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OFFICE OF THE CHIEF DIRECTOR: SUPPLY CHAIN MANAGEMENT

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INTERNAL SCM INSTRUCTION NO.1 OF 2016/17

TO : TO ALL OFFICIALS IN THE DEPARTMENT
FROM : THE ACCOUNTING OFFICER
DATE : 29 JUNE 2016
SUBJECT : IMPLEMENTATION AND ADHERENCE TO 2016/17 INTERNAL SCM DELEGATIONS

1. PURPOSE

The purpose of this internal instruction is to give emphasis on critical aspects of the 2016/17 SCM Delegations, to ensure correct interpretation of the delegations and adherence thereof.

2. IMPLEMENTATION AND ADHERENCE OF 2016/17 SCM DELEGATIONS

- 2.1 Following the adoption of the 2016/17 SCM Delegations by DEXCO on the 06 June 2016, attention is drawn to all Programme Managers to the processes as listed below and to note that adherence to these delegations is very essential for the department to eliminate non-compliance.
- 2.2 All Programme Managers are requested to follow up on all outstanding payments as no new procurement should be approved until all accruals are paid.
- 2.3 The following process will from now-on be followed when responsibility managers request for procurement of goods or services (i.e. demand memo):
 - 2.3.1 The **Demand Memo** must be approved by the relevant authority;
 - 2.3.2 BAS report indicating the available budget for the required goods or services;
 - 2.3.3 The required goods and services must be in the 2016/17 approved Procurement Plan of the department and the Costed Activity Plan of the Directorate.
 - 2.3.4 Any procurement outside the Procurement Plan can only be approved by the Accounting Officer.



Accounting Officer

- 2.4 The threshold values for approving the *Demand Memo* are as follows
- 2.4.1 Up to R200 000 final approval must be granted by the Responsibility Manager
 - 2.4.2 Up to R300 000 final approval must be granted by the Sub-Programme Manager (Cluster Chief Directors)
 - 2.4.3 Up to R500 000 final approval must be granted by the Programme Manager
 - 2.4.4 From R500 000 up to R10m final approval must be granted by the Chief Financial Officer
 - 2.4.5 Above R10m final approval must be granted by the Accounting Officer

2.5 The Demand Memo must comprise the following key headings

- 2.5.1 The purpose of the demand memo
 - 2.5.2 Background and Motivation
 - 2.5.3 Problem Statement
 - 2.5.4 Scope of work
 - 2.5.5 Financial Implications
 - 2.5.6 Consultation with Programme Manager
 - 2.5.7 Recommendation
 - 2.5.8 Approval as per 2.4 above
- The demand memo must be signed off by the initiator, recommended by his/her Supervisor before it is submitted to the delegated official for approval
 - A sample of a Demand Memo is attached for your ease of reference


3 DEVIATIONS

- 3.1 Effective from 1 May 2016 and as per National Treasury Instruction Note, No. 3 of 2016/17 all deviations which are not emergency procurement or sole source procurement prior approval must be granted by Provincial Treasury.
- 3.2 In cases of emergency delegation, no:1.1.7 will apply including the thresholds indicated in the delegation

The 2016/17 SCM Delegation will be uploaded on the Department Website and in line with the *Public Finance Management Act 1 of 1999 (PFMA) as amended* all officials of the ECDeE are obligated to adhere to them

Upon signing of this correspondence, the heading '**Demand Memo**' as per attached example must be implemented with immediate effect

Yours in Education,



MS SN NETHILAPHALA

ACTING SG AND ACCOUNTING OFFICER

13/07/2016
DATE



DEPARTMENT OF EDUCATION

SUPPLY CHAIN MANAGEMENT DELEGATIONS

Province of the Eastern Cape • Iphondo leMpuma-Koloni

Supply Chain Management delegation of powers entrusted by the Accounting Officer of Department of Education to officials within the Department of Education in the Province of the Eastern Cape in terms of Section 44 of the Public Finance Management Act, Act 1 of 1999, as amended by the Public Finance Management Amendment Act 29 of 1999

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DELEGATION OF AUTHORITY

Powers, functions and duties delegated by the Accounting Officer of the Eastern Cape Department of Education, in terms of the Public Finance Management Act: Act 1 of 1999 (as amended by Act 29 of 1999, Treasury Regulations (March 2005) and the Annual Division of Revenue Act.

1. Ms N Ntshilaphala, the Acting Accounting Officer of the Eastern Cape Department of Education, acting in terms of Section 41(1)(a) and (b) and read with Section 44(2) and (3) of the PFMA 1999, Act 1 of 1999, as amended, and the National Treasury Regulations issued in terms of Section 76 of the PFMA, do hereby delegate to the incumbents (and the acting incumbents, where applicable) of the posts indicated in the attached schedule, and those above them in the relevant organisational structure on the establishment of the Eastern Cape Department of Education, the powers, functions and duties specified within.

The powers, functions and duties shall be exercised strictly in accordance with the appropriate statutory and regulatory provisions and ancillary instructions and read in conjunction with the financial delegations. Hereby charge the said incumbents to exercise the powers and duties in collaboration with the head office instances where deemed necessary.

These supply chain management delegations are effective 01 September 2015 until amended or revoked in writing by the Accounting Officer.

Signed at Zwelusha on this day of 2015

Acting Accounting Officer

Ms S N Ntshilaphala

PREAMBLE

Whereas:

Delegation of authority is the foundation, on which the principal - subordinate relationship is built, thus enabling organizational functionality through the flow of authority from top to bottom.

Delegation is not merely a process but a way by which a principal multiplies him / her and is able to bring stability, agility and soundness to the organization.

Delegation of authority is a process, in which the authority and powers are divided and shared.

Delegation of authority gives enough room and space to the subordinate to develop abilities and skills.

Which the reduction in the workload of the principal, efforts and energy are directed to critical and strategic issues within the organization.

Delegation is premised on the:

1. Principle of Results Expected - Before delegating powers to the subordinate, goals should be clearly defined as well as results expected.
2. Principle of Fairness of Authority and Responsibility - If a subordinate is given a responsibility to perform a task, then at the same time he / she should be given enough scope and authority to carry out that task effectively.
3. Principle of Absolute Accountability - The delegator retains accountability for delegated tasks. This implies that the authority and responsibility can be delegated but not the accountability.
4. Principle of Authority Level - This principle suggests that a manager should exercise his / her authority within the scope of the jurisdiction / framework given.

This Supply Chain Management Delegation is therefore:

- a) Based on contextual and capacity considerations within the Department of Education
- b) Subject to the overriding principle of Absolute Accountability
- c) Officials are to familiarize themselves with the provisions of the relevant Act and attention is drawn to the following legislative prescriptions

LEGISLATIVE FRAMEWORK

The Supply Chain Management Delegation are based mainly but not limited to the following legislative determinations:

Constitutional Framework

Section 217 of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), provides the basis for procurement and determines that:

- a) When an organ of state or the national, provincial or local sphere of Government or any other institution identified in national legislation, contracts for goods or services, it must do so in accordance with a system which is fair, equitable, transparent, competitive and cost-effective;
- bi) Section 217(1) does not prevent organs of state or institutions referred to in that section from implementing a procurement policy providing for:
 - i) categories of preference in the allocation of contracts; and
 - ii) the preference or advancement of persons or categories of persons, disadvantaged by unfair discrimination.
- c) National Legislation must prescribe a framework within which the policy referred to in subpara (b) above may be implemented; and
- di) Section 215 - 219 of the Constitution further imposes a responsibility on National Treasury to introduce norms and standards within Government, thereby ensuring transparency and expenditure control measures.

Public Finance Management Act 1 of 1999 (PFMA) as amended

- a) The PFMA was promulgated during 1999 and was intended to regulate financial management in National and Provincial Government;
- bi) In terms of section 76(4) (c) of the Act, National Treasury may make regulations or make instructions applicable to all institutions to which this Act applies, concerning the establishment of a framework for an appropriate supply chain management system which is fair, equitable, transparent, competitive and cost-effective;
- c) The Act also specifically refers to the responsibility of the Accounting Officer of a Department to have and to maintain an appropriate procurement and supply system which is fair, equitable, transparent, competitive and cost-effective; and
- d) This being in line with the five pillars of procurement, namely value for money, open and effective competition, ethics and fair dealing, equity and accountability and transparency.

Preferential Procurement Policy Framework Act No. 5 of 2000 (PPPFA)

The Constitution provides that National Legislation must prescribe a framework within which the preferential procurement policy may be implemented.

Broad Based Black Economic Empowerment Act No. 53 of 2003 (BBBEE)

This Act establishes a legislative framework for the promotion of black economic empowerment, to empower the Minister to issue codes of good practice and to publish performance charters to establish the Black Economic Empowerment Advisory Council, and to provide for matters connected therewith.

The Preferential Procurement Regulations of 2011

This is the enabling mechanism of the PPPFA. It sets out the formulas for the point system and stipulates the rules and procedures governing the preferences that might be claimed in terms of this Act.

