TO: OFFICE OF THE MEC
OFFICE OF THE HOD
EXECUTIVE MANAGERS
SENIOR MANAGERS AND DISTRICT MANAGERS
MANAGERS
ASSISTANT MANAGERS
SUPERVISORS
ALL STAFF

agriculture
Department of
Agriculture
FREE STATE PROVINCE

SCM INTERNAL CIRCULAR NO. 2 OF 2008

RE: **STANDARDS AND PROCEDURES FOR PROCUREMENT OF GOODS AND SERVICES**

1. The above mentioned matter has reference.

2. Contents of this circular serves to inform all staff members about the implementation of the newly introduced Free State Centralized Database system which replaces the existing method of sourcing quotations. The new database will be used effectively from 22nd October 2005.The database will apply for all types procurements in the department. Database controllers (SCM Officers) have already been appointed across the department to manage and also taking responsibility for adherence to the all the applicable processes relating to use of the database.

3. Supply Chain Management Directorate SCM is the only custodian of the database and has sole rights to approve names of users in the department who should have access to the database. A list of approved users (Officer SCM) from various components is herewith attached for your consideration.

4. The following roles were developed for the purpose of ensuring that the objectives of creation of the centralized database are achieved.
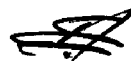
    4.1 **Supply Chain Management**

        4.1.1   Offer technical support and advice with regard to use of the database.

        4.1.2   Developing and updating the supplier's database to the best interest of the department.

        4.1.3   Ensure compliance for implementation of controls for the effective acquisition of goods and services in line with SCM Guidelines.

        4.1.4   Make recommendations to the Accounting Officer for use of suppliers other than those in the approved database

        4.1.5   Confirmations /recommendation to the Accounting Officer for use of :

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ABSA Building, 2nd Floor, Room 204, Cnr Elizabeth Aliwal Streets, Bloemfontein
Tel: (051) 506 1605 Fax: (051)448 5394 E- mail: matshele@ agric.fs.gov.za

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4.1.5.1   <u>Single Supplier:</u> To request only one supplier amongst a few to make an offer. An equitable and transparent pre-selection method must be done before final decision is made.

4.1.5.2   <u>Sole Supplier:</u> Where there is no competition and only one supplier exist. Confirmation of sole rights license must be made available as proof for sole supply of goods/services.

4.1.6   Withdrawing the database from the user components if deemed so necessary or as a result of misuse/abuse of the database.

4.1.7   Termination of appointments of Local SCM Officers if there have been proven cases of irregularities regarding the use of the database.

4.1.8   Sourcing of quotations from the old supplier's database of the department.

4.1.9   Ensuring compliance with regard to the required documentation in the biding process.

4.2   Responsibilities of the SCM Officers/ Data Base Controllers

4.2.1   Opening and maintenance of the register of specifications.

4.2.2   Ensure adherence to the closing date and time for the requests of quotation submitted.

4.2.3   SCM Officers should be operating independently without undue influence regarding the selection of suppliers.

4.2.4   The duty of the SCM Officer shall mainly include sourcing of written quotations to satisfy the user component's needs. Supply Chain Management Directorate will provide technical support to the user components specifically on the implementation and monitoring of the centralized database.

4.2.5   Quotations for the required goods and services should be obtained from all potential suppliers in the specific category or on a rotation basis from various suppliers.

4.2.6   To avoid any favouritism, it is suggested that a minimum of three quotations be obtained.

4.2.7   <u>SCM Officers shall be expected to observe the following principles and values:</u>

4.2.1   Abuse the department's Supply Chain Management System;

4.2.2   Commit fraud or any other improper conduct in relation to such system;

4.2.3   Failing to take the necessary action against a particular supplier/individual for non-compliance with SCM standards and norms.

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4.3 Other members of Staff

4.3.1 Shall not interfere with the duties of SCM Officer with the intention to influence a decision to select a preferred supplier;

4.3.2 No staff member will be allowed access to the database unless is a manager whom by virtue of his position, has a direct supervision to the SCM Officer.

4.3.3 May report to the Chief Financial Officer / or Accounting Officer of any suspicious conduct by the Officer SCM in the event of a suspicious conduct/practice.

