



NMBM: SUPPLY CHAIN MANAGEMENT PUBLIC PARTICIPATION

SCM PUBLIC PARTICIPATION PROGRAMME

OPENING & WELCOMING BY: Mr. J Ngcelwane (Chief Financial Officer)

INTRODUCTION OF OFFICIALS

PRESENTATION BY: Mr. Z Ngcuka (SCM Senior Director)

PRESENTATIONS:

- 1. Supplier Database Registration:** Mrs. C Crone (SCM Demand Management)
- 2. SCM Processes:** Mrs. T Menemene (SCM Acquisition Management)
- 3. Billing Clearance Certificate :** Mr. Hill
- 4. Performance Management of Service Providers:** Ms. N Fumbeza (SCM Contracts Management)
- 5. South African Revenue Services (SARS):**
- 6. Questions and Answers**

CLOSING BY : Mr. J Ngcelwane (CFO)

HOW MUNICIPAL PROCUREMENT WORKS

Municipal procurement is governed by the following but not limited to:

Municipal Finance management Act (MFMA)

Municipal Supply Chain management Policy

National Treasury instructions and Circulars

Preferential Procurement Regulation 2022

Code of conduct for SCM officials



1. DEMAND MANAGEMENT

Key Topics

Demand Management's Topics:

1. Supplier Database
2. Observed Challenges faced SP
3. Resources

1. Supplier Database

Advices to Suppliers:

1. Uploads of physical address information
2. Updates of NHBRC – After Expiry Date
3. Certification – Not more than 3 months old
4. CSD – SARS Pin
5. Preferred Bank Account
6. Verification Form to be Completed Fully
7. CSD is a Self Service platform
8. Annual vetting or if info changes, i.e. bank details or directors

2. Observed Challenges faced SP

Completion Issues

1. Careful read the tender, each tender is different
2. The Offer must be signed, and if it's a C1.1 Offer and Acceptance, the Offer must be transferred from the Pricing Summary, and signed.
3. Fill in all Pay Items in the Pricing Document reasonably – condition to make non-responsive, or balanced rates below cost.
4. Any errors must be signed/initialled by the person who has the authority to price the Pricing Document
5. Always read the Tender Data/Special conditions of contract carefully

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6. Sign all the declarations
7. If a transaction will exceed R10m, then AUDITED AFS or Public Interest Score & Affidavit
8. Ensure that your rates and tax are up to date
9. Compulsory clarification meeting or Compulsory site meeting (alternate must sign company name)
10. Cert of Independent Bid Determination – Considered Bid Rigging if Director > 1 Bid

3. Resources

Supplier Database Registration

1. NMBM Website: Supplier Database Registration – contains the instructions and form to download, and it can be emailed to our Office at scmdatabase@mandelametro.gov.za

Central Supplier Database Registration

1. <https://secure.csd.gov.za/>



2. ACQUISITIONS PRESENTATION

Key Topics

1. Role of SCM Acquisition Management
2. Municipal procurement processes
3. Clarification Meetings
4. SCM Bidding Process
5. Evaluation Criteria
6. Common reason for disqualification
7. Supplier informal tender portal registration
8. Frequently Asked Questions

1. Role of SCM Acquisition Management

- Sourcing of quotation for goods and services
- Advertising formal tenders and quotation
- Bid administration
- Compliance monitoring

All of the above must be conducted in a manner that is upholding the Supply Chain principles which is fair, equitable, transparent, competitiveness and cost effective

2. Municipal procurement processes

PROCUREMENT THRESHOLDS- WRITTEN PRICE QUOTATIONS

Tender Type	Advertisement Period	Value Threshold (ZAR)
Petty Cash	None	R0 – R2,000
3-Day Informal Advertisement	3 Days	R2,001 – R15,000
5-Day Informal Advertisement	5 Days	R15,001 – R30,000
7-Day Informal Advertisement	7 Days	R30,001 – R750,000

3. CLARIFICATION MEETING

- **Punctuality**

Tenderers are required to arrive at the clarification meeting venue on time. Late arrival may result in exclusion from the meeting, particularly where attendance is compulsory.

- **Familiarity with the Venue**

Tenderers are responsible for ensuring that they know the location of the meeting venue prior to the scheduled meeting time. Service providers travelling from outside the Metro or unfamiliar with the area are advised to make the necessary arrangements in advance to locate the venue. The Municipality will not accept excuses relating to difficulties in finding the venue or unfamiliarity with the area.

- **Attendance Register**

Each representative must personally sign the attendance register upon arrival. Signing the attendance register on behalf of another service provider or representative who is not physically present at the clarification meeting is strictly prohibited.

- **Contact Information**

Tenderers must ensure that all contact details provided are accurate, legible, and completed in full. This is essential to enable the Municipality to communicate effectively with service providers regarding the tender advertisement, clarifications, addenda, or any other procurement-related matters.