Treasury Regulations 16A (Issued in terms of the PFMA): Supply Chain Management

These Regulations serve as a formal requirement to Accounting Officers to ensure the implementation of the Supply Chain Management process as an integral part of their financial management system. It requires Accounting Officers to develop and implement an effective and efficient supply chain management system and to establish a separate supply chain management unit within the Office of the Chief Financial Officer.

Supply Chain Management Regulations (Section 76(4) (c) of the PFMA)

Section 76(4) (c) determines that:

- a) The National Treasury may make regulations or issue instructions applicable to all institutions to which this act applies concerning:
 - b) The determination of a system for an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost effective.
- In terms thereof, the National Treasury issued Regulations on 5 December 2003 determining a system for Supply Chain Management, accompanied by a Policy Strategy guiding uniformity in this process.

Construction Industry Development Board Act No.38 of 2000

The purpose of the act is to provide for the establishment of the Construction Industry Development Board, to implement an integrated strategy for the reconstruction, growth and development of the construction industry and to provide for matters related therewith.

Construction Industry Development Regulations 2004

The Standard for Uniformity in Construction Procurement establishes requirements for construction procurement which are designed to bring about standardization and uniformity in procurement documentation practices and procedures.

Information Technology Act No.38 of 2002

Your attention is also drawn to the provisions of the Information Technology Act No.38 of 2002 and the SITA Regulations (National Treasury Practice Note No. 5 of 2008/2010).

DEFINITIONS PERTAINING TO DELEGATED OFFICIALS

1.	ACCOUNTING OFFICER.	<ul style="list-style-type: none">• as defined in S35 of the PFMA
2.	CHIEF FINANCIAL OFFICER (CFO)	<ul style="list-style-type: none">• as defined in NTR 2

3.	PROGRAMME MANAGERS (excluding the CEO)	<ul style="list-style-type: none"> An official appointed in writing by the Accounting Officer.
4.	SUB PROGRAMME MANAGERS	<ul style="list-style-type: none"> An official appointed in writing by the Accounting Officer.
5.	CONTRIBUTIONAL GRANT MANAGERS	<ul style="list-style-type: none"> An official appointed in writing by the Accounting Officer.
6.	RESPONSIBILITY MANAGERS	<ul style="list-style-type: none"> An official appointed in writing by the Accounting Officer to control a budget.
7.	DEPARTMENTAL OFFICIALS	<ul style="list-style-type: none"> All officials employed or seconded to the Eastern Cape Department of Education either on a permanent or contract basis. All officials paid by the Eastern Cape Department of Education on a monthly basis by way of stipend including interns and contract workers.
8.	PAY POINT MANAGERS	<ul style="list-style-type: none"> All officials appointed in writing in terms of TR 5.1.4 & 8.3.5. Pay point managers are appointed by the Accounting Officer.
9.	COST CENTRE MANAGERS	<ul style="list-style-type: none"> Officials as reported as Cost Centre Manager in writing by either the Accounting Officer or Chief Financial Officer, Programme Managers or Grant Managers.
10.	RELEVANT AUTHORITY	<ul style="list-style-type: none"> In the context of EDDCE, Relevant Authority refers to an official/function/unit/Committee awarded certain powers by the Accounting Officer to approve certain standards, tasks or transect only in the best interests of the Department.

TERMINOLOGY

No	TERM	DESCRIPTION
11	CONTRACT	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 therein and all documents incorporated by reference thereto.
12.	DEMAND MANAGEMENT	Means the planning process that ensures that the resources required to support the strategic objective are delivered at the correct time, at the right price, location, quantity and quality that will satisfy the needs.
13	DEPARTMENT	Department of Education (DOE)
14.	LOGISTICS MANAGEMENT	Means to ensure that goods and services are available at the right place, time and quantities required to execute the functions of the DOE.
15	MEASURABLE OBJECTIVES	Means to identify very specific activities that the DOE engages performing or delivering in order to achieve the strategic objectives and ultimately the strategic goals it has set. There must therefore be a direct causal link running from the measurable objective to one or more of the strategic objectives.
16	DIRECT QUOTATION	A verbal/written offer, which is not necessarily subject to the General Conditions of Contract (GCC).
17	RISK MANAGEMENT	Means the identification, measurement and economic control of risk that threaten the assets and earnings of a business or other enterprise.
19	SCM OFFICIAL	<p>An employee of the DOE working in the SCM Unit or performing an SCM function</p> <p>A person seconded to the DOE to render a SCM function</p> <p>A person contracted to the DOE to render a SCM function</p>
19	SMALL/MEDIUM AND MICRO ENTERPRISE (SMEs)	Means an enterprise as defined in the National Small Business Act, 102 of 1996 as amended, employing a maximum of 100 employees in any sector except manufacturing or construction where the maximum is 200 employees.
20.	STRATEGIC GOALS	A set areas of multi-annual performance that are critical to the achievement of the mission. They are statements that describe the strategic direction of the DOE. It is useful to think of strategic goals as outcomes to be achieved by the DOE.
21	STRATEGIC OBJECTIVES	Mean more concrete and specific than strategic goals. It should give a clear indication of what the DOE intends doing in order to achieve the strategic goals it has set for itself, as such strategic objectives would normally describe high-level outputs or 'results' of actions that the institution intends taking.

NO	TERM	DESCRIPTION
22	SUPPLY CHAIN MANAGEMENT	<p>DESCRIPTION</p> <p>Means it is an integral part of finance management. This function is the collaborative strategy that integrates the planning, procurement and provisioning processes in order to plan, make, consume, adding cost, infrastructure, time and activities, seeks to introduce innovative best practices, which at the same time addressing Government's preferential procurement policy objectives and which serving the vendors and customer's efficiency. Six phases are distinguished in the SCM processes, namely:</p> <ul style="list-style-type: none"> - Demand management; - Acquisition management; - Logistics management; - Disposal management; - Risk management; - Performance management. <p>Means in relation to agreements, that the performance of a private party in terms of the agreement will result in a net benefit to the institution defined in terms of cost, price, quality, quantity, risk transfer or any combination of those factors.</p>
23	VALUE FOR MONEY	<p>Public Finance Management Act (Act 1 of 1999, as amended)</p> <p>Bid in terms of a competitive bidding process.</p> <p>An expenditure that was made in vain and would have been avoided had reasonable care been taken.</p> <p>A contract with a duration period exceeding one year.</p>
24	FINRA	
25	COMPETITIVE BID	
26	FRUITLESS AND WASTFUL EXPENDITURE	
27	LONG TERM CONTRACT	
28	OTHER APPLICABLE LEGISLATION	<p>Means any other legis lation applicable to Supply Chain Management, including but not limited to:-</p> <ul style="list-style-type: none"> (a) the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000); (b) the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 54 of 2003); and (c) the Construction Industry Development Board Act, 2000 (Act No. 38 of 2000).
29	REGULATION	<p>Material Treasury Regulations.</p> <p>Means the National Treasury's Code of Conduct for Supply Chain Management Practitioners and other Role Players.</p>
30	SUPPLY CHAIN MANAGEMENT CODE OF CONDUCT	

No	TERM	DESCRIPTION
31	TRANSFERAL CONTRACT	A contract arranged by the Common Service Provider (National Treasury) for the supply, over a specified period of time, of the rental or requirements of various public printing organizations for journals, works or services, the hiring or letting of anything, the acquisition or granting of any right, on the disposal of movable State property
32	TWO STAGE BIDDING	Means two stage bidding process
22.	TREASURY GUIDELINES	means any guidelines on Supply Chain Management issued by the National Treasury
34	EMERGENCY	An emergency may occur when there is a serious unexpected situation that poses immediate risk to health, the property or environment which calls for urgency to act and there is insufficient time to invite competitive bids
35	SOLE SOURCE PROCUREMENT	Solo Source Procurement may occur when there is evidence that only one supplier possesses the unique and substantially available to meet the requirements of the institution

ABBREVIATIONS

1	AO	<ul style="list-style-type: none"> Means the Department's Accounting Officer means the Departmental Bid Adjudication Committee
2	DAJ	<ul style="list-style-type: none"> means the Departmental Bid Evaluation Committee means the Departmental Bid Specification Committee
3	DEC	<ul style="list-style-type: none"> means the Departmental SCM Procurement Committee means District Finance Senior Manager
4	ESC	<ul style="list-style-type: none"> means District Director means the Chief Director
5	PC	<ul style="list-style-type: none"> means the Director means General Conditions of Contract
6	CRSM	<ul style="list-style-type: none"> means Internal Bid Advisory Committee means National Treasury Regulations
7	OO	<ul style="list-style-type: none"> means the Preferential Procurement Policy Framework Act 5 of 2000 means the Preferential Procurement Policy Framework Regulations
8	CD	<ul style="list-style-type: none"> means Special Conditions of Contract means SCM Quotations Committee
9	D	
10	GCC	
11	IBAC	
12	NTA	
13	PPFA	
14	PPFR	
15	SOC	
16	QC	