4.3.4 Shall co-operate with the SCM Officer at all times to ensure that services are rendered without delays or interruptions.

4.4 Urgent and Emergency Cases

4.4.1 <u>Urgent Cases</u>: Are cases where early delivery is of critical importance and the invitation of competitive bidding is either impossible or impractical. **(Lack of proper planning shall not constitutes an urgent/emergency case)**

4.4.2 Emergency Cases: Are cases where immediate action is necessary in order to avoid a dangerous/risky situation or misery.

4.4.3 Submissions regarding motivations for urgent and emergency cases shall be confirmed/recommended by the Director: SCM for the approval of the relevant Chief Financial Officer and Accounting Officer.

4.4.4 Sub -division of requirements to avoid the invitation of formal competitive bids should not be allowed and shall constitute a financial misconduct in terms of the SCM Practice Note No. 08 of 2007.

4.5 Annexed to this circular please find the procedures and guidelines that must be followed as shown according to the location/area from which a need has been identified.

For more information please do not hesitate to contact, **Scoops Mofokeng/ Xoliswa Khokho at 051-506 1488/8611258.**

Contents of this circular must be brought to the attention of all staff in the department.

Your co-operation in this regard is highly appreciated.

....
Mothibedi Matshele
Acting Chief Financial Officer

Date: 21/10/2008.

Chief Financial Officer

2 1 OCT 2008

Free State Department
of Agriculture

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PROCESS FLOW: SOURCING OF WRITTEN QUOTATIONS

ABSA BUILDING, GLEN AGRICULTURAL INSTITUTE, VETERINARY LAB (BLOEMFONTEIN)

COMPONENT

Does need identification and compile the specifications. The transaction value of goods and services required must not exceed R 500 000. Should the requirement exceed R 500 000, it must follow a competitive bidding process.

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USER COMPONENT (CHIEF USER CLERK)

Receive and record the specifications in the register of specifications. Refer the specifications to the relevant director in charge.(e.g. Dr. Mojapelo- Directorate: Veterinary Services).

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DIRECTOR/PROGRAMME MANAGER

Verify the availability of funds. Print and attach the budget expenditure report (not older than 7 days) to the request form to proof the availability of funds. Return the documents back to the User Component after recommendation

Approves the purchase of goods/services. User Component submit the approved forms to SCM

Requests for sourcing of written quotations must be submitted as follows:

For Absa Building Users: Please submit your requests to Room 202 B

For Glen Agricultural Institute Users and Veterinary Laboratory(Bloemfontein), please submit your requests to Administration Building, Room 52,Glen

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SUPPLY CHAIN MANAGEMENT

Analysis of the preferential points in terms of the Preferential Procurement Policy Policy Framework Act(PPPFA) will be done immediately after receiving of quotations. This will be applicable to all quotations with transaction values above R 30 000/ less than R 30 000 if necessary.
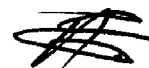
Director SC or his/her approved delegate or as required by delegated authority document will authorise the purchase.

Invitation to the suppliers for quotations will be done by end of business for the day request is received subject to the time being not later than 12H:00 that day.

All requests for quotes shall be valid as if they are duly requested in the quotation request register at SCM.

Requests received after 12H:00 shall be finalised by the next.

Emergencies must be submitted with the written approval of the relevant Chief Director and Chief Financial Officer, requsting a deviation from the above stipulated operating procedures.(Bad planning is not an emergecy)

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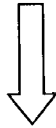
USER COMPONENT

Complete and submit the LOG 1 SCM: Logistics for further processing. User component is responsible to follow-up all purchase requisitions (LOG 1) submitted to Supply Chain Management

PROCESS FLOW: SOURCING OF WRITTEN QUOTATIONS

ALL DISTRICT OFFICES

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COMPONENT (SECTION/DIVISION)

Does the need identification and drawing of specifications

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END USER COMPONENT (CHIEF USER CLERK)

Receive and record the specifications in a register of specification. Refer the specifications to the Director/Programme Managers

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DIRECTOR/PROGRAMME MANAGER

Verify the availability of funds. Print and attach the budget expenditure report (not older than 7 days) to the request form to proof the availability of funds. Return the documents back to the User Component after recommendation

Approves the purchase of goods/services. User Component submits the approved forms to the local SCM Officer for sourcing written quotes.

