



LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

SUPPLY CHAIN MANAGEMENT

6

STANDARD OPERATING PROCEDURE FOR ADVERTISING OF BIDS AND QUOTATIONS

JULY 2021

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1 PURPOSE OF THE PROCEDURES

- 1.1 To ensure that the advertising and publication of quotations and bids are done in accordance with the Limpopo Provincial SCM Policy and SCM Regulations.
- 1.2 To ensure that prospective bidders are given sufficient time to compile responsive quotations and bids.

2 SCOPE OF THE PROCEDURES

This procedure is applicable throughout the Limpopo Provincial Government and all officials involved in the Province's SCM activities must observe the provisions of this procedure, with effect from 1 July 2021.

Any procurement processes that have commenced prior to the coming into effect of this standard operating procedure must be concluded on the basis of the prescript that was applicable when they were invited or advertised

3 EXCLUSIONS

None

4 ROLES AND RESPONSIBILITIES

- 4.1 The Accounting Officer of the Provincial Treasury is responsible for the revision of this procedure as and when applicable.
- 4.2 The Accounting Officer/Authority of a Provincial Institution is responsible for the implementation of this procedure.
- 4.3 The Accounting Officer/Authority of a Provincial Institution is responsible for arranging and coordinating all activities related to the publication and advertising of bids.

5 PUBLICATION AND ADVERTISING OF QUOTATIONS AND OPEN COMPETITIVE BIDS

5.1 PREREQUISITES

- 5.1.1 Procurement of goods and services through a quotation system must be equitable, fair, cost effective, competitive and transparent.
- 5.1.2 All prospective bidders must be afforded adequate time for them to prepare responsive quotations.
- 5.1.3 Supply Chain Management Unit (SCMU) must do market and / or industry / commodity analysis to determine market related prices before any procurement can start and the analysis must be kept on file for audit purposes.
- 5.1.4 Institutions must, prior to making an invitation for tenders, properly plan for, and, as far as possible, accurately estimate the costs of the provision of services, works or goods for which an invitation for tenders is to be made.
- 5.1.5 Procurement of goods and services may not be deliberately split in to parts or items of a lesser transaction value in order to circumvent the prescribed procurement process. When determining transaction values, where goods or services consist of different parts or items, the said parts or items must as far as possible be treated as a single transaction for the purposes of determining which procurement process to follow.

5.2 TRANSACTION VALUE BELOW R2 000 (INCLUSIVE OF ALL APPLICABLE TAXES)

- 5.2.1. Accounting officers /authorities may procure goods and services by means of petty cash up to a value of **R2 000 (inclusive of all applicable taxes)** without inviting price quotations or following a bidding process.
- 5.2.2. Accounting Officers/ authorities must comply to the Provincial Treasury Transversal Petty Cash policy when authorizing the use of petty cash.
- 5.2.3. Accounting Officers / Authorities may decide not to utilise petty cash for the procurement of goods and /or services. Where this decision is taken, the Accounting Officer / Authority must then procure goods and/or services that would otherwise have been procured by means of petty cash through price quotations in compliance with the conditions prescribed for price quotations.

5.3 TRANSACTION VALUE BETWEEN R2 000 AND R1 000 000 (INCLUSIVE OF ALL APPLICABLE TAXES)

- 5.3.1 Goods, services and works falling within this category may not be advertised in the print media due to the cost versus benefit to the Province.
- 5.3.2 The Accounting Officer/Authority must invite written price quotations for requirements up to an estimated value of R1 000 000 (inclusive of all applicable taxes) from as many suppliers as is reasonable and manageable, that are registered on the Central Supplier Database.
- 5.3.3 At least three (3) written price quotations must be obtained from three (3) different suppliers registered on the CSD.
 - 5.3.3.1 If it is not possible to obtain at least three (3) written price quotations from three (3) different suppliers registered on the CSD, except where suppliers are exempted from registration on the CSD, the reasons should be recorded and approved

by the accounting officer / authority or his / her delegate before the order is issued and maintained for audit purposes.