1. DELEGATIONS IN TERMS OF SUPPLY CHAIN MANAGEMENT

Delegation No.	Prescripts	Powers and Functions	Lowest Level Delegated to	Maximum Amount Delegated	Remarks, Limitations or conditions
SUPPLY CHAIN MANAGEMENT					
1.1.	PFMA 38 - 544	ESTABLISHMENT AND MAINTENANCE OF SUPPLY CHAIN MANAGEMENT UNIT			
1.1.1	NTR 16A.3.1 NTR 16A.3.2 (a) NTR 16A.4.1	To develop and implement an effective and efficient supply chain management system which is fair, equitable, transparent, competitive and cost-effective for the acquisition of goods and services. To establish a separate supply chain management unit within the department to implement the supply chain management system	Accounting Officer	N/A	For the purpose of: a) the acquisition of goods and services; b) the disposal and letting of state assets, including the disposal of goods no longer required; c) Must ensure that the supply chain management systems d) be fair, equitable, transparent, competitive and cost effective; e) be consistent with Preferential Procurement Policy Framework Act, 2000 (Act No 5 of 2000); f) be consistent with the Broad Based Black Economic Empowerment Act, 2003 (Act No 53 of 2003); and provide for the following: i) debt and management; ii. account of management.
1.1.2	NTR 16A.4.1	To implement and maintain supply chain management units per the approved business model, programme, policies and processes	CFO		



Delegation No.	Prescripts	Powers and Functions	Lowest Level Delegated to	Maximum Amount Delegated	Remarks, Limitations or conditions
SUPPLY CHAIN MANAGEMENT					
115	NTR 16A 6.2	To appoint Bid Adjudication Committee (BAC)	Accounting Officer		<ul style="list-style-type: none"> a) One of the 3 members must represent the end user. b) Procurement committee members to be appointed on a 12 monthly basis or as determined by the Accounting Officer c) A Procurement Committee member may be appointed as either BSC or BEC d) A committee member may not be appointed as a permanent member in both BSC and BEC for the same goods or services bid e) Entities involved with the drafting of the specification may not participate in the bid for that particular item of service f) Only internal and external contractors serving on the BSC have any decisions making authority g) Advisors may only be used in an advisory capacity but have no decision making powers h) BAC should preferably be chaired by the CFO and should include at least one senior SCW official i) BAC should sit only if 50% - 1 of its members are present (A permanent member of a BSC may serve in a BEC on an ad hoc basis as long as it is not for the same project same with BEC member) j) BAC members may not serve in either BSC or BEC. BSC and BEC members

SUPPLY CHAIN MANAGEMENT

Delegation No.	Prescripts	Powers and Functions	Lowest Level Delegated to	Maximum Amount Delegated	Remarks, Limitations or conditions
1.1.5	NTN 16A.6.3(C)	To shorten the bid answering period	Accounting Officer		<p>a) The reason for reduction of period from be documented, approved by the AC and reported to Provincial Treasury within 10 days of approval</p> <p>b) The reason for reduction of period from be documented, approved by the AC and reported to Provincial Treasury within 10 days of approval</p> <p>c) SCM Officials and Committee members should declare interest at the beginning of each year and must declare interest and sign confidentiality forms at the beginning of each maximum meeting</p> <p>d) The Accounting Officer may appoint additional committee members as required.</p> <p>e) BSC and REC members may make presentations to the BAC</p> <p>f) and their advisors may not serve in the BAC.</p>
1.1.7	NTP - EA 6.4 NTN 3 of 2016/17	To deviate from a competitive bidding process in case of emergency	District Director Director Demand and Acquisition CD SCM CFO	Up to R30 000 Up to R100 000 Up to R300 000 less than R1 million	<p>a) In case of emergency, three quotations to be obtained. If it is possible to do so and the order to be placed within 3 (three) working days of deviation approval</p> <p>b) The reason for deviation to be documented in writing as well as the reasons for not obtaining three quotations and that should be approved by the delegated authority</p> <p>c) The delegated authority to keep a register of deviations and submit monthly</p>



SUPPLY CHAIN MANAGEMENT

Delegation No.	Prescripts	Powers and Functions	Lowest Level Delegated to	Maximum Amount Delegated	Remarks, Limitations or conditions
118	NTR 16A.6.5	To approve participation in a transversal contract facilitated by the relevant treasury	Accounting Officer	Unlimited	a) The department may not solicit bids for the same or similar goods or services during the tenure of the transversal contract. b) The Bid Management section should keep a register of all national and provincial bids / contracts that the department is participating in
119	NTR 16A.6.6	To approve participation by the Department in any contract arranged by arrangement of state	Accounting Officer	Limited by conditions of initial contract	a) The contract must have been arranged by means of a competitive bidding process. b) The contract must be rate based

Delegation No.	Prescripts	Powers and Functions	Lowest Level Delegated to	Maximum Amount Delegated	Remarks, Limitations or conditions
SUPPLY CHAIN MANAGEMENT					
1.1.10	NTN 18A.3.1	To issue directives on supply chain management, policies and procedures.	CD: SCV		<p>c) The participation is subject to the written approval of such organ of state and relevant parties (service providers);</p> <p>d) The Head Office should keep a register of all national and provincial contracts that the department is participating in.</p> <p>To devuon, review, amend and ensure implementation</p>



2. DELEGATIONS IN TERMS OF DEMAND MANAGEMENT

Delegation No	Prescripts	Powers and Functions	Lowest Level Delegated to	Maximum Amount Delegated	Remarks, Limitations or conditions
DEMAND MANAGEMENT					
21	NTRICA 3	To identify services required to fulfil programme objectives and set norms and calculate resource quantities (Demand assessment/need analysis) etc write a director memorandum	Responsibility Manager Grant Manager	Unlimited	<p>a) A proper need assessment should be done</p> <p>b) Demand Management officials should provide technical support</p> <p>c) To be included in the procurement plan</p>
22	NTR 16A 3.701	To develop an annual procurement plan for procurement of required goods and services.	Sub-programme Manager Grant Manager	N/A	<p>a) The Procurement Planning process should be aligned to the budgeting process</p> <p>b) The Procurement Plan should be developed in conjunction with the Demand Management section within SCM unit</p> <p>c) The Procurement Plan should be finalised and consolidated by Responsibility Managers, sub programme managers and Programme managers and submitted to the SCM unit at least two months before the start of the new financial year</p>
		To coordinate procurement plans from all programmes and submit to Provincial Treasury CMT No	CO-SCM	Unlimited	<p>a) In accordance with Provincial Treasury instruction</p> <p>b) Supported by Director, Finance and Acquisition Management</p>

Delegation No.	Prescripts	Powers and Functions	Lowest Level Delegated to	Maximum Amount Delegated	Remarks, Limitations or conditions
DEMAND MANAGEMENT					
		To approve and submit consolidated Procurement plan on time as determined by Provincial Treasury	Accounting Officer	Unlimited	a) To reconcile with the budget
	Development of a specification		Cost Centre Manager	Unlimited	a) SCM to provide technical support in relation to SCM contractual matters
	Approval of a Demand Memo		Cost Centre Manager	Up to R1200 000	a) On condition that there is available budget and proofs attached
			Responsibility Manager	Up to R200 000	b) The demand memo should clearly outline the service/good required, its purpose, links to strategic goals of the Department, impact if service / goods required are not procured, realistic budget estimate of the service / goods required including confirmation that budget is available etc.
			Sub-programme	Up to R300 000	
			Programme Manager	Up to R500 000	c) All accruals are paid
			CFO	Above R500 000 - R10 million	d) The goods or services required must be in the procurement plan
			Accounting Officer	Above R10m	b) Confirm that the Programme Manager was consulted; j) Any deviation from the Procurement Plan must be approved by the Accounting Officer.