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SCM OFFICER (LOCALLY APPOINTED DATABASE CONTROLLER)

Analysis of the preferential points in terms of the Preferential Procurement Policy Framework Act (PPPFA) may be done immediately after receipt of quotations although SCM: Acquisition will verify the correctness for points claimed
This will be applicable to all quotations with transaction values above R 30 000or less than R 30 000, if necessary.

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USER COMPONENT

The User Component will submit all the documentation (specification and signed forms) to SCM: Acquisition including the completed purchase requisitions (LOG 1)

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SUPPLY CHAIN MANAGEMENT

Analysis of the preferential points in terms of the Preferential Procurement Policy Framework Act (PPPFA) will be done immediately after receiving of quotations. This will be applicable to all quotations with transaction values above R 30 000/ less than R 30 000 if necessary.

Director SCM or his/her approved delegate or as required by delegated authority document will authorise the purchase.

Invitation to the suppliers for quotations will be done by end of business for the day request is received subject to the time being not later than 12:00 that day.

All requests for quotes shall be valid as if they are duly requested in the quotation request register at SCM/District Office.

Requests received after 12:00 shall be finalised by the next day.

Emergencies must be submitted with the written approval of the relevant Chief Director and Chief Financial Officer, requesting a deviation from the above stipulated operating procedures.(Bad planning is not an emergency)

USER COMPONENT

Is responsible to follow-up all purchase requisitions (LOG 1) submitted to Supply Chain Management.

Chief Financial Officer

2 1 OCT 2008

Free State Department of Agriculture

PROCESS FLOW: COMPETITIVE BIDDING

FOR ALL USER COMPONENTS

COMPONENT (SECTION/DIVISION)

Establish a need and compiling of specifications. The transaction values of goods and services required must be above R 500 000.

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USER COMPONENT (CHIEF USER CLERK)

Receive and record the specifications in a register of specification. Refer the specifications to the budget controller.

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DIRECTOR/PROGRAMME MANAGER

Verify the availability of funds. Print and attach the budget expenditure report (not older than 7 days) to the request form to proof the availability of funds. Return the documents back to the User Component after recommendation

User Component submits the documents to the Departmental Bid Specification Committee to approve the bid specification. The approved bid documents must be forwarded to SCM to compile requests for proposals through advertisements or negotiations.

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SUPPLY CHAIN MANAGEMENT

SCM Acquisitions: Receiving and recording of bid proposals.
Conduct a checklist to ensure compliance with SCM policies and guidelines.
Prepare a list of qualifying bids and submit them to the **user component** for technical evaluation. Disqualified bids must not be considered for further evaluation.

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USER COMPONENT

Is responsible to arrange a bid technical evaluation panel to evaluate bids on functionality and price. A technical report done by the panel must be submitted to SCM: Acquisition including all bid documents evaluated.

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SUPPLY CHAIN MANAGEMENT

Bid Evaluation Committee

SCM:Acquisition is responsible to arrange a Bid Evaluation Committee meeting to evaluate and discussing the technical report. Further assessments are also conducted to ensure the accuracy and correctness of the technical reports. Bids recommended for further evaluation will be assessed on PPPFA to award preference points claimed.
A bid evaluation report signed by the Chairperson and the minutes of the Evaluation Committee meeting will be compiled for noting and recommendation by the Bid Adjudication Committee to award a bid.

Bid Adjudication Committee

The Bid Adjudication Committee will convene to adjudicate on bids presented for further evaluation. Bid Adjudication Report will be compiled by SCM under signature of the chairperson: Bid Adjudication Committee with motivation to award a bid to the successful bidder. A report, minutes of the meeting together with letter of appointment to award the bid to the successful bidder are submitted to the Accounting Officer for approval and awarding of the bid/tender.

If in disagreement, a concern will be registered and referred back to the Adjudication Committee for more information or corrections. SCM: Acquisitions will make copies of the letters of appointments as records for the user component. It is the responsibility of SCM to notify user components about the appointment of successful bidders.

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USER COMPONENT

Will contact the appointed supplier to start with delivery of goods and services.