- 5.3.4 If the Central Supplier Database does not have suppliers for the goods and/or services required, the supplier market should be researched to identify suppliers, and request the suppliers to register on the CSD before being given an opportunity to quote.
- 5.3.5 All Requests for Quotations (RFQ) must include the closing date, time and place for receipt of quotations.
 - 5.3.5.1 The full and correct physical address of the place where the quotations should be submitted must be clearly indicated in the RFQ for those that must be deposited in the quotation box.
- 5.3.6 The date, time and venue of any proposed site meetings or briefing sessions must be included in the RFQ.
- 5.3.7 Departments and/or public entities must establish a restricted/dedicated email address to which suppliers may be allowed to submit price quotations. Access to this email address must be controlled and managed by Government Information Technology Officer (GITO) in the department and a full audit trail must be maintained. No emails may be permitted to be deleted from this email address.
- 5.3.8 **For quotations below R30 000**, departments and/or public entities may request and permit suppliers to submit quotations to the restricted/dedicated email address, or deliver by hand as prescribed in the RFQ before the advertised closing date and time. In the case of an email submission the printout of email transcript detailing the time and date of receipt should be attached to the document and filed

5.3.9 For quotations above R30, 000, the Accounting Officer/Authority or his/her delegate must:

5.3.9.1 Appoint a Specification Committee to develop the Terms of Reference (TOR) for all transactions above R30 000.

5.3.9.2 Appoint an Evaluation Committee to evaluate price quotation between R30 000 and R1 000 000.

5.3.9.3 Appoint a Adjudication Committee to consider price quotations between R30 000 and R1 000 000

5.3.9.4 Include a quotation period of seven (7) days to receive price quotation responses between R30 000 and R500 000 from the interested bidders

5.3.9.5 Include a quotation period of fourteen (14) days to receive price quotation responses between R500 001 and R1000 000 from the interested bidders. Request for quotations in this category may also be advertised on the departmental website and, or notice board to increase access by relevant suppliers.

5.3.9.6 Include a 90-day price validity period for all price quotations after closing date.

5.3.9.7 departments and/or public entities must request suppliers to submit their quotations into the institutions quotation box in a clearly marked and sealed envelope/package. In cases where it is impractical to submit a quote in the quotation box, service providers may be afforded an opportunity to submit through the restricted/ dedicated email, or courier service before the closing date, in this case the printout of email and/or Courier transcript detailing the time and date of receipt should be attached to the document and filed.

5.3.10. SCMU must ensure that the prices received are market related and where they are not, negotiations have been entered into in line with the Preferential Procurement Regulations, 2017 (PPR 2017)

5.4 ABOVE THE TRANSACTIONAL VALUE OF R1 000, 000 (INCLUSIVE OF ALL APPLICABLE TAXES)

- 5.4.1. Accounting Officers/authorities must invite open competitive bids for all procurement above R1 000 000 (inclusive of all applicable taxes)
- 5.4.2. All bids estimated to be above R1 000 000 **must be advertised** in at least Government Tender Bulletin and the E- Tender Publication Portal, and the institution's website.
- 5.4.3. The Accounting Officer/ Authority may also advertise competitive bids on any other appropriate media should an Accounting Officer/ Authority deem it necessary to ensure greater exposure to potential bidders.
- 5.4.4. The closing date, time and place for receipt of bids should be specified in the invitation to bid. (Advert)
- 5.4.5. The date, time and venue of any proposed site meetings or briefing sessions must be included in the invitation to bid. (Advert)
- 5.4.6. The full and correct physical address where the bids should be submitted must be clearly indicated in the bidding documents.
- 5.4.7. All bids estimated to be above R1 000 000 should be advertised for a minimum period of 21 days before closure, except in emergency cases when bids may be advertised for such shorter period as the accounting officer or accounting authority may determine. The reasons should be recorded and approved by the Accounting Officer/ Authority or his/her delegate.
- 5.4.8. The period allowed for the preparation and submission of bids should be determined with due consideration of the particular circumstances of the project and the magnitude and the complexity of the contract.
- 5.4.9. Requests for bid advertisements estimated to be above R1 000 000 should be submitted to Provincial Treasury Five (5) working days prior to the publication of the bid.
- 5.4.10. The validity period allowed for the bid should be determined with due consideration of the circumstances of the project and the complexity of the contract.