SM

DELEGATIONS IN TERMS OF ACQUISITION MANAGEMENT

QUOTATIONS AND BID MANAGEMENT

Delegation No.	Prescripts	Powers and Functions	Lowest Level Delegated to	Maximum Amount Delegated	Remarks, Limitations or conditions
3.1	MTR 16A.1	Department has and maintains a data-base of prospective providers of goods and services per commodity for obtaining quotations			
3.1.1		To ensure access to a database of prospective suppliers of goods and services for obtaining quotations	CSD, SCM	N/A	<ul style="list-style-type: none"> a) The province has a Centralised Supplier Database (CSD); b) To create suppliers and use the database optionally c) All Suppliers should be centrally registered in the CSD at Provincial Treasury before the award or issue of an order d) To monitor and ensure utilisation of the CSD at Provincial Treasury
3.2	MTR 16A.6.1	Procurement of goods and services by means of quotations up to R30 000			
3.2.1		To approve and award procurement of goods and services, hiring or letting anything, acquiring or granting any right, by way of three written price quotations	Assistant Director at District Level	From R: to R10 000	<ul style="list-style-type: none"> a) A minimum of three written quotations should be obtained from the list of prospective suppliers in the CSD through the SCM Office - Demand & Acquisition

QUOTATIONS AND BID MANAGEMENT

Delegation No.	Proscriptions	Powers and Functions	Lowest Level Delegated to	Maximum Amount Delegated	Remarks, Limitations or conditions
3.3	NTR 16A.6.1	(b) Procurement of goods and services by means quotations above R30,000 up to R500,000	District Quotations Committee	Up to R30 000	<p>a) provided that there is a Demand Memo approved by the delegated authority.</p> <p>b) A quotation register should be maintained for proof of relation.</p> <p>c) Where 3 quotations cannot be obtained, quotations must be provided in writing.</p> <p>The lowest acceptable offer should be accepted after testing the responsiveness of the offer against the Price Index</p> <p>The Price Index affects the maximum acceptable price. If the offers above the Price Index, the offer should be considered unreasonable and should not be accepted.</p> <p>d) The tax affairs of the service provider must be in order on award and during the implementation of the project.</p>

QUOTATIONS AND BID MANAGEMENT

Delegation No	Prescripts	Powers and Functions	Lowest Level Delegated to	Maximum Amount Delegated	Remarks, Limitations or conditions
3.3.1		To award goods and services, the hiring or letting of anything or the acquisition or granting of any right for or on behalf of the Department	Cluster Quotation Committee Head Office - One-Item Committee	Up to R300,000 Up to R500,000	<ul style="list-style-type: none"> a) Quotations should be invited from as many suppliers as possible listed in the CESD www.sectransur.gov.za for a specific commodity b) The award letters should be signed by the Chairperson of the committee c) A minimum of three written quotations d) should be obtained from the list of prospective suppliers in the CESD e) If there are no suitable suppliers registered in the CESD or all invited quotations are found to be non-responsive or unacceptable, the bid may be advertised for five (5) days on the department's website and notice boards. f) The reasons for deviating from the five (5) day normal bidding procedure should be recorded and approved by the CFO g) Prospective suppliers must be registered on the CESD prior to the predetermined closing time of the quotation, which should not be less than 3 days h) Offers must be submitted in a sealed envelope and deposited in a bid box and be opened by at least two officials at a predetermined closing time.

QUOTATIONS AND BID MANAGEMENT

Delegation No.	Prescripts	Powers and Functions	Lowest Level Delegated to	Maximum Amount Delegated	Remarks, Limitations or conditions
					<p>3) Late offers should not under any circumstances be accepted but should be returned unopened to the bidder</p> <p>4) Preference Procurement scoring system on Functionality and Price must be applied to all Procurement above T30 DOC or terms of the PPPFA</p> <p>5) Reasons for passing over/qualifying unacceptable offers must be placed on record</p> <p>6) The limits indicated refer to individual cases. Requirements may not be subdivided and orders may be split with an objective to stay within the created amount</p> <p>7) The lowest acceptable offer should be accepted after testing the reasonableness of the offer against the Price Index</p> <p>8) The Price Index reflects the maximum acceptable price. If the offer is above the Price Index, the offer should be considered unreasonable and should not be accepted</p> <p>9) A member or an SOCM official who has declared interest or a bid, must be excused when discussing that bid and no exception should be made</p> <p>10) Declaration made by suppliers/bidders should be noted in the minutes of the meeting</p>

QUOTATIONS AND BID MANAGEMENT

Delegation No.	Prescripts	Powers and Functions	Lowest Level Delegated to	Maximum Amount Delegated	Remarks, Limitations or conditions
3.4	NTR16A.5.3(c)	(c) Competitive Bidding for bids with a value above P500,000.00	Director, Acquisition and Demand Management.		<ul style="list-style-type: none"> c) No award may be made to any entity where an employee of government has a financial interest; benefit from that business entity without proof that an affiliation has been given by the executive authority. d) A Quotation Register for all offers and bids P50,000 to P500,000 should be kept in a prescribed format. e) The tax affairs of the service provider must be in order on award and during the implementation of the project.
3.4.1	NTR16A.5.3(c)	To advertise bids in at least the Government Bulletin for a minimum of 21 days before closure.	Director, Acquisition and Demand Management.		<ul style="list-style-type: none"> a) The Head Officer should keep a central register of all bids above P500,000. b) The Head Office should check compliance of bid documents and issue a bid number before approval of the advert and sending it to Provincial Treasury for advertisement in the Bulletin.
3.4.2	NTR16A.6	To approve bid specifications	Bid Specification Committee	Unlimited	<ul style="list-style-type: none"> a) Specifications and terms of reference must be b) Fair c) Comprehensive

Delegation No.	Prescripts	Powers and Functions	Lowest Level Delegated to	Maximum Amount Delegated	Remarks, Limitations or conditions
QUOTATIONS AND BID MANAGEMENT					
1.5	NTR16A6 3	RECEIPT OF BIDS			<ul style="list-style-type: none"> c) Not be too restrictive d) Be consistent with identified need, and e) Technical specifications must, if approved include incidental services f) Allow for comparative evaluation g) Brand names will only be used if the item must be compatible with existing equipment of the same brand or as a benchmark in which case the words 'equivalent' or 'similar' must be used. h) The committee should also approve specific conditions and limitation applicable to the bid as well as the bid evaluation criteria i) The BSC should make recommendation on whether there should be a pre-tender briefing and on whether it should be compulsory or not
3.5.1	NTR16A6 3	To receive bids	Two officials	Unlimited	<ul style="list-style-type: none"> a) The Bid Box must be opened by at least 2 officials at specified time and all submission recorded in a Bid's Received Register. All bids to be dated and time stamped and initialed by both officials

QUOTATIONS AND BID MANAGEMENT

Delegation No.	Prescripts	Powers and Functions	Lowest Level Delegated to	Maximum Amount Delegated	Remarks, Limitations or conditions
3.6	NTR 16A6.2	EVALUATION OF BIDS			<ul style="list-style-type: none"> b) Bid received to be recorded in Bid Procepr Register c) Late bids should not, under any circumstances, be accepted but should be returned unopened to the bidder
3.6.1		To evaluate bids for the procurement of goods and services, the hiring or letting of anything or the acquiring or granting of any right for or on behalf of the Department utilizing formal bidding procedure	Bid Evaluation Committee	Unlimited	<ul style="list-style-type: none"> a) Subject to GCC, SCC and any Practice Note issued by Treasury. b) Bids must be evaluated in terms of the criteria stipulated in the bidding documents c) Arranging of evaluation criteria after closure of the bids is not allowed d) Provisions of the Presidential Procurement Policy Framework Act and its regulations must be adhered to.
3.7	NTR 16A6.2	AWARD OF BIDS	Bid Adjudicator Committee (Head of Unit)	Above P500 000 Up to HIC million	<ul style="list-style-type: none"> a) Reasons for recommending specific bids must be documented b) The bid must be awarded to the highest scoring bidder with a compliant financial bid c) For bids that scored equal points, lots could be drawn or the BEC could split
3.7.1		To award a bid for the procurement of supplies and services, the hiring or letting of anything or the acquisition or granting of any right for or on behalf of the Department to the bidder which is in specification and scoring the highest points	Bid Adjudicator Committee (Head of Unit)	Above P500 000 Up to HIC million	<ul style="list-style-type: none"> a) Reasons for recommending specific bids must be documented b) The bid must be awarded to the highest scoring bidder with a compliant financial bid c) For bids that scored equal points, lots could be drawn or the BEC could split

QUOTATIONS AND BID MANAGEMENT

Delegation No.	Prescribe	Powers and Functions	Lowest Level Delegated to	Maximum Amount Delegated	Remarks, Limitations or conditions
					<p>d) The allocation if there is a provision to do so;</p> <p>e) To ensure that neither the recommended tender nor any of the directors / shareholders / members is listed on the Database of Restricted suppliers</p> <p>f) A member or SCM official who have declared interest on a bid must be excluded when discussing that bid and no exception should be made</p> <p>g) Declaration made by suppliers/bidders should be noted in the minutes of the meeting</p> <p>h) Before award, names of owners and directors should be checked against Persal ensuring that none of them work for the state</p> <p>i) No award may be made to any entity where an employee of government has a financial interest / benefit from that business entity (Check directors IDs on Persal)</p> <p>j) Award to be recommended by the Bid Evaluation Committee and approved by the BAC</p> <p>k) Bids can be accepted either in print or in full</p> <p>l) Subject to the provisions and conditions of the PPPFA</p>

Delegation No.	Prescripts	Powers and Functions	Lowest Level Delegated to	Maximum Amount Delegated	Remarks, Limitations or conditions
QUOTATIONS AND BID MANAGEMENT					
					m) Award letters should be signed by the Chairperson or his/her deputy

QUOTATIONS AND BID MANAGEMENT

Delegation No.	Prescripts	Powers and Functions	Lowest Level Delegated to	Maximum Amount Delegated	Remarks, Limitations or conditions
3.7.2		To award a bid for the sale of movable Departmental asset utilizing a formal bid procedure	BAC	Up to R20m	<ul style="list-style-type: none"> a) Offer scoring the highest points must be accepted b) Subject to the recommendation by a Bid Evaluation Committee c) Subject to the provisions and conditions of the FPFA d) Goods value R5m - R20m are subject to the approval of the Disposal Committee
3.7.3		Communicator with Bidders: To communicate with bidders to clarify or alter bids	CD: SCM	Unrestricted	<ul style="list-style-type: none"> a) Communication with bidders may take place in cases where information is incomplete or where a lack of clarity exists about any aspects of the bid b) The only questions which will be allowed to be asked by the bidders are those for clarification, but must not permit bidders to change substance or price of their bids after opening c) Request for clarification and the bidder's response must be in writing

QUOTATIONS AND BID MANAGEMENT

Delegation No.	Prescripts	Powers and Functions	Lowest Level Delegated to	Maximum Amount Delegated	Remarks, Limitations or conditions
3.7 a		Extension of the Closing date. To grant an extension of the closing date for a bid To verify/amend concerns raised deriving from briefing sessions	CD-SCM	Unlimited	a) The extension of the closing date is granted if circumstance justify this action b) There must be sufficient time to publish an amending notification before the original closing date c) Bid's closing time may be postponed only if all intending bidders can be advised of the extension date in writing before the original closing date.
3.7.5		Request for extension of validity on price and all conditions embodied in the bid	CD-SCM		e) Bids that have closed and is still under evaluation
3.8	NTR 16A8	COMPLIANCE WITH ETHICAL STANDARDS			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
3.8.1	NTR 16A8.1	To comply with the highest ethical standards	Air officials		
3.8.2	NTR 16A8.2 NTR 16A8.3 Public Service Regulation 2001 CA.5-CA.12 and CS 4	To ensure that the National Treasury's Code of Conduct is adhered to for Supply Chain Management	CD-SCM		a) The supply chain management officials or role players should adhere to the following: must recognise and disclose any conflict of interest that may arise.

QUOTATIONS AND BID MANAGEMENT

Delegation No.	Prescripts	Powers and Functions	Lowest Level Delegated to	Maximum Amount Delegated	Remarks, Limitations or conditions
303	NTF 16AE.4	To ensure the disclosure of any conflict of interest if a contract is awarded whereby the supply chain management official or other role players has any close family member, partner or associate or any private or business interest, the supply chain management official or other role players must: (a) disclose that interest, and (b) withdraw from participating in any manner whatsoever in the process relating to that contract.	CD/SCM		<ul style="list-style-type: none"> must treat all suppliers and potential suppliers equitably must not use their position for private gain or to improperly benefit another person. must ensure that they do not compromise their credibility or integrity of the supply chain management system through the acceptance of gifts or hospitality or any other act that must be scrupulous in their use of public property; and must assist accounting officers or in combating corruption and fraud in the supply chain management.
304	NTF 15AH.5	To ensure the reporting of any breach of or failure to comply with any aspect of the	CD/ Internal Control Unit		Record in the register of Irregular Expenditure

QUOTATIONS AND BID MANAGEMENT

Delegation No.	Prescripts	Powers and Functions	Lowest Level Delegated to	Maximum Amount Delegated	Remarks, Limitations or conditions
3 & 5	NT 4 16, A9.1	Supply chain management system to the Accounting Officer in writing	CO, SCM		Must- a) take all reasonable steps to prevent abuse of the supply chain management system; b) Investigate any allegations against an official in other role, player of corruption, improper conduct or failure to comply with the supply chain management system, and when justified, take steps against such official or role player and inform the relevant treasury of such steps; and c) report any conduct that may constitute an offence to the South African Police Service
		Relevant Authority			a) check the National Treasury's database or or to awarding any contract to ensure that no recommended bidder, nor any of its directors, are listed as companies or persons prohibited from doing business with the public sector.



QUOTATIONS AND BID MANAGEMENT

Delegation No	Prescribe	Powers and Functions	Lowest Level Delegated to	Maximum Amount Delegated	Remarks, Limitations or conditions
			Accounting Officer (on recommendation by BAC)		<p>b) reject any bid from a supplier who fails to provide written proof from the South African Revenue Service (SARS) that such a supplier either has no outstanding tax obligations or has made arrangements to meet outstanding tax obligations;</p> <p>c) reject a proposal for the award of a contract if the recommended bidder has committed a corrupt or fraudulent act in competing for the particular contract</p> <p>d) cancel a contract awarded to a supplier of goods or services.</p> <p>if the supplier committed any corrupt or fraudulent act during the bidding process the execution of that contract; or</p> <p>if any official or other role players committed any corrupt or fraudulent act during the bidding process or the execution of that contract that benefited that supplier.</p>



QUOTATIONS AND BID MANAGEMENT

Delegation No.	Prescripts	Powers and Functions	Lowest Level Delegated to	Maximum Amount Delegated	Remarks, Limitations or conditions
3.8.5	NTR 16.A9.2	Further preventative measures to ensure that the supply chain management system is not abused	Relevant Authority		May a) disregard the bid of any bidder that bidder, or any of its directors, - have abused the institution's supply chain management system - have committed fraud or any other improper conduct in relation to such system or - have failed to perform on any previous contract; and - must inform the relevant treasury of any action taken in terms of paragraph (a) above. b) The financial misconduct advisory committee to prepare the report for the AD signature
3.9	NTR 16A10	NATIONAL INDUSTRIAL PARTICIPATION PROGRAM	Accounting Office		
3.9.1	NTR 16A10.1	To ensure that contracts that are subjected to the National Industrial Participation Program obtain clearance from the Department of Trade and Industry	CO-SCM		
3.10	NTR 16.A11	REPORTING OF SUPPLY CHAIN MANAGEMENT INFORMATION			

QUOTATIONS AND BID MANAGEMENT

Delegation No.	Prescripts	Powers and Functions	Lowest Level Delegated to	Maximum Amount Delegated	Remarks, Limitations or conditions
3.10.1	NTR 15.A11.1	To submit to the relevant treasury supply chain management information as required by the treasury	Accounting Officer		CO SCM to prepare reports and signatures
3.10.2	NTR 16.A1.3	To ensure that the information referred to in terms of NTR 16.A1.1 and 16.A1.2 is submitted to the relevant treasury in a format and at intervals as required by the treasury	CO SCM		
3.11	NTR 21.	GIFTS, DONATIONS AND SPONSORSHIPS BY THE STATE			
3.11.1	NTR 21.1	Granting of gifts, donations and sponsorships by the State (Section 76(1)(i) of the PFMA)			
3.11.1.1	NTR 21.1.2	To grant gifts, donations and sponsorships to the amount of R100 000 and less	Accounting Officer	Up to R100 000	Conditions for granting of gifts: a) Must be in the interest of the state b) Must be in line with the objectives of the department c) Must contribute to the enhancement of the image of the Department d) Must not be used to promote the personal interest of an official e) Must only be made in extreme circumstances f) Amounts in excess of R100 000 must be approved by the provincial legislature

Delegation No.	Prescripts	Powers and Functions	Lowest Level Delegated to	Maximum Amount Delegated	Remarks, Limitations or conditions
QUOTATIONS AND BID MANAGEMENT					
3.11.2	NTR 21.2	ACCEPTANCE OF GIFTS, DONATIONS AND SPONSORSHIPS TO THE STATE.			<ul style="list-style-type: none"> g) Amounts exceeding R (R) 000 000 must be included separately in the application; all h) Treasury approval must be obtained before offering immovable property as gifts or donations i) The relevant reasons for granting immovable property as gifts or donations must be submitted to the Provincial Treasury
3.11.2.1	MTN 21.2.1	To approve acceptance of any gift, donation or sponsorship to the Province, whether such gifts, donations or sponsorships are in cash or kind	Accounting Officer		

3. DELEGATIONS IN TERMS OF PROCUREMENT AND LOGISTICS MANAGEMENT

Delegation No.	Prescripts	Powers and Functions	LOGISTICS MANAGEMENT		Remarks, Limitations or conditions
			Lowest Level Delegated to	Maximum Amount Delegated	
41	16.A.9.31) 16.A.9.1(a) Government Gazette 9162.332. October 2009 (Regulation Gazette No 32616)	To improve governance in relation to record safe keeping of SCM documents including documents with financial implication	CD SCW	Unlimited	<p>a) Government order forms: All government orders must be placed with the order form 7577.</p> <p>b) Allocation of serial numbers: During the printing process of order forms by the Government Printer, the forms are to be provided with serial cutbars and should have serial number/face value to enable proper control.</p> <p>c) Blank Order forms: The order forms are face value forms. The misuse will result into disciplinary action. The following measures will apply: <ul style="list-style-type: none"> Order forms in stock. Order forms used during the issuing process. Copy of ID documents from retaining official should be kept. </p> <p>d) Completed, finalised and cancelled forms. <ul style="list-style-type: none"> Completed, finalised and cancelled order forms must be preserved safely and disposed according to instructions. </p> <p>e) Damaged Order Forms: Damaged order forms must be kept for a period of <u>two</u> months by records management.</p>