Chief Financial Officer

2 1 OCT 2008

Free State Department
of Agriculture

Name	Position	District	Phone 1	Phone 2	Email
Pauline Mofokeng	SCM Officer	Thabo Mofutsanyane	(058) 714 1430	(058) 714 1446 (058) 714 1447	
Moksie Ramaele	SCM Officer (Supervisor)	Motheo	(051) 875 1160 (051) 875 1161	(051) 875 2702 (051) 875 2271	ramaele@agric.fs.gov.za
Vuyiswa Mathiti	SCM Officer	Motheo	(051) 875 1160 (051) 875 1161	(051) 875 2702 (051) 875 2271	vuyiswa@agric.fs.gov.za
Magauta Moloi	SCM Officer	Motheo	(051) 875 1160 (051) 875 1161	(051) 875 2702 (051) 875 2271	
Mammuso Motloung	SCM Officer (Supervisor)	Xhariep	(051) 713 0480 (051) 713 0120	(051) 713 0295	mammuso@agric.fs.gov.za
Rapelang Molibeli	SCM Officer	Xhariep	(051) 713 0480 (051) 713 0120	(051) 713 0295	molibeli@agric.fs.gov.za
Memory Machake	SCM Officer	Xhariep	(051) 713 0480 (051) 713 0120	(051) 713 0295	memory@agric.fs.gov.za
Mammuso Bonokoane	SCM Officer (Supervisor)	Lejweleputswa	(057) 916 6700	(057) 916 6721	evodia@agric.fs.
Mothibi Kotola	SCM Officer	Lejweleputswa	(057) 916 6700	(057) 916 6721	
Lomile Mokoena	SCM Officer	Lejweleputswa	(057) 916 6700	(057) 916 6721	

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FREE STATE PROVINCE

LIST OF OFFICIALS RESPONSIBLE FOR CENTRALISED DATABASE

NAME	DESIGNATION	RESPONSIBLE	TELEPHONE	FAX NO.	E-MAIL
Mothibedi Matshele	Chief Financial Officer	All Districts incl. ABSA, Glen & Vet Lab	(051) 506 1605	(051) 448 5394	matshele@agric.fs.gov.za
Scoops Mofokeng	Acting Director: SCM	All Districts incl. ABSA, Glen & Vet Lab	(051) 506 1488 (051) 861 1258	(051) 448 5394 (051) 861 1214	scoop@agric.fs.gov.za
Xoliswa Khokho	Acting ASD: Acquisition Management	All Districts incl. ABSA, Glen & Vet Lab	(051) 861 1160 (051) 506 1488	(051) 448 5394 (051) 861 1214 (086) 5311 311	xoliswa@agric.fs.gov.za
Joseph Molupe	SCM Practitioner	Glen Institute	(051) 861 1343	(051) 861 1214	molupeqi@agric.fs.gov.za
Klasie van der Merwe	SCM Practitioner	ABSA, Head Office	(051) 861 1343	(051) 861 1214	
Mamello Mokoena	SCM (Intern)	BFN Vet Lab	(051) 861 1416	(051) 861 1214	colleen@agric.fs.gov.za
Jane Joseph	SCM Officer (Supervisor)	Fezile Dabi	(016) 976 2006 (016) 976 2003	(016) 976 2009 (016) 976 2013	jane@agric.fs.gov.za
Papiso Kgodumo	SCM Officer	Fezile Dabi	(016) 976 2006 (016) 976 2003	(016) 976 2009 (016) 976 2013	kgodumo@agric.fs.gov.za
Thandi Nkoba	SCM Officer	Fezile Dabi	(016) 976 2006 (016) 976 2003	(016) 976 2009 (016) 976 2013	jeanette@agric.fs.gov.za
Pinkie Matsha	SCM Officer (Supervisor)	Thabo Mofutsanyane	(058) 714 1430	(058) 714 1446 (058) 714 1447	phala@agric.fs.gov.za
Masontaha Maduna	SCM Officer	Thabo Mofutsanyane	(058) 714 1430	(058) 714 1446 (058) 714 1447	sonti@agric.fs.gov.za
Pauline Mofokeng	SCM Officer	Thabo Mofutsanyane	(058) 714 1430	(058) 714 1446 (058) 714 1447	

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