- 5.4.11. The Institution must ensure that accessible and fixed tender boxes are established. Tender box must be accessible for the public to submit the bidding documents 24 hours per day, seven days a week
- 5.4.12. The tender box slot should be designed to allow different sizes of bid documents.
- 5.4.13. Preferably no tender activities including advertising, briefing sessions and closing dates should happen between 15 December and 15 January each year.

6 REQUIRED INFORMATION FOR TENDER ADVERTISEMENTS

- 6.1 The request to advertise a bid should be approved by Accounting Officer/ Authority or Delegated official and should be accompanied by:
 - 6.1.1 the request for advertisement;
 - 6.1.2 the bid advertisement forms (e-tender portal);
 - 6.1.3 bid documentation compliance assessment tool; and
 - 6.1.4 the bid/ RFQ/RFP document

- 6.2 The advertisement for a tender must prescribe:-
 - 6.1.1. the closing date for the submission of tenders, which may not be less than 21 days from date of advert, subject to paragraph 5.4.7.
 - 6.1.2. that tenders submitted to the Institution must be sealed.
 - 6.1.3. a brief description of the scope and requirements of the bid;
 - 6.1.4. the tender number;
 - 6.1.5. where tender documents may be obtained;
 - 6.1.6. details of a contact person;
 - 6.1.7. details of where and when the tender will close;
 - 6.1.8. the appropriate preference point system to be utilized in the evaluation and adjudication of the tender;
 - 6.1.9. whether the services, works or goods for which an invitation for tenders is to be made has been designated for local production and content in terms of PPPFA Regulations. and
 - 6.1.10. the validity period of the bid upon closure.

- 6.1.11. selling price and payment details of the tender documents, if applicable;
- 6.1.12. briefing sessions, site meetings details; if applicable;
- 6.2. During compilation of the advertisement, reasonable time should be allowed for bidders to attend site visits, view samples and undertake any other work necessary to enable them to respond fully.
- 6.3. Institutions should ensure that the nominated locations; sites or samples are available on the date that the advertisement is published for inspection by bidders.

7 BRIEFING SESSION/SITE MEETING

- 7.1. The date, time and place of a briefing session or site meeting must be supplied by the end user to the SCMU with the request to include it in the advertisement and be included in the tender advert and bid document.
- 7.2. Briefing sessions/site meetings are the responsibility of the end user and SCMU.
- 7.3. The SCMU should chair the briefing session or site meetings and must ensure that the following are available for a meeting:
 - 7.3.1. Agenda
 - 7.3.2. Attendance registers
- 7.4. The SCMU representative must maintain an attendance register at the meeting and compile minutes of the meeting for record keeping.
- 7.5. A briefing session/site meeting must only be held to clarify existing issues in the bid document. New issues cannot be raised at such a meeting, no changes can be made to the scope and specifications.
- 7.6. The following are expected for a briefing session:
 - 7.6.1. the End User or project owner must take the attendees of the briefing session through a broad overview of the project, where it fits in the strategic planning of the institution, the key deliverables expected,


the expected structure of the Technical proposal and any salient points that are pertinent for a responsive proposal;

- 7.6.2. the SCMU representative must explain the bid rules applicable, the point scoring system to be used and the contact details where further clarification can be sought in writing before a particular closing date;
- 7.6.3. Only bidders that attended the compulsory briefing session are eligible to submit bids.

7.7. Accounting officers/ authorities must report, within ten (10) working days of approval of the award of the contract, to the relevant treasury and the Auditor-General all cases where goods and services above the transaction value of R1 000 000 (inclusive of all applicable taxes) were procured in terms of Treasury Regulation 16A6.4. The report must include the description of the goods or services, the name/s of the supplier/s, the amount/s involved and the reasons for dispensing with the competitive bidding process.

8 REPEAL OF STANDARD OPERATING PROCEDURE 6 IN 6

This standard operating procedure replaced the old SOP 6 IN 6 (2014)



PRATT GC CA (SA)
HEAD OF DEPARTMENT

30/6/2021
DATE