Delegation No.	Prescripts	Powers and Functions	Lowest Level Delegated to	Maximum Amount Delegated	Remarks, Limitations or conditions
LOGISTICS MANAGEMENT					
					<p>official. Therefore, in the absence of two members, one the procurement officer of the procurement section concerned and the other a member of related military chapter of the relevant procurement section, must execute the following:</p> <ul style="list-style-type: none"> - The order forms must be verified with the Blank Order Form register. - The order forms must be de-stamped - The Blank Order Form register must be updated and verified by the signatures of the two members concerned

4. DELEGATIONS IN TERMS OF CONTRACT MANAGEMENT

CONTRACT ADMINISTRATION

Delegation No.	Prescripts	Powers and Functions	Lowest Level Delegated to	Maximum Amount Delegated	Remarks, Limitations or conditions
5.1	General and Special conditions of Contract	To sign contracts and service level agreements emanate from limited, informal and formal bidding process or behalf of the Department.	Deputy Director: Contract Management	Up to P1m	a) Limited to once-off cases and excluding contracts and lease agreements
			CS: SCM	Up to P5m	
			Accounting Officer	Unlimited	
				All Turn Contracts	
				All Lease Agreements	
5.2		To approve procurement of limited quantities and/or minor essential services outside of a contract after consultation with Deputy Director Contract Management	Relevant Authority		a) In the event of an emergency where the contractor's point of supply for from location or contractor's services are not readily available

14/11/2011


CONTRACT ADMINISTRATION

Delegation No.	Prescripts	Powers and Functions	Lowest Level Delegated to	Maximum Amount Delegated	Remarks, Limitations or conditions
53		To approved extension of contract time, price adjustments and other variations on contracts for goods and services.	Relevant Authority		<p>a) The relevant authority or the authority that approved the contract approves the variation on contract</p> <p>b) Total variation on contract should not exceed</p> <ul style="list-style-type: none"> - 20% or R20 million (including all applicable taxes) for construction related goods, works or the original contract value whichever is the lower amount; - and/or services; and - 15% or R15 million (including all applicable taxes) for all goods and services of the original value of the contract value whichever is the lower amount; <p>c) The request to exceed these percentages should be referred to Provincial Treasury.</p> <p>d) To amend or vary a contract, or the conditions or stipulations or provisions of a contract, or any waiver, such variation agreement should be in writing.</p> <p>e) The variation of contracts above R20m should be referred to BAC for assessment before approval by the Accounting officer.</p> <p>f) Values provided here are values of contract that each authority is responsible for, not variator values.</p>

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CONTRACT ADMINISTRATION

Delegation No.	Prescripts	Powers and Functions	Lowest Level Delegated to	Maximum Amount Delegated	Remarks, Limitations or conditions
5.4		To grant prior approval in writing for transfer, cession, delegation, assignment, subletting of a contract or part thereof	Accounting Officer		i) When a variation on contract is approved, the information in variation should be placed on contract register ii) With the approval of contractor iii) For a maximum period of 90 days to allow for the intiation, evaluation and adjudication of new bids iv) Provided the original contract allows for extension as part of the conditions a) Contracts may be transferred only with the approval of relevant authority. b) Application for the transfer must be completed and signed by both the transferor and transferee and counter signed by two witnesses. Full reasons for the transferring of the contract must be provided and the transferee's ability to carry out the contract must be established and reported to the Bid Adjudication Committee and the Accounting Officer (be granted in compelling circumstances);
5.5	GCC 27	To determine that any legal proceedings arising from or in connection with a bid, contract order, formal contract or agreement between the parties, be instituted in the magistrate's court, regardless of the amount involved.	Accounting Officer	Unlimited	a) Legal advice should be obtained prior to execution

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CONTRACT ADMINISTRATION

Delegation No.	Prescripts	Powers and Functions	Lowest Level Delegated to	Maximum Amount Delegated	Remarks, Limitations or conditions
5.6	GCC 21.6	To cancel the contract or agreement	Relevant Authority		a) SM Contract Management and other contract management staff to provide advisory service
5.7		Statutory price increase To approve price adjustment due to escalation which form part of contract	Relevant Authority	Unlimited	a) On application by contractor or Department and duly motivated Subject to the following condition:
5.8		Rate of exchange adjustment To allow for rate of exchange adjustments where its required	Relevant Authority	Unlimited	a) Where payment to the Contractor is to be made in the Republic of South Africa and it is required to remit part or all of the amount abroad, the contract amount in South African currency will be paid to the Contractor less or plus an amount as specified on the Contractor's invoice and supported by the necessary proof representing any change in the exchange rate (a copy charge from foreign supplier) b) Where applicable any advantage due to more profitable exchange rate must be passed on to the State by the Contractor c) As specified in the GCC and/or SCC d) All required documentary evidence in support of such claim must be obtained.

CONTRACT ADMINISTRATION

Delegation No.	Prescripts	Powers and Functions	Lowest Level Delegated to	Maximum Amount Delegated	Remarks, Limitations or conditions
5.9	GCC 5.1	To grant approval that a contractor may communicate or disclose confidential information obtained during the supply of goods or services in addition to the automatic disclosures in terms of the promotion of access to information.	Accounting Officer	Unlimited	<ul style="list-style-type: none"> a) Provided that all relevant persons and bodies are made aware and agree to the disclosure of the confidential information prior to disclosure b) Provided further that such persons/bodies will not use or circulate such information within its own organization except for the purpose of supply and installation of the goods or services. c) The principle of confidentiality must at all times receive preference d) No information pertaining to rival suppliers may be disclosed without their written approval
5.10	NTP 16A6.4	In cases where the existing contract cannot honour its obligation in terms of the contract, the Department may explore other avenues and enter into price negotiations by opting to buy out of the contract	Accounting Officer	Unlimited	<ul style="list-style-type: none"> a) Subject to GCC, SCC and any Practice Note issued by Treasury b) The contract entered into must have the same terms and conditions of the existing contract c) Prices to be negotiated to ensure that the department achieve value for money

6. DELEGATIONS IN TERMS OF PROCUREMENT AND MANAGEMENT

Delegation No.	Prescripts	Powers and Functions	Lowest Level Delegated to	Maximum Amount Delegated	Remarks, Limitations or conditions
PROCUREMENT AND INVENTORY MANAGEMENT					
6.1		To approve requisitions for supplies (Log 1 Form)	Cost Centre Manager Responsibility Manager Sup programme manager Programme Manager Accounting Officer District Ass stant Director - SCM	Up to R500 000 Up to R1m Up to R10m Above R300k	a) Approving official must ensure that there is a real need for the items required and that funds are available b) The real need must consider economic order quantity and shelf life. c) Authorising official must ensure that the requisition complies with all the and down requirements d) Approving officials must ensure that all SCM prescripts have been complied with. e) Supplies must be included in the procurement plan
6.2		Approval of an official order	District Deputy Director	Up to R1m	a) Order should be cross-referenced to the requisition and checked for accuracy. b) In respect of bids up to R500 000 - approval of all order must be preceded by an RFQ process and delegation thereof
			HIC Assistant Director SCM	Up to R500 000	

PROCUREMENT AND INVENTORY MANAGEMENT

Delegation No.	Prescripts	Powers and Functions	Lowest Level Delegated to	Maximum Amount Delegated	Remarks, Limitations or conditions
			HC Deputy Director SCM	Up to R1m	c) In respect of bids above H500 000 - approval of an official order must be preceded by an bid process and delegation of travel
		HD Director in SCM CO SCM	Up to R30m above R30m		
6.3		To receive supplies and sign the Goods Receipt Voucher	Cost Centre Manager	Unlimited	

PROCUREMENT AND INVENTORY MANAGEMENT

Delegation No.	Prescripts	Powers and Functions	Lowest Level Delegated to	Maximum Amount Delegated	Remarks, Limitations or conditions
6.4		To approve minor differences between the invoice and an order	District Deputy Director for SCM CD-SCM CSO	Up to R10 000 Above R10 000	<p>a) The reason for the difference and motivation for approval has to be stated in writing and filed accordingly</p> <p>b) Ensure that if a difference is not as a result of negligence, fraud and unfair price increase</p>
6.5		Cancellation and de-commitment of an issued order	Director General and Acquisition		<p>a) An issued order is a binding contract between the department and a third party</p> <p>b) Once the order is issued to the third party, it cannot be cancelled without the notification or approval of the third party.</p> <p>c) In the case of breach, the third party has to be given an opportunity to make good within a specified period and informed that if such is not done the order will be cancelled. Approval is until the third party is informed accordingly</p>
6.6	NTR 16A6.1	To approve issuing of annual orders for procurement of supplies and services, the hiring or letting of buildings or	CD-SCM	Unlimited	a) Only Head Office SCM can issue and approve the annual orders

