



LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF
SOCIAL DEVELOPMENT

DRAFT

**PREFERENTIAL
PROCUREMENT POLICY**

2022

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2. ACRONYMS AND ABBREVIATIONS

The following acronyms and abbreviations are used throughout this document:

01	AO	Accounting Officers
02	AA	Accounting Authorities
03	B-BBEEA	Broad Black Based Black Economic Empowerment Act
04	PFMA	Public Finance Management Act,1999 (Act No. 1 of 1999)
05	PPPFA	Preferential Procurement Policy Framework Act,2000 (Act No.5 of 2000)
06	RDP	Reconstruction and Development Programme
07	SARS	South African Revenue Services
08	SMMEs	Small, Medium and Micro Enterprises
09	CSD	National Central Supplier Database
10	CIDB	Construction Industry Development Board
11	SITA”	State Information Technology Act,
12	SMMEs”	Small, Medium and Micro Enterprises
13	VAT”	Value Added Tax

3. DEFINITIONS

In this policy, unless the context indicates otherwise the following words or expressions have the same meanings as defined below:-

01	The Constitution	means the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996)
02	The Act	means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000).
03	specific goals	means specific goals as contemplated in section 2(1)(d) of the Act which may include contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender and disability including the implementation of programmes of the Reconstruction and Development Programme as published in <i>Government Gazette</i> No. 16085 dated 23 November 1994;
04	tender	means a written offer in the form determined by an organ of state in response to an invitation to provide goods or services through price quotations, competitive tendering process or any other method envisaged in legislation;
05	tender for income-generating contracts	means a written offer in the form determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions; and

06	Bidder	means any natural or legal person who makes an offer in response to a Request for Quotation (RFQ), a Request for Proposal (RFP) or a Request for Bid (RFB);
07	contract	The written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein as defined in the General Conditions of Contract
08	contract price	means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.as defined in the General Conditions of Contract;
09	highest acceptable tender”	means a tender that complies with all specifications and conditions of tender and that has the highest price compared to other tenders;
10	lowest acceptable tender	means a tender that complies with all specifications and conditions of tender and that has lowest price compared to other tenders;
11	Rand value	means the total estimated value of a contract in Rand, calculated at the time of the tender invitation;
12	Historically Disadvantaged Individual	means a South African Citizen who (a) due to the apartheid policy, had no franchise in national elections prior to the introduction of the Constitution of the Republic of South Africa, 1983(Act No.110 of 1983) or the Interim Constitution f the Republic of South Africa, 1993 (Act No.200 of 1993);

		<p>(b) is a female; or</p> <p>(c) has a disability,</p> <p>Provide that a person who obtained South African Citizenship on or after coming to effect of the Interim Constitution, is deemed not to be an Historically Disadvantaged Individual;</p>
13	Youth	refers to persons aged between 18 and 35 years
14	Cession	means an agreement whereby the cedent transfers his right of payment to the cessionary, the latter taking the place of the former as creditor. Cession may be regarded as a substitution of a new creditor (the cessionary) for the original creditor (the cedent), the debtor remaining the same;
15	Consortium or Joint Venture”	means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract;
16	Small, Medium and Micro Enterprise	means a small enterprise as defined in the National Small Enterprise Act,1996 (Act No.102 of 1996);
17	Sub-contractor	means a person remunerated by the contractor to do some of the work the contractor has been given to do, subject to the provisions of clause 15;
18	80/20-point scoring system	refers to the point system prescribed in regulations 3 and 5 of the regulations issued in terms of section 5 of the Preferential Procurement Policy Framework Act, 2000 (Act No.5 of 2000);
19	90/10-point scoring system”	refers to the point system prescribed in regulations 4 and 6 of the regulations issued in terms of section 5 of

		the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000);
20	functionality	means the measurement according to predetermined norms of a service or commodity designed to be practical and useful, working or operating, taking into account quality, reliability, viability, skills, experience and durability of a service or commodity.
21	Limited bidding	means a bidding process reserved for a specific group or category of possible suppliers through procurement
22	Single source	where a thorough analysis of the market and a transparent and equitable pre-selection process is used to decide on one supplier among a few prospective bidders to make a proposal;
23	Multiple source	where a thorough analysis of the market indicates that there is limited competition and only a few prospective bidders are requested to make a proposal;

4. INTRODUCTION

The Constitution of the Republic of South Africa, 1996 in section 217 requires an organ of state to contract for goods or services in accordance with a procurement system which is fair, equitable, transparent, competitive and cost effective and to grant preferences within a framework prescribed by National Legislation.