- **Tender Specifications**

Tender specifications cannot be amended during the clarification meeting. Should any concerns or issues regarding the specifications be raised, these will be recorded by the Project Manager for consideration. Where such concerns are deemed valid, the matter will be referred to the relevant Bid Specification Committee for review. Any approved amendments will be communicated formally through an official addendum issued to all prospective tenderers

4. SCM BIDDING PROCESS

COMPETITIVE BIDDING PROCESS

Procurement goods and services above the value of R750 000.00 must follow competitive bidding process

- The municipality uses a committee system, in line with SCM regulations
 - Bid Specification Committee - BSC
 - Bid Evaluation Committee - BEC
 - Bid Adjudication Committee - BAC

5. EVALUATION CRITERIA

Stage 1: Administrative Compliance – *Checking:*

- Completed bid documents
- Mandatory returnable documents
- Required declarations
- Valid supporting documentation
- PI (Public Interest) Score if applicable

Stage 2: Functionality Evaluation - *Assessment of:*

- Experience
- Capacity
- Methodology
- Qualifications
- Resources

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Stage 3: Price and Preference 80/20 – 90/10

- Evaluation based on:
- Price
- Preference points

Preference points / Specific Goals

TABLE 2: ACQUISITION OF GOODS/SERVICES/CONSTRUCTION WORKS OR INCOME GENERATING CONTRACTS WITH A RAND VALUE GREATER THAN R750 000 – R50 MILLION (INCLUDING VAT) USING COMPETITIVE BIDDING

80/20 PREFERENCE POINT EVALUATION SYSTEM

THE SPECIFIC GOALS AS LISTED IN TABLE BELOW ARE APPLICABLE:

Specific Goals	Portfolio of Evidence	Number of Points (80/20 System)
PRICE		
Price	Bill of Quantities / Pricing Schedule, etc.	80
SPECIFIC GOALS		
Enterprises owned by HDI*	CSD Report	4
Enterprises owned by women*	CSD Report	4
Enterprises owned by people with disability*	Medical Certificate South African Social Security Agency (SASSA) registration National Council for Persons with Physical Disability in South Africa registration (NCPDPSA) CSD Report	4
Enterprises owned by black youth*	CSD Report	4
Locality including township development	Proof of address of Business Premises or lease / rental agreement of NMBM located property / Affidavit from SAPS.	4
TOTAL		100

6. COMMON REASON FOR DISQUALIFICATION

- Incomplete bid documents
- Failure to sign required forms
- Missing mandatory documents
- Submission after closing time
- Failure to attend compulsory briefing sessions
- Misrepresentation of information
- Non-compliance with bid requirements
- Not uploading the minimum requirement documents as per specification requests
- Municipal Rates and Taxes (Arrears more than 90 days)

7. SUPPLIER INFORMAL TENDER PORTAL REGISTRATION

Before Doing Business with the Municipality

- Suppliers must:
- Ensure your company is registered on the NMBM supplier database
- Must register on the Informal tender link provided on the NMBM website

Once the above is done, you are now ready to submit formal written price quotation online.

Important

- Ensure all information remains updated.

8. Frequently Asked Questions

Common Questions

- How do I register as a supplier?
- Where are tenders/RFQs advertised?
- How are bids evaluated?
- What happens if documents are missing?
- How long does adjudication take?
- How can I update supplier information

Important

- Ensure all information remains updated.



3. CONTRACTS MANAGEMENT

Key Topics

1. Contracts Management's Strategic Mandate
2. Operational KPA's
3. Appointments & Signing of contracts
4. Performance Monitoring of Contracts
5. Contract Price Adjustments

1. Contracts Management's Strategic Mandate

Contract's Management:

Is established in terms of section 116 (2)(c) of the MFMA and its purpose is to assist the Accounting Officer to ensure that Contracts procured through the SCM process are properly enforced and that the contractor's performance are monitored on a monthly basis.

Contract management is the process of managing contract creation, execution and analysis to maximize operational and financial performance at an organization.

Contracts Scope:

The scope of work for the Contracts Management Unit is the administration of contracts between the municipality and its contractors. Service Level Agreements: (SLA) and Performance agreements are drafted to manage the performance of the contractors.

2. Operational KPA's

Contract's management is responsible for the following operational areas

- APPOINTMENTS AND SIGNING OF CONTRACTS
- CONTRACT PERFORMANCE MONITORING
- CONTRACT PRICE ADJUSTMENTS
- CONTRACT AMENDMENT I.T.O SECTION 116(3) INCLUDING VARIATIONS
- FRAMEWORK CONTRACTS ALLOCATIONS
- DEVIATIONS IN TERMS OF REG 36
- CONTRACT DOCUMENT MANAGEMENT
- OBJECTIONS/ APPEALS

3. APPOINTMENTS AND SIGNING OF CONTRACTS

Contracts are implemented once the following activities are satisfied:

1. After the conclusion of the procurement process, and there is a recommended supplier. Unsuccessful bidders are given 21 days to appeal the award.
2. Contracts are signed after necessary negotiations are concluded
3. Contract is implemented in accordance with its terms and conditions; any deviations from these requires approval from Accounting Officer
4. Monthly performance monitoring done by the PM and information submitted to SCM Contracts
5. Reviewal and safekeeping of performance information for audit
6. Awards Register is published on the NMBM website on a monthly basis

4. PERFORMANCE MONITORING CONTRACTS

The MFMA and
Supply Chain
Policy states that:

116 (2) (b) -
monitor on a
monthly basis the
performance of
the contractor
under the contract
or agreement;

5. Contract Price Adjustments

CPA

1. Contracts adjusted in accordance with the contract terms and conditions
2. No new terms can be introduced nor accepted during implementation of contract
3. If no terms are stipulated in the contract; it is deemed that the contract has no adjustment.