PROCUREMENT AND INVENTORY MANAGEMENT

Delegation No.	Prescripts	Powers and Functions	Lowest Level Delegated to	Maximum Amount Delegated	Remarks, Limitations or conditions
		<p>the accountant or granting of any right for or on behalf of the Department.</p>			<p>b) Districts should make a formal request to Head Office to issue manual orders on their behalf as and when required</p> <p>c) Reasons for use of manual orders must be verified and confirmed by LOGIS system controller and a register of manual orders kept up to date</p> <p>d) Manual orders to be captured on LOGIS within 7 working days</p> <p>e) The LOGIS replacement order must be cross-referenced to manual order to avoid duplication and sent to the supplier, end user and Transit Section with the note 'REPLACING MANUAL ORDER NO'</p> <p>f) A monthly reconciliation must be performed, ensuring that all manual orders are captured on LOGIS and sent on or before the 7th of the following month to Director, Demand and Acquisition Management at HQ by the delegated authority.</p> <p>g) Officials must be appointed in writing by Heads of Institutions if not part of the Job Description</p> <p>h) Officials must be appointed in writing by responsible Director in HQ, if not part of the Job Description</p>
6.7	Inventory Policy	<p>To certify that goods and services have been received in accordance with the order placed.</p>	<p>Cost Centre Manager District Director Director, Asset Management</p>	<p>Unlimited</p>	

PROCUREMENT AND INVENTORY MANAGEMENT

Delegation No	Prescripts	Powers and Functions	Lowest Level Delegated to	Maximum Amount Delegated	Remarks, Limitations or conditions
6.8					
6.9	PFMA S38 (1)(d)	To ensure that the warehousing of the goods and assets of the institution are adequately controlled and economically utilized	CO. SCM	Unlimited	c) Ensure that Asset Register is updated a) Subject to Spec or 35 (1)(d) PFMA
6.10	PFMA S38 (1)(c)	To determine, approve minimum and maximum stock levels and determine re-order levels	CO. SCM	Unlimited	a) Providing the storekeeper / appointed person with analytical calculation requisition figures; b) None of the team members may be in direct control of the store. c) The team must be comprised of EC and officers
6.11	PFMA S38 (1)(b)	To appoint a team to do period stock takes in warehouse.	CO. SCM	Unlimited	a) None of the team members may be in direct control of the store. b) The team must be comprised of EC and officers
6.12	PFMA S38 (1)(d)	To authorize the taking of stock surpluses	CFO	See Finance Delegation	a) Surplus used to be confirmed and accounted for in a suspense register b) Documentation must be kept for audit purposes
6.13	PFMA S38 (1)(d)	To authorize the writing off of stock shortages	CO. SCM	Unlimited	a) Shortages as a result of default, negligence or mismanagement must be investigated. b) Institution to decide on their cases to be reported to the police and case number to be kept

Delegation No.	Prescripts	Powers and Functions	Lowest Level Delegated to	Maximum Amount Delegated	Remarks, Limitations or conditions
PROCUREMENT AND INVENTORY MANAGEMENT					
E 14	P-M/A S28 (1)(d)	To ensure that proper records of warehouse stock are kept.	CD, SCM	Unlimited	<ul style="list-style-type: none"> c) Discrepances to be reported in stock taking reports d) Approved stock reports to be submitted to Vanuatu SCM (I/O) e) Stock write down/up must be conducted in the system
B 15	P/M/A S36 (1)(c)	To approve warehouse control systems	CD, SCM	Unlimited	<ul style="list-style-type: none"> a) In accordance with approved system in use as per IR 17 3 indicates must make use of Inversna System b) System must be in line with acceptable norms, standards and inventory management principles

5. DELEGATIONS IN TERMS OF FLEET MANAGEMENT

FLEET MANAGEMENT

Delegation No.	Prescripts	Powers and Functions	Lowest Level Delegated to	Maximum Amount Delegated	Remarks, Limitations or conditions
7.1(a)		Approval of trip authority	Responsible Manager		a) Approved itinerary by the responsible manager
7.1(b)		Approval for procurement of GG vehicles	CFO Accounting Officer	Up to \$100m Above \$100m	a) Requirements must be based on proper demand assessment b) Requirements must be budget for and included in the procurement plan c) Vehicles must be procured through the tracing and including medicals and accessories
7.1(c)		Approval of use of GG vehicles after hours	District Deputy Director: SC&I Director: Fleet Management & Auxiliary Services - H/O		d) Keep register of approved after hour utilisation e) Approved itinerary by the responsible manager to prove the requirements of the vehicle for use after hours f) Provide permission to convert the security of the vehicle overnight
7.1(d)		Approve release of impounded GG vehicles	District Director Director: Fleet Management & Auxiliary Services - H/O		g) On recommendation by the District Deputy Director SC&I / Deputy Director Fleet & Auxiliary Services

FLEET MANAGEMENT

Delegation No.	Prescripts	Powers and Functions	Lowest Level Delegated to	Maximum Amount Delegated	Remarks, Limitations or conditions
7.1 (e)		Appoint Transport Advisory Committee (TAC)	Accounting Officer		a) To be chaired by CD SCM b) Composition to include: Director Asset Management, Director Fleet & Auxiliary Services, Director Risk Management c) Quorum should be a minimum of three (3)
7.1 (f)		Appointment of Transport Officers	District Director Director Fleet Management & Auxiliary Services		a) They must be formally appointed in writing b) They must be at minimum salary level five (5) c) Transport Officer's responsibilities should be included in the work plan agreement d) There is no additional remuneration for taking this responsibility
7.1 (g)		To approve a trip or schedule of trips by subsidised motor vehicle	Responsibility Manager		a) There must be an approved hierarchy for official trips
7.1 (h)		Approval of subsidised vehicle application	CFO		a) Recommendations by the Transport Advisory Committee (TAC) should be approved by the CFO
7.1 (i)		Submission of logbook for government fleet vehicles	Deputy Director, Fleet Management		a) Verification of opening, travelled and closing kilometers

Delegation No.	Prescripts	Powers and Functions	Lowest Level Delegated to	Maximum Amount Delegated	Remarks, Limitations or conditions
FLEET MANAGEMENT					
					b) Verification of the closing kilometers against the actual kilometers on the dashboard

6. DELEGATIONS IN TERMS OF ASSET OPERATION, SAFEGUARDING AND MAINTENANCE

Delegation No.	Prescripts	Powers and Functions	Lowest Level Delegated to	Maximum Amount Delegated	Remarks, Limitations or conditions
ASSET OPERATION, SAFEGUARDING AND MAINTENANCE					
\$ (td)		To classify items less than R5000 as either movable assets or consumables	Director, Asset Management		a) End user must use correct SCCA classification and note that there is a new project on classification between inventory, consumables and asset. The SCCA structure has already changed in that regard. I OGIS will report on this by F.Y.E. First phases are already initiated. b) Procurement must be in accordance with procurement plan

ASSET OPERATION, SAFEGUARDING AND MAINTENANCE

Delegation No.	Prescripts	Powers and Functions	Lowest Level Delegated to	Maximum Amount Delegated	Remarks, Limitations or conditions
9.1 (c)		To establish, update and maintain asset registers.	District Directors / Director: Asset Management		<ul style="list-style-type: none"> a) To establish, update and maintain asset registers
9.1 (c)		To take a decision on whether to lease or buy the asset.	CFO	N/A	<ul style="list-style-type: none"> a) The total cost of ownership needs to be taken into account when comparing costs between buying and leasing. b) Need to distinguish between operating lease and financial lease
8.1 (c)		To appoint a Board of Survey in writing to indicate or asset disposals	CD SCM		<ul style="list-style-type: none"> a) Ensure that proper disposal process is followed b) All physical disposals must be made in accordance with disposal method
8.1 (e)		To approve discrepancies (surpluses and shortages/losses) or asset register remaining from the annual asset count	Accounting Officer		<ul style="list-style-type: none"> a) On recommendation of a Provincial Loss Control Committee b) Discrepancies must be fully investigated c) Supporting documentation for investigation must be submitted d) Losses must be reported in accordance with the loss control regulations and delegation
		To manage and safeguard the assets To ensure appropriate management and safe guarding of assets	Director: Asset Management		



ASSET OPERATION, SAFEGUARDING AND MAINTENANCE

Delegation No.	Prescribe	Powers and Functions	Lowest Level Delegated to	Maximum Amount Delegated	Remarks, Limitations or conditions
8.1.(f)		To maintain the asset register and related activities include but are not limited to: <ul style="list-style-type: none"> • authorise changes on asset register • authorise the transfer or assignment of an asset to the custody of another person/institution • Reporting on assets to HQ 	Director; Assoc. Management	N/A	a) Asset register must be updated on monthly basis b) Asset register templates to be prepared by the asset official c) All services and repairs of asset must be accounted for and changes must be documented by the asset official by responsible authority d) Asset controller must be informed and the transaction must be initiated per requisition e) The transfer of computer equipment is subject to prescripts of the Directorate: Information Technology
8.1.(g)	PFMA 381.(c)	To authorise the temporary transfer or assignment of an applicable asset excluding mobile State implements, to the custody of another person/institution outside the Department for official purposes	Accounting Officer		a) Asset controller must be informed and the transaction must be initiated per requisition. b) The transfer of computer equipment is subject to prescripts of the Directorate: Information Technology. c) In accordance with requirements from the Auditor General and as prescribed.

ASSET OPERATION, SAFEGUARDING AND MAINTENANCE

Delegation No.	Prescripts	Powers and Functions	Lowest Level Delegated to	Maximum Amount Delegated	Remarks, Limitations or conditions
8.1.1	NTR 10.1	Responsibility of Assets (Section 39(1) (c) of the PFMA).			
		To report on asset in financial statements	CFO		
8.1.1.1	PFMA 38(1)(d)	To ensure that the staff involved in the control over and purchase of assets are fully conversant with asset management requirements	Deputy Director: SCM		a) Requirements to be exercised in such a manner that will promote efficiency
8.1.1.2	PFMA 38(1)(d)	To approve recommendations in respect of surpluses and vehicles	CFO		a) Discrepancies to be reflected in stock-taking reports b) Approved stock-taking records to be submitted to Head Office.
8.1.1.3	PFMA 38(1)(d) NTR 10.1.1	To take full responsibility and ensure that proper control systems exist for assets and that - (a) preventative mechanisms are in place to ensure that theft, losses, wastage and misuse	District Director / Director: Asset Management		a) To be read in conjunction with the relevant Departmental Finance Instructions b) Deviations to be implemented after consultation with the Chief Financial Officer
8.1.1.4	PFMA 45 (e)	An official in a department is responsible for the management (including safe-guarding) of the assets in that official's area of responsibility			
8.1.1.5	NTR 10.1.2	To ensure that processes (whether manual or electronic) and procedures are in place for the effective, efficient, economical and transparent use of the institution's assets	Director: Supply Chain Management		a) To be read with the relevant finance and procurement instructions

ASSET OPERATION, SAFEGUARDING AND MAINTENANCE

Delegation No.	Prescripts	Powers and Functions	Lowest Level Delegated to	Maximum Amount Delegated	Remarks, Limitations or conditions
8.1.2	NTR 12.1	Management of losses and claims			
8.1.2.1	NTR 12.1.2	To insure motor vehicles or such other movable assets determined by treasury.	Chief Financial Officer		a) If deemed economical and based on a risk assessment b) The premium cost may not exceed Rs 250,000 a year on that vote, unless otherwise approved by Treasury
8.1.2.2	NTR 12.2.1	To charge an official (Loss Control Officer) with the duties attached to loss control	Director, Supply Chain Management		a) To be in writing with the concurrence of the Chief Financial Officer
8.1.2.3	NTR 12.2.2	To disburse the amount of the loss or damage and request payment of the amount within 30 days or a reasonable intervals	Director, Supply Chain Management		a) Request to be in writing. b) If the official fails to comply with the request, the matter must be referred to the State Attorney for the recovery of the loss or damage c) Any consultation with the State Attorney must be done in consultation with the Head, Legal Services.
8.1.2.4	PHMA 42.11	Draw an inventory of the assets to be provided to the accounting officer for the receiving department, when assets & department are transferred to another department or other institution in terms of legislation or following a re-organisation of functions	Responsibility Manager		a) Verify and draw up inventory of all assets to be transferred b) Transferring department to collate all substantiating records for transfer of all assets.

ASSET OPERATION, SAFEGUARDING AND MAINTENANCE

Delegation No.	Prescripts	Powers and Functions	Lowest Level Delegated to	Maximum Amount Delegated	Remarks, Limitations or conditions
8125		Approval when assets a department are transferred to another department or other institution in terms of legislation or following a reorganisation of the directors.	Accounting Officer		<p>a) Both the accounting officer for the transferring department and the accounting officer for the receiving department or other institution must sign the inventory when the transfer takes place.</p> <p>b) The Chief Financial Officer must ensure that a copy of the signed inventory is filed with treasury and the Auditor General within 14 days of the transfer.</p> <p>c) Prepare a S42 transfer certificate (clearly stating reasons for the transfer) for both the transferring and receiving accounting officers to sign.</p>
9126	NTR 16A7.1	Disposal of movable assets must be at market-related value or by way of price quotations competitive bids or auction, comparative bids or auction, whichever is most advantageous to the state, unless determined otherwise by the relevant treasury.	CD SCM		<p>c) Establish processes and mechanisms to ensure that disposal of movable assets take place at the market related value or through price quotations, competitive bids or auction, whichever is most advantageous to the state, unless determined otherwise by the relevant treasury.</p>
9127	NTR 16A7.2	Any sale of immovable state property must be at market-related value, unless the relevant treasury approves otherwise.	CD SCM		<p>a) Establish processes and mechanisms to ensure that any sale of immovable state property must be at market-related value, unless the relevant treasury approves otherwise.</p>

ASSET OPERATION, SAFEGUARDING AND MAINTENANCE

Delegation No.	Prescripts	Powers and Functions	Lowest Level Delegated to	Maximum Amount Delegated	Remarks, Limitations or conditions
B 12 8	NTR 15A77	The accounting officer or accounting authority must, when disposing of computer equipment, firstly approach any state institution involved in education and / or training to determine whether such an institution requires such equipment. In the event of the computer	CD, SCM		a) To advise the institution involved in education and / or training when disposing computer equipment. b) To also facilitate disposal from other departments or organs of state directed at giving effect to the treasury regulator if called upon to do so
B 12 9	NTR 523	The strategic plan must include details of proposed acquisition of fixed or movable capital assets, planned capital investments and rehabilitation and maintenance of physical assets.	CD, SCM		a) To facilitate the preparation of asset management strategic plan. This forms part of the departmental strategic plan detailing the proposed acquisition of fixed or movable capital assets, planned capital investments and rehabilitation and maintenance of physical assets. This is an annual process aimed at ensuring sound planning and management of asset life-cycle.
B 12 10		The strategic plan must include multi-year projections of income and projected receipts from the sale of assets.	CD, SCM		a) To facilitate the determination of multi-year projections of income and projected receipts from sale of assets using the assets useful life and conditions from the asset register and planned disposal information.

7. DELEGATIONS IN TERMS OF DISPOSAL MANAGEMENT

Delegation No.	Prescripts	Powers and Functions	Lowest Level Delegated to	Maximum Amount Delegated	Remarks, Limitations or conditions
DISPOSAL MANAGEMENT					
9.1	NTN 15A72	To dispose of property without calling bids and price quotations	CD SCM	Unlimited	<ul style="list-style-type: none"> a) Items can only be disposed of should they become obsolete or unserviceable b) Subject to recommendation by the Disposal Committee c) Disposal policy must be adhered to d) Disposal should in all cases be to the advantage of the Department e) Legal implications of various modes of disposal must be investigated and adhered to. f) Disposal in this regard is limited to items which poses a threat to human, animal or environmental health or poses environmental risk. Board of Survey to sit Quarterly g) Report on all physical disposals to the CFO / Board of Survey at Head Office within 5 days of approval.
9.2	NTR 16A71	To dispose of departmental assets by selling or disposing items to the best advantage of the department	CD SCM	N/A	<ul style="list-style-type: none"> a) Bid to be awarded to the Director securing the highest price b) Disposal policy must be adhered to c) Disposal must be at market related value.

DISPOSAL MANAGEMENT

Delegation No.	Prescripts	Powers and Functions	Lowest Level Delegated to	Maximum Amount Delegated	Remarks, Limitations or conditions
33	16A / 7	To dispose of computer equipment that has been found to be redundant, obsolete or unserviceable by a Board of Survey to the best advantage of the State.	CC:SCM	Unlimited	<ul style="list-style-type: none"> d) The provisions and conditions of Preliminary Procurement must applied refer to the PPP-2A) e) Subject to evaluation by a Disposal Committee and approval by a Board of Survey f) All revenue must be accounted for by an official receipt and must be deposited to the PWS account g) Report on all disposals should be submitted to the CFC on a monthly basis. h) Award to the bidder not scoring highest points must be based on justifiable reasons and clearly documented e) The disposal of computer equipment is subject to prescripts of Directorate Information Technology and Disposal Policy



Delegation No.	Prescripts	Powers and Functions	Lowest Level Delegated to	Maximum Amount Delegated	Remarks, Limitations or conditions
GENERAL					
9.4	NTR 16A9.1(b)	Investigate any allegations against an official or other role player of fraud, corruption, favouritism, unfair or irregular practices or failure to comply	Director P. S. K. Mar- agement	N/A	(i) Report actions to supervisors and SG immediately and monthly/quarterly annually
9.5	NTR 16A9.1(b)(iii)	With the supply chain management policy, and when justified. ii) To take appropriate steps against iii) To report any alleged criminal conduct to the South African Police Service	CD:SCM		a) Enforcement of legal framework