A National Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000)- [PPPFA] was promulgated in response to the Constitutional provision and allow for an organ of state to develop a preferential procurement policy and to implement such policy within the PPPFA framework.

5. BACKGROUND

- 5.1. The Constitution of the Republic of South Africa Act, No.108 of 1996, (section 217) requires an organ of state to contract for goods or services in accordance with a procurement system which is fair, equitable, transparent, competitive, cost effective and to grant preferences within a framework prescribed by National Legislation.
- 5.2. Section 2 (a) of The Black-based Economic Empowerment Act, No.53 of 2003, states that one of the goals of the Act is to promote economic transformation to enable meaningful participation of black people in the economy.
- 5.3. Section 2(1) of the PPPFA states that an organ of state must determine its Preferential Procurement Policy and implement it within the framework provided for in the Act
- 5.4. The PPPFA provides for institutions to contract with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender or disability; and through implementing the programmes of the Reconstruction and Development Programme as published in *Government Gazette* No. 16085 dated 23 November 1994;
- 5.5. The Minister Finance has, in terms of section 5, read with section 2(1)(b)(i) and (ii) and 2(1)(c), of the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000), issued the preferential Procurement Regulation, 2022. This will come into effect from 16 January 2023.
- 5.6. This Policy gives rise to the National Legislation to advance section 217 of the Constitution.

6. PURPOSE OF THE POLICY

- 6.1. The purpose of this Preferential Procurement Policy is to provide a framework within which section 217 of the Constitution of the Republic of South Africa, 1996, the Public Finance Management Act (PFMA), 1999, the Preferential Procurement Policy Framework Act, 2000 and other provincial and national supply chain management prescripts shall be implemented in the Limpopo Department of Social Development to ensure a consistent approach to Supply Chain Management.
- 6.2. To Promote equity and create economic growth and employment in Limpopo, by
- (a) Promote accountability, transparency and fairness
 - (b) increasing participation of Historically Disadvantaged Individuals in the provincial procurement opportunities.
 - (c) increasing participation by SMMEs.
 - (d) creating new jobs for local labour; and
 - (e) supporting local products.
 - (f) Create opportunities for local small, medium and micro enterprises.
 - (g) Enhance quality of services.
 - (h) Stimulate socio-economic development.
 - (i) Eliminate and counter corruption.
 - (j) Contribute towards reduction of unemployment through targeting companies owned by women and youth
 - (k) Protect local industry against unfair competition.
 - (l) Promote enterprises located within rural areas in and around the Limpopo Province
 - (m) Promote SMME's, Joint Ventures, Co-operatives and partnerships, especially within the Limpopo Province
- 6.3. Encourage connection between small and large enterprises (promote Consortiums and Joint Ventures);
- 6.4. This policy applies without exception to all Limpopo Department of Social Development employees, and all suppliers that interact with department when procuring goods and services.

7. AUTHORITY

This Preferential Procurement Policy is issued in terms of Preferential Procurement Policy Framework Act No. 5 Of 2000.

8. LEGAL FRAMEWORK

8.1. The legislative framework which guides the implementation of this Policy is as follows:

- (a) Constitution of the Republic of South Africa (Act No.108 of 1996);
- (b) Public Finance Management Act,1999 (Act No.1 of 1999);
- (c) Treasury Regulations issued in terms of the Public Finance Management Act,1999.
- (d) Preferential Procurement Policy Framework Act,2000 (Act No.5 of 2000);
- (e) Regulations issued in terms of section 5 of the Preferential Procurement Policy Framework Act,2022;
- (f) Broad Based Economic Empowerment Act, 2003 (Act No. 53 of 2003
- (g) Constitution Industry Development Board Act, 2000 (Act No.38 of 2000)
- (h) Private Security Industry Regulations Act, 2001 (Act No. 56 of 2001)
- (i) State Information Technology Agency Act, 1998 (Act No. 88 of 1998)
- (j) National Small Business Act, 1996 (Act No. 102 of 1996)
- (k) Promotion of Access to Information Act, 2000 (Act No.2 of 2000)
- (l) Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000)
- (m)Protected Disclosures Act,2000 (Act No. 26 of 2000)
- (n) Value- Added Tax Act, 1991 (Act No. 89 of 1991)
- (o) National Archives of South Africa Act, 1996 (Act No. 43 of 1996)
- (p) State Information Technology Act, 1998 (Act No. 88 of 1998)
- (q) Construction Industry Development Board Act 2000, (Act No. 38 of 2000)
- (r) General Conditions of Contract.

