

PROCUREMENT WITHIN THE DEPARTMENT OF CORRECTIONAL SERVICES

LEGISLATIVE FRAMEWORK

Basis for Policy and Procedures :

Constitution (Act 108 of 1996)

Article 217(1)

When an organ of state contracts for goods and services, it must do so in accordance with a system that is fair, equitable, transparent, competitive and cost effective.

Article 217(2)

Subsection (1) does not prevent the organs of State or institutions referred to in that subsection from implementing a procurement policy providing for

- (a) Categories of preference in the allocation of contracts, and
- (b) The protection or advancement of persons, or categories of persons, disadvantaged by unfair discrimination.

Public Finance Management Act, 1999 (Act 1 of 1999)

Section 38(1)(a)(iii)

- (i) The Accounting Officer must ensure that
- (iii) An appropriate procurement and provisioning system that is fair, equitable, transparent, competitive and cost effective be maintained.

Preferential Procurement Policy Framework Act, 2000 (Act no. 5 of 2000) and its Regulations

The PPPFA makes provision that a preference point system must be followed :

- o Points for price
- o Points for preference claimed

GENERAL INFORMATION

This Department's procurement function is executed on a decentralized basis at the different Management Areas.

METHODS OF PROCUREMENT

- o Internal sources (workshops, farms, etc)
- o In accordance with transversal/period contracts arranged by National Treasury/the Department
- o Price quotations (Up to the value of R500 000-00)
- o Bid process (Exceeding R500 000-00)

REGISTRATION ON THE DATA BASE

All purchases less than R500 000-00 (price quotations) are done from a list of prospective suppliers (Data Base). All potential suppliers are therefore invited annually through the media to register as a potential supplier with the selected Correctional Centres where he/she want to do business.

Registration forms could be obtained from such centres.

COMPLETION OF BID DOCUMENTS

Due to the fact that record is kept to whom bid Invitation Documents were issued, bid documents are not available electronically. Bid documents are therefore obtainable from the relevant office who advertised the bid. The bid forms are highlighted for your convenience.

Covering Letter (Relevant BD 2)

- Requires that bids submitted per mail must be sent per registered mail.
- Each bid must be submitted in a sealed envelope, clearly marked with the bid number.
- Bids must be submitted before or on the closing date and time
- No late bids will be accepted.
- Communication before bid closes must be in writing

SBD 1

- Must indicate whether an original and valid Tax Clearance Certificate has been submitted
- Form must be signed in ink.

SBD 2/TCC 001

Application for Tax Clearance Certificate. Omission to submit a Tax Clearance Certificate will automatically invalidate your bid.

Special Conditions of Contract (Relevant BD 4-form)

If called for samples/capability report, and the bidder omits to submit the sample/capability report, the bid will automatically be invalidated.

Pricing Schedules (Relevant SBD/BD 3-forms)

- Verify whether bid calls for firm/non-firm prices
- Perishable provisions – offer based on profit margin is not acceptable.

SBD 4 – Declaration of Interest

To avoid allegations of favouritism, bidders must declare their interest (related to the evaluating/adjudication officials)

SBD 8 – Declaration of Bidder's past Supply Chain Management Practices

Serves as a declaration to be used by Departments in ensuring that all reasonable steps are taken to combat the abuse of the Supply Chain Management System

BD 6 – Inspection of premises (Perishable provisions)

Certificate must be signed and stamped by health authorities

BD 7 – Certification of Halaal products (Perishable provisions)

Required in accordance with Islamic regulations

Respective SBD 6's – Preferences claimed in terms of PPPFA Regulations, 2001

- Separate preference point claim forms will be used for the different goals
- Substantiating proof, where requested must be submitted together with the bid

BD 27 – Confirmation of Supplier Arrangements

- Certification of sound supply and financial arrangements
- Only original and certified copies are acceptable.
- Omission to submit will automatically invalidate the bid.

GENERAL CONDITIONS OF CONTRACT (GCC)

- The General Conditions of Contract form part of all bid documents and may not be amended.
- Special Conditions of Contract (SCC) relevant to a specific bid is separately compiled for every bid (if applicable) and supplement the General Conditions of Contract. Whenever there is a conflict, the provisions in the SCC shall prevail.
- If a supplier(s) delivers goods and services without being in possession of an official order, it will be for his/her own risk.

ADVERTISEMENT OF BIDS

All bid invitations of the Department are advertised in the Government Tender Bulletin.

The Government Tender Bulletin is obtainable from the following websites :

<http://www.treasury.gov.za>

<http://www.info.gov.za/documents/tenders/index.htm>

BRIEFING SESSIONS

Compulsory Information Sessions/Site Visits in respect of certain bids : