

SUPPLY CHAIN MANAGEMENT

STEP-BY-STEP GUIDE TO THE PROCUREMENT PROCESS

The Overstrand Municipality uses service providers and suppliers for a wide range of services and products, and encourages reputable, quality businesses to take the necessary steps to enter a potential working relationship with the municipality.

The way municipalities do business is strictly regulated by the Municipal Finance Management Act (MFMA) and requires different processes, depending on the scope and size of the service or goods required.

The first step for all existing and prospective businesses is to register on the national Central Supplier Database, via the online link below.

Once registration is complete and confirmed, the business must fill in a Overstrand Municipality Database Form (see below) and will then be added to the Overstrand Municipality supplier database.

1. NATIONAL CENTRAL SUPPLIER DATABASE

All entities wanting to do business with government, semi-government and government agencies must register on the national Central Supplier Database.

Click [here](#) to start the online registration process.

You will need the following to register:

- A South African barcoded identification (ID) number.
- A valid Tax Compliant Status Pin (TCS) obtainable from the Receiver of Revenue (SARS).
- A credible bank account.
- If your service requires professional registration, you must have proof of registration and/or a registration number with the relevant industry regulatory body must be provided.
- BBB-EE Certificate, where applicable.

Once you have registered on the national database and have received confirmation that you are registered, you must fill in and submit a Overstrand Municipality [Database Form](#) to the municipality's Supply Chain Management unit as per the details on the form.

Your business will be listed on the municipality's supplier list in the categories of goods or services you supply. Depending on the specifics of the services or goods required, your business may be contacted and asked to quote accordingly.

2. **Services or products valued below R2000 (all applicable taxes included)**

Will only require one quotation from a service provider who offers the goods or service. Once quotation is received and accepted, an order is generated.

A supplier can commence the service or supply the products once it has received the order with the order number on it. On delivery, the supplier must present an invoice on which the order number is clearly displayed. The delegated official signs the invoice off which is then sent for payment within 30 days from when the delivery note was signed-off.

3. **Services or products above R2000 up to R30 000 (all applicable taxes included)**

A formal request for quotation (RFQ) process will be followed and at least three quotes must be obtained. Once received and accepted an order is generated.

A supplier can commence the service or supply the products once it has received the order with the order number on it. On delivery, the supplier must present an invoice on which the order number is clearly displayed. The delegated official signs the invoice off which is then sent for payment within 30 days from when the delivery note was signed-off.

4. **Services or products that are above R30 000 up to R300 000 (all applicable taxes included)**

A formal request for quotation (RFQ) process will be followed and at least three quotations must be obtained. The RFQ will be advertised for at least seven days on the website and an official notice board of the Municipality and will also be emailed to accredited suppliers on the Overstrand Municipality Database that provide the goods or service.

Click to view [Current Formal RFQs](#).

Services or products that are above R300 000 (all applicable taxes included) must go through a competitive bidding process. The tender will be advertised for at least 30 days

- I. in newspapers commonly circulating locally,
- II. on the notice boards at selected offices of the Municipality,
- III. on the website of the Municipality,
- IV. on the e-Tender Publication Portal of the National Treasury
- V. on the i-Tender website of the CIDB for construction procurement related transactions

Instructions, specifications, processes and relevant contact persons are usually indicated in the tender documentation and require interested suppliers to complete and submit a document within a predetermined timeframe.

Click to view [Current Tenders](#).

BIDDING STEP-BY-STEP

Step One

Register on the Central Supplier Data Base and submit your Overstrand Municipality Database Form to the municipality's Supply Chain Management (SCM) department for listing.

Step Two

Be on the lookout for bids that is advertised, as per paragraph 5 above.

Step Three

Prepare the tender/bidding document by doing the following:

- Read documents carefully and provide all information requested.
- Make sure you have provided the correct price and contact details for your office.
- Answer all questions truthfully.
- When in doubt, ask for more information from the persons listed on the tender document.
- Make sure you can meet all requirements of the service/goods in the tender and that you can deliver within the time specified so you can honour the conditions of the contract.
- Make sure the bid documents are signed on all the indicated areas.

Step Four

Submit your offer (quote or bid) before the closing time and in the correct tender box as specified in the tender document.

Step Five

Quotations/tenders are evaluated and adjudicated in terms of Overstrand Municipality's Supply Chain Management Policy & Preferential Procurement Policy – in which 80/90 points will be scored for price and 20/10 points for B-BBEE status and specific goals – and according to the quotation/tender specification and conditions

Step Six

- Formal RFQ: The municipality evaluates the bids received against the conditions of the bid, including compliance to the technical specifications, thereafter an award is made by the delegated official.
- Tender: The municipality evaluates the bids received against the conditions of the bid, including compliance to the technical specifications. It is then submitted to the Bid Evaluation Committee (BEC) who in turn will make a recommendation to the Bid Adjudication Committee (BAC) for approval or further recommendation to the Municipal Manager for awards more than R10 million.

Step Seven

- Preferred and unsuccessful bidders are informed of the outcome of their bids.
- Unsuccessful bidders have 21 days from the date of notification to lodge an appeal in terms of Section 62 of the Local Government: Municipal Systems Act 2000 (Act 32 of 2000) (MSA) against the award of the tender.
- Unsuccessful bidders have 14 days from the date of this notification to lodge an objection in terms of paragraph 49 of the Overstrand Municipality's Supply Chain Management Policy against the award of the tender.
- It is important to note that only in terms of Section 62 of the MSA can the appeal authority after considering the appeal, confirm, vary or revoke the decision. In terms of paragraph 49 of the Overstrand Municipality's Supply Chain Management Policy however, although the municipal manager may appoint an independent person to investigate the objection, he does not have the power, in terms of that paragraph, to confirm, vary or revoke the decision.

Step Eight

The municipality and the successful bidder will conclude a contract for the project that it had successfully quoted/tendered.