9. SCOPE OF APPLICATION

The policy applies to the procurement of all goods and services, sale and letting of assets by the Limpopo Department of Social Development.

10. CORE PRINCIPLES

10.1. This policy ensures that the five core principles, which are the pillars of procurement, are adhered to. The following are the set minimum standards that must be followed and applied by the department.

10.1.1. Value For Money

Price alone is often not a reliable indicator, and the AO will not necessarily obtain the best value for money by accepting the lowest price offer that meets mandatory requirements. Best value for money means the best available outcome when all relevant costs and benefits over the procurement cycle are considered.

10.1.2. Open And Effective Competition

All procurement laws, policies, practices and procedures must be readily accessible to all parties involved in the procurement process. The procurement process must be open and transparent, and reasons must be provided for decisions in terms of current legislation.

10.1.3. Ethics And Fair Dealing

All government officials dealing with procurement, particularly with suppliers or potential suppliers, must comply with ethical standards to promote mutual trust and respect and an environment where business can be conducted in a fair and reasonable manner. The following standard of behaviour is expected in relation to procurement:

- (a) open, honest, and co-operative business relations with colleagues and suppliers.
- (b) confidentiality of both government and commercial information.
- (c) avoidance of conflict of interest or a perception of bias.
- (d) disclosure of possible conflicts of interest to the AO, as soon as they arise, whether real or capable of being perceived.
- (e) fair dealing and impartiality in the conduct of tender evaluations; and

- (f) the highest possible standard of professional competence and the encouragement of similar standards among all officials.
- (g) advantage must not be taken of the previous position in government and after leaving their official position in government, officials must at all times avoid combative practices.

10.1.4. **Accountability And Reporting**

Procurement practitioners and any other official dealing with procurement must be answerable for their decisions and actions to the public.

10.1.5. **Equity**

The AO must be all times strive to advance the development of SMMEs and Historically Disadvantaged Individuals to allow them to contribute meaningfully in the economy of Limpopo.

11. PROCUREMENT OF GOODS AND SERVICES

- 11.1. The department shall properly plan for the provision of goods and services, to ensure that the procurement plan is aligned to the needs identified in the strategic plan of the department and that goods and services are delivered at the right time, right price, right place and that the quantity and quality will satisfy those needs.
- 11.2. Procurement of goods and services, either by way of quotations or through a bidding process shall be within the threshold values as determined by National Treasury.
- 11.3. Competitive bidding should at all times be given preference, If in a specific case it is impractical to invite competitive bids, the AO may procure the required goods or services by other means, provided that the reasons for deviating from inviting competitive bids shall be recorded and approved by the AO.

11.4. In this policy, procurement by "other means" includes—

- (a) limited bidding.
- (b) written price quotations within the threshold determined by National Treasury Instruction; and
- (c) procurement that occurs in emergency situations and urgent cases.

11.5. AO shall, in the case of procurement through a bidding process, provide for the adjudication of bids through a bid adjudication committee.

11.6. Establishment, composition and functioning of bid specification, evaluation, and adjudication committees; appointment of bid adjudication committee members; bidding procedures; and approval of bid evaluation or adjudication committee recommendations.

11.7. The AO shall ensure that-

- (a) bid documentation and the general conditions of a contract are in accordance with-
- (b) the instructions of Provincial and National Treasury; or the prescripts of the Construction Industry Development Board, in the case of a bid relating to the construction industry.
- (c) bid documentation include evaluation and adjudication criteria, including the criteria prescribed in terms of the PPPFA.
- (d) Treasury Regulation 16A6.3(c) prescribes that “the accounting officer or accounting authority must ensure that bids are advertised in at least the 1 This may include change of bid closing date and change of bid conditions and specifications. Government Tender Bulletin for a minimum period of 21 days before closure, except in urgent cases when bids may be advertised for such shorter period as the accounting officer or accounting authority may determine.”

11.8. Accounting officers shall publish open competitive bids (including the complete set of bid documents), amendments to advertised open competitive bids, cancellations of open competitive bids and notifications of open competitive bid

awards, on the e-Tender Portal, for at least 21 days, except in urgent cases when bids may be advertised for such shorter period as the accounting officer or accounting authority may determine, or unless for such period as provided for in the SCM Policy of the institutions to which Treasury Regulation 16A6.3(c) and (d) did not apply.

- 11.9. Treasury Regulation 16 is complied with when goods or services are procured through public private partnerships or as part of a public private partnership; and Instructions issued by the National Treasury in respect of the appointment of consultants are complied with.

12. EVALUATION CRITERIA

- 12.1. Evaluation criteria must be fair, objective, and acceptable to both government and bidders must correspond with the defined scope of work, terms of reference and deliverables.
- 12.2. A bid shall, be regarded as acceptable if all the specifications and conditions of the bid are complied with; the bidder completed and signed all the prescribed bid forms; and any other clearance or registration form required by the bid document or legislation is included in the bid.
- 12.3. Bids may only be evaluated in accordance with the evaluation criteria stipulated in the bid documentation.
- 12.4. The following formula must be used to calculate the points out of 80 for price in respect of an invitation for a tender with a Rand value equal to or below R50 million, inclusive of all applicable taxes:

$$P_s = 80 \left(1 - \frac{P_t - P_{min}}{P_{min}} \right)$$

Where

P_s = Points scored for price for the bid under consideration.

P_t = Rand value of bid under consideration.

P_{min} = Rand value of the lowest acceptable bid.

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- 12.4.1.1. maximum of 20 points may be awarded to a tenderer for the specific goal specified for the tender.
- 12.4.1.2. The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.
- 12.4.1.3. (4) Subject to section 2(1)(f) of the Act, the contract must be awarded to the tenderer scoring the highest points.

12.5. The following formula must be used to calculate the points out 90 for price in respect of an invitation for tender with a Rand value above R50 million, inclusive of all applicable taxes:

$$P_s = 90 \left(1 - \frac{P_t - P_{min}}{P_{min}} \right)$$

Where

- P_s = Points scored for price for the bid under consideration.
- P_t = Rand value of bid under consideration.
- P_{min} = Rand value of the lowest acceptable bid.

- 12.5.1. maximum of 10 points may be awarded to a tenderer for the specific goal specified for the tender.
- 12.5.2. The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.
- 12.5.3. Subject to section 2(1)(f) of the PPPFA, the contract must be awarded to the tenderer scoring the highest points.

13. SPECIFIC GOALS

13.1. These are specific goals as contemplated in section 2(1)(d) of the Act which may include contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender and disability including the implementation of programmes of the Reconstruction and Development Programme as published in *Government Gazette* No. 16085 dated 23 November 1994.

14. ALLOCATION OF PREFERENCE POINTS

14.1. The Department of Social Development will utilize the following specific goals” as contemplated in section 2(1)(d) of the Preferential Procurement Policy Framework Act:

- (a) Historically disadvantaged individuals
- (b) Women
- (c) Persons with disability

14.2. To enforce the implementation of RDP goals and to ensure local economic development for procurement above. The Department of Social Development shall allocate preference points to the following selected categories:

- (a) Enterprises located in Limpopo Province
- (b) Youth
- (c) Co-operatives and Non-Profit Organizations

15. EVALUATION OF BIDS

15.1. Institutions shall at procurement and tender planning stage identify procurement opportunities to advance historically disadvantaged persons and through implementation of specific goals in terms of RDP goals.

15.2. Institutions shall conduct market research or industry analysis to identify procurement opportunities, to advance categories of persons, historically

disadvantaged by unfair discrimination based on race, gender or disability, and through implementing RDP goals.

15.3. The market research and Industry analysis must identify sectors and industries that are not transformed where specific goals could be applied to transform such sectors and industries for the benefit and advancement of targeted groups.

15.4. Terms of Reference may include the following preferential and specific goals shall be as per below:

- (a) Historically disadvantaged individuals
- (b) Women
- (c) Persons with disability
- (d) Enterprises located in Limpopo Province
- (e) Promotion of Youth
- (f) Co-operatives and Non-Profit Organizations
- (g) Any other RDP goal or preference points in favor of historically disadvantaged individuals, may be added

15.5. Allocation of points, per goal shall be determined by the Bid Specification Committee guided by the industry and commodity analysis performed and the strategic direction of the department.

15.6. The tender documents shall stipulate—

- (a) the applicable preference point system as envisaged in regulations
- (b) the specific goal in the invitation to submit the tender for which a point may be awarded, and the number of points that will be awarded to each goal, and proof of the claim for such goal.

13.5. If it is unclear whether the 80/20 or 90/10 preference point system applies, the department shall in the tender documents, stipulate in the case of—

- (a) an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or

(b) any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system.

13.6. Identified specific goals per bid shall be approved by the accounting officer.

16. EVALUATION OF QUOTATIONS

16.1. Compliant and acceptable quotations below **R1 000 000.00** inclusive of all applicable taxes shall be evaluated based Preferential Procurement Regulations,2022.

16.2. Quotations shall be evaluated on 80/20 principle. Preference points shall be allocated as per below table:

Preferential goals Historically Disadvantaged individuals	Allocation of Points
South African citizen - who, had no franchise in national elections prior to the introduction of the Constitution of the Republic of South Africa, 1983 (Act 110 of 1983) or the Constitution of the Republic of South Africa, 1993, (Act 200 of 1993)	3
Women	3
Persons with disabilities	2
Promotion of Youth	2
Specific goals	
Enterprises located in the Limpopo Province	5
Promotion of Co-operatives and Non-Profit Organizations	5

17. CLAIMING OF PREFERENCE POINTS

- 17.1. Preference points allocated Historically Disadvantaged individuals may be claimed by Persons who had no franchise in national elections prior to 1983 and 1993.
- 17.2. Preference points allocated for women may be claimed if there is sufficient evidence that such woman has ownership of 51% or more of the enterprise shareholding.
- 17.3. Preference points allocated for persons with disabilities may only be claimed if there is sufficient evidence that such person has ownership of 51% or more of the enterprise shareholding.
- 17.4. Preference points allocated for promotion of youth may only be claimed if there is sufficient evidence that such youth has ownership of 51% or more of the enterprise shareholding.
- 17.5. Preference points for Locality may be allocated for promotion of enterprises located within the Limpopo Province may be claimed by submission of proof that the enterprise is located within the borders of Limpopo Province. This includes an enterprise whose head office may be situated in another province but has a fully-fledged branch within Limpopo Province. Enterprises located outside the borders of the Limpopo Province and who only appoints agents and or commission warehouses in this municipal area are expressly excluded from claiming points for this goal.
- 17.6. Preference points allocated for Co-operatives and Non- Profit Organizations may only be claimed if there is sufficient evidence that cooperative is registered and compliant.
- 17.7. Preference points may be allocated to other RDP goals as follows:
 - (a) Promotion of south African owned enterprises
 - (b) Promotion of export-oriented production to create jobs
 - (c) Creation of new jobs or intensification of labour absorption
 - (d) Promotion of enterprises located in the rural areas
 - (e) Promotion of enterprises located in specific municipal area for work to be done or service to be rendered in that municipal area.

18. CRITERIA FOR BREAKING DEADLOCK IN SCORING

- 18.1. If two or more tenderers score an equal total number of points, the contract must be awarded to the tenderer that scored the highest points for specific goals.
- 18.2. If two or more tenderers score equal total points in all respects, the award must be decided by the drawing of lots.

19. NEGOTIATING A FAIR MARKET RELATED PRICE

- 19.1. The maximum premium for the application of the 80/20 preference point system (for contracts equal to or less than R 50 000 000.00) amounts to 25%, while the maximum for the 90/10 preference point system (for contracts exceeding R50 000 000) amounts to 11,11%.
- 19.2. The department shall as far as possible accurately estimate the costs for the provision of the required goods or services by conducting an industry and commodity analysis. This is to obtain indicative market related prices that may be utilized for benchmarking purposes to also ensure that the prices paid for the services, works and goods are market related.
- 19.3. Institutions shall include in the tender documents and request for quotations a condition stating clearly that the award of the tender/ quotation may be subjected to price negotiation with the preferred tenderers.
- 19.4. The Bid Evaluation Committee may indicate in its report to the Bid Adjudication Committee that based on the evaluation the prices offered are above market related prices after factoring the premium to be paid in terms of the 80/20 or 90/10 preference point system and the findings of an objective market analysis conducted.
- 19.5. When the Bid Adjudication Committee considers the Evaluation report it must express itself on whether it agrees or disagrees with the Bid Evaluation Committee; if it disagrees, the decision must be recorded, and reasons provided as part of the Bid Adjudication Committee report.
- 19.6. Where the Bid Adjudication Committee agrees with the BEC or on its own assessment is of the view that the tenderer is charging prices higher than the fair market price, the Bid Adjudication Committee may request from the AO or delegated authority to subject the tender to price negotiations with the three

