UMZIMVUBU

LOCAL MUNICIPALITY

BUDGET AND TREASURY

STANDARD OPERATING PROCEDURE MANUALS

SUPPLY CHAIN MANAGEMENT

PROCEDURE MANUAL

ROCUREMENT • Department in need for goods & services completes Request for goods form using Munsoft financial system. Form is approved by departmental HOD. Approved form is then submitted to budget office to confirm vote allocation and budget availability. AM: Budget & Reporting approves the form, and form is then submitted to SCM office for procurement together with Terms of reference/ specification where necessary. **R2, 000 and less:** Only one quote is attached for all goods and services not exceeding R2, 000. **R2, 001-R29, 999:** 3 written quotations should be attached sourced from CSD as well as Municipal database. **R30, 000-R300 000:** Adverts on municipal website and municipal notice board is done for all procurement exceeding R30, 000. **R300, 000 & above:** Normal tender processes are followed **PROCUREMENT PROCESS** • Submission of all requisitions of adverts and Tenders adverts to be submitted not later than 13:00 daily except for Accommodation and catering • NB: All requisitions must be submitted 3 days before the event.	Ongoing	SCM Officials	SCM Policy, Petty cash policy, SCM regulations

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SCM official requests quotations using Munsoft system from suppliers registered on CSD. Quotations are then approved by Manager: SCM. Pre-requisition & order are then generated and approved by: SCM Manager
Advert requesting service providers to submit quotations for all procurement above R30, 000 is done. Adverts have clear requirements and clear closing date and time. All quotations are submitted in quotations box situated at SCM offices. Departmental representatives are invited upon opening of quotations box. SCM checklist with the number of quotations is then signed by all those present when the quotes are opened. Evaluation report with recommendations is prepared and signed by Manager: SCM & user department & DCFO
The documentation together with the SCM checklist are then forwarded to user departments for HOD to confirm whether the recommended service provider meets the said specification and whether the quoted amount will be covered by the available budget.
Once evaluation report has been approved, a Trans union report is then generated to verify if there hasn't been a change on the service provider's employment status. A pre-requisition & order are generated and approved by Manager: SCM & CFO / MM
Approved orders are then issued to service provider to enable them to procure the ordered goods/services.

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• Orders wherein the service or goods are not delivered within 14 workings without justification, will be deemed to be non-responsive and a second runner up will be appointed or the procurement process start afresh, where applicable Orders below R65, 000 are approved by Manager: SCM Orders between R65, 001- R74, 999 are approved by CFO Orders above R75, 000 below R200, 000 are approved by MM. **BID COMMITTEES TURN AROUND TIME** **Bid Specification Committee:** Requisitions with Budget confirmation, Accurate Tender document must be submitted to Specification as per Procurement plan. **3 days turnaround** time to analyse and complete specification sitting with draft TORS with draft advert for submission to Supply Chain Management office with Bid Specification minutes, attendance register with specification book. In case of errors identified user department must respond within 1 day from the communication of errors. SCM office will advertise within **04 days from the receipt of accurate and complete information.**, attendance register with specification book. **Bid Evaluation Committee**			

Bid Evaluation Committee must sit every Wednesday as per municipal calendar however when there is a lot of projects, they must sit 4 times a week. As soon as the committee concluded they must submit the Bid Evaluation Report with Check list signed by Chairperson. Turnaround time is 5 days after closing date for BEC to submit accurate and complete information to BAC chair and SCM Manager. Whenever there were errors detected it must be addressed within 02 days. All soft copies of Bid evaluation reports that have been concluded by Bid evaluation Committee must be submitted to SCM Manager for Audit Trail. **Bid Adjudication Committee** Bid Adjudication Committee must sit immediately and conclude on all submitted accurate Bid Committee reports submitted within **05 days** for Intension to award.			

