to do so will lead to barring or black listing from doing business with the JPC. The names of service providers defaulting will be submitted to National Treasury for black listing.

ANNEXURE B: JPC'S DELEGATIONS OF SUPPLY CHAIN MANAGEMENT POWERS AND DUTIES

DELEGATION OF SUPPLY CHAIN MANAGEMENT POWERS AND DUTIES TO THE ACCOUNTING OFFICER

1. The Board hereby delegates the following powers and duties to the Chief Executive Officer, excluding those directly assigned to the Chief Executive Officer as accounting officer in terms of the Act and any other applicable legislation, which are necessary to enable the Chief Executive Officer –
 - a) to discharge the Supply Chain Management responsibilities conferred on accounting officers in terms of: -
 - i. Chapters 10 and 11 of the Act
 - 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, favouritism and unfair and irregular practices in the implementation of this Policy;
 - d) to approve the composition of any Bid Specification and Bid Evaluation Committees; and
 - e) to comply with his or her responsibilities in terms of section 115 and other applicable provisions of the Act.

2. The Accounting Officer may sub-delegate any power and duty delegated to him in terms of sub-paragraph (1) to any official or to a committee which is exclusively composed of officials of JPC.

DELEGATION OF SUPPLY CHAIN MANAGEMENT POWERS AND DUTIES BY THE CHIEF EXECUTIVE OFFICER

1. The Chief Executive Officer, in terms of section 106 (1) of the Act, hereby delegates, subject to sub-paragraph 2 below, the following Supply Chain Management powers and duties assigned to him in terms of the Act to: -
 - a) The Chief Financial Officer: the implementation of Supply Chain Management responsibilities and activities in terms of the Act and its Regulations.

- b) The Bid Adjudication Committee:
 - i. The powers to make final awards for transactions below R10 millions
 - c) The Senior Manager: Supply Chain Management in conjunction with Heads of Departments;
 - i. the authority to make final awards from R30 000 to R750 000 (inclusive of VAT),
 - d) Head of Departments shall be entitled to make final awards up to R30 000 (Vat inclusive), including petty cash purchases
 - e) A Head of a unit shall be entitled to further sub-delegate the authority referred to in sub-paragraph (d) above to any person under his or her control, subject to such conditions as the relevant Head may determine.
2. The Chief Executive Officer shall be entitled at all times to withdraw or amend the delegations contained in sub-paragraph (1) above or to determine new delegations, should the need therefore arise.