preferred tenderers scoring the highest points (from first highest to third highest) before award is made.

20. REMEDIES

20.1. Upon detecting that a tenderer submitted false information regarding its regarding a specific goal, it shall, or any other matter required in terms of PPPFA Regulations 2022, which will affect or has affected the evaluation of a tender, or where a tenderer has failed to declare any subcontracting arrangements, the AO shall

- (a) Inform the tenderer accordingly.
- (b) Give the tenderer an opportunity to make representations within 14 days as to why-
 - (i) the tender submitted should not be disqualified or, if the tender has already been awarded to the tenderer, the contract should not be terminated in whole or in part;
 - (ii) if the successful tenderer subcontracted a portion of the tender to another person without disclosing it, the tenderer should not be penalised up to 10 percent of the value of the contract; an
 - (iii) the tenderer should not be restricted by the National Treasury from conducting any business for a period not exceeding 10 years with any organ of state; and
- (c) If the AO concludes, after considering the representations referred to in paragraph (b) that-
 - (i) such false information was submitted by the tenderer-
 - (i) disqualify the tenderer or terminate the contract in whole or in part; and
 - (ii) if applicable, claim damages from the tenderer; or
 - (iii) the successful tenderer subcontracted a portion of the tender to another person without disclosing, penalise the tenderer up to 10 percent of the value of the contract.

21. SUB CONTRACTING

- 21.1. The supplier or service provider must, prior to sub-contracting, in writing, notify the Accounting Officer
- 21.2. The subcontracts awarded under the contract, if not already specified in the bid
- 21.3. The particulars of the sub-contractor
- 21.4. The value subcontracted
- 21.5. In the case of construction, the grade of the sub-contractor and
- 21.6. The sub-contractor undertaking to perform its duties in terms of the prescribed standards of the principal contract.
- 21.7. Notice of the sub-contracts awarded in terms of paragraph 16.1 above does not relieve the supplier or service provider of any liability or obligation under the principal contract.

22. SCM PERFORMANCE MANAGEMENT AND REPORTING

- 22.1. The AO shall monitor the SCM process and undertake a retrospective analysis to determine whether the proper processes are being followed and whether the desired objectives are achieved.
- 22.2. The AO shall submit to the Provincial Treasury such supply chain management information as it may be required, in a format and at such intervals as Provincial Treasury may require.

23. RISK MANAGEMENT AND INTERNAL CONTROLS

The AO shall provide for an effective and efficient system of risk management and internal controls in line with the relevant legislations. The institution shall formulate standard operating procedures to give effect to the provisions of this policy.

24. PROTECTION OF INFORMATION

- 24.1. The Department of Social Development will promote the protection of personal information during this process by ensuring that the information collected is specific, explicitly defined and for lawful purposes in accordance with the provisions of the Protection of Personal Information Act, No. 4 of 2013 (POPI Act).

24.2. If during the course of implementing this policy, information becomes available that is personal in nature, such information shall be kept confidential and only be used for the purposes for which it is intended.

25. APPLICABILITY

25.1. This Preferential Procurement Policy is applicable to all Institutions within the Limpopo Department of Social Development and its employees.

25.2. SCM shall review its Procedure manual to give effect to the provisions of this Policy.

26. POLICY REVIEW

This policy is subject to review when required due to changes in legislation and regulations or when deemed necessary to ensure that it is aligned to prevailing resolutions and regulations.

27. DATE OF EFFECT

The policy will come into effect on the 16 January 2023.

RECOMMENDED/ NOT RECOMMENDED

ACCOUNTING OFFICER

DATE

APPROVED/ NOT APPROVED

.....
.....

MEMBER OF THE EXECUTIVE COUNCIL

DATE