DELIVERY OF GOODS • All goods are delivered at SCM office. Delivery note (where applicable) is signed by person receiving the goods. For all goods delivered a representative from the relevant department is invited to verify quality & quantity of goods delivered against the required specification. • Delivery note is then attached to relevant supporting documents (pre-requisitions, orders). • In the case of delivery of Assets (Tangible and Intangible) the Assets and Logistics Management Officer completes an asset movement form wherein the details of the asset are included for transfer of the asset to its ultimate user who then signs to acknowledge receipt of that particular asset.	Ongoing	Senior SCM Officer, Logistics and Asset Management Officer	SCM Policy

TENDER PROCESS			
There are 3 committees: Bid specification, Bid evaluation & Bid Adjudication committees Chairpersons & members of the above committees are appointed by MM on an annual basis.	Annual	MM	SCM Policy, SCM regulations 27, 28 & 29
Bid Specification • Relevant department prepare terms of reference & advert and submit to specification committee. • Terms of reference & advert are reviewed, and budget availability is checked. Advert should clearly indicate closing date and time • Bid Specification chairperson completes specification checklist which is checked and signed by Manager: SCM. Checklist also serve as bid specification minutes of meeting. • Checklist and advert are submitted to MM for approval. • At each Bid Specification committee meeting the members sign attendance register which is also a declaration that no conflict of interests exist/prevents them from forming part of the project.	Ongoing	Bid Specification Members, MANAGER SC<, SCM officials, Bid Evaluation committee members Bid Adjudication committee members, SCM officials, MM	SCM Policy, SCM regulations
During closing date, tender box is open in public. Bid opening register is signed by officials who attended,			

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<td>and all suppliers responded to advert are captured in the opening register

A bids received register listing all bids received and the bid prices is prepared by the Demand Management Officer and reviewed by the Senior SCM Officer/MANAGER SC<. Bid register is then uploaded on the municipal website immediately after bid has been opened.

Bid Evaluation:

• Evaluation committee evaluates all tender documents based on project specification. Evaluation report is prepared, with recommendations and submitted to adjudication committee.

• At each Bid evaluation committee meeting the members sign an attendance register which is also a declaration that no conflict of interests exist/prevents them from forming part of the project being evaluated.

Bid Adjudication:

• Obtain & review Evaluation committee report.
• Adjudication committee recommends to MM, appointment of a service provider based on evaluation committee recommendation or refer</td>
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back project to evaluation committee if there are any discrepancies noted. Once the signed Bid adjudication report is received, SCM officials generate TransUnion report for the recommended service provider, to verify if that person is not in the service of the state. Appointment letter is then prepared by the: SCM Manager and submitted to MM for approval MM approves appointment letter or refer it back to Adjudication committee. Once the appointment has been approved by the MM, the successful service provider is notified, the relevant project managers are copied in the email. **CHANGE OF BANKING DETAILS** • Banking forms that is commissioned by a South African Police Service (SAPS) Commissioner of Oaths and Bank form designed by the Municipality • Submission of Central Supplier Database (CSD) with the changed banking details • Original confirmation Letter from the bank • SAPS commissioned company Registration Documents • Original SAPS certified identification copies of the Members/Directors	Ongoing		SCM Policy, SCM regulations

USE OF CONSULTANTS • Needs analysis to be done by user department recommended by Head of Department and approved Accounting Officer • A clear plan for skills transfer **CONTRACT MANAGEMENT** • All contracts to be awarded by the municipality must not be more than 3 years, except where Public Participation is applicable. • User department must make sure that they inform SCM about any changes, extensions and variations occur in the contract. • User departments to take ownership of service level agreements especially on the deliverables.	Ongoing		SCM Policy, SCM regulations

CONTRACTS REGISTER • All awarded tenders are recorded in the contracts register with awarded amount, retention amount & project duration clearly documented • Register is also used as a tool to monitor supplier performance and valid reasons for delays are obtained from Project manager. Delays due to poor performance results in termination of appointment letter	Monthly	Project Managers, MANAGER SC<	SCM Policy
DEVIATIONS Manager: SCM writes memo for all deviations from SCM procedures & processes. Details for non-compliance are documented in the memo. Memo is then approved by DCFO / CFO & MM before any award is made. All deviations are recorded in deviation register and reported to council quarterly.	Ongoing	AM: SCM, DCFO / CFO, MM	SCM Policy, SCM regulation

APPROVAL OF THE POLICY

The Municipal Council has approved the amendments thereof.

AUTHENTIFICATION

The amendments of the policy and or the new policy was adopted by the Council on the 28 May 2026

As per Council Resolution number: ULMC : 088

SIGNED BY:

MR. G.P.T. NOTA

MUNICIPAL MANAGER

COUNCILLOR N.G. MDZINWA

SPEAKER OF THE COUNCIL