Amendments

1. Amendments are done in terms s116(3) of the MFMA
2. S116(3) to be completely fulfilled before amendment can be effected
3. PS: extension of time is an amendment and follows the same process

PRICE ADJUSTMENTS

NON-FIRM PRICES SUBJECT TO ESCALATION

IN CASES OF PERIOD CONTRACTS, NON FIRM PRICES WILL BE ADJUSTED (LOADED) WITH THE ASSESSED CONTRACT PRICE ADJUSTMENTS IMPLICIT IN NON FIRM PRICES WHEN CALCULATING THE COMPARATIVE PRICES

S CATEGORY PRICE ESCALATIONS WILL ONLY BE CONSIDERED IN TERMS OF THE FOLLOWING FORMULA:

$$Pa = (1 - V)Pt \left(D1 \frac{R1t}{R1o} + D2 \frac{R2t}{R2o} + D3 \frac{R3t}{R3o} + D4 \frac{R4t}{R4o} \right) + VPt$$

Where:

- Pa = The new escalated price to be calculated.
- (1-V) Pt = 85% of the original bid price. **Note that Pt must always be the original bid price and not an escalated price.**
- D1, D2.. = Each factor of the bid price eg. labour, transport, clothing, footwear, etc. The total of the various factors D1,D2...etc. must add up to 100%.
- R1t, R2t..... = Index figure obtained from new index (depends on the number of factors used).
- R1o, R2o = Index figure at time of bidding.
- VPt = 15% of the original bid price. This portion of the bid price remains firm i.e. it is not subject to any price escalations.

The following index/indices must be used to calculate your bid price:

Index..... Dated..... Index..... Dated..... Index..... Dated.....
 Index..... Dated..... Index..... Dated..... Index..... Dated.....

FURNISH A BREAKDOWN OF YOUR PRICE IN TERMS OF ABOVE-MENTIONED FORMULA. THE TOTAL OF THE VARIOUS FACTORS MUST ADD UP TO 100%.

FACTOR (D1, D2 etc. eg. Labour, transport etc.)	PERCENTAGE OF BID PRICE

PRICES SUBJECT TO RATE OF EXCHANGE VARIATIONS

Please furnish full particulars of your financial institution, state the currencies used in the conversion of the prices of the items to South African currency, which portion of the price is subject to rate of exchange variations and the amounts remitted abroad.

ARS OF FINANCIAL INSTITUTION	ITEM NO	PRICE	CURRENCY	RATE	PORTION OF PRICE SUBJECT TO ROE	AMOUNT IN FOREIGN CURRENCY REMITTED ABROAD
				ZAR=		
				ZAR=		
				ZAR=		
				ZAR=		
				ZAR=		
				ZAR=		

Adjustments for rate of exchange variations during the contract period will be calculated by using the average monthly exchange rates as issued by your commercial bank for the periods indicated hereunder: (Proof from bank required)

MONTHLY EXCHANGE RATES FOR THE PERIOD:	DATE DOCUMENTATION MUST BE SUBMITTED TO THIS OFFICE	DATE FROM WHICH NEW CALCULATED PRICES WILL BECOME EFFECTIVE	DATE UNTIL WHICH NEW CALCULATED PRICE WILL BE EFFECTIVE



4. RISK AND PERFORMANCE

Combating of abuse of SCM Systems

- SCM policy must provide measures for the combating of abuse of supply chain management systems

Example of Abuse:

- **Cronyism** – give preference treatment to friends or close associates
- **Bribery** – Giving or receiving of value to influence a public officials actions

Prevention

- **Transparency** – Making information available to public to hold officials accountable.
- **Accountability systems** – Systems that ensure officials are answerable for actions
- **Citizen Participation** – Engaging citizens in governance and decision-making process

Combating of abuse of SCM System

Types of offenses that can be reported for forensics investigation:

Financial misconduct e.g. fraud, corruption, money laundering, theft, supply chain irregularities, abuse of power, failing to adhere to policies, extortion, nepotism, embezzlement, cronyism, forgery, favoritism, fruitless and wasteful expenditure.

In order to do a proper investigation, the following information must accompany each complaint:

Full particulars of the complainant, address and contact numbers. We also need the details of the offender (names, address) nature of offense, Evidence (picture or document), implicated directorate.

The Whistle Blowers are now protected in terms of Protected Disclosure Act 26 of 2000. The investigation is conducted in terms of Anti-Fraud and Anti Corruption Strategy and Related Policies which was approved by the Council on 31 March 2011.

Call 041-506 5522 or 0800 701 701

[REPORT HERE](#)

NB: All **service delivery** and **account** related matters can be reported to customer care on 0800 20 50 50
email: customercare@mandelametro.gov.za



5. Questions and Answers

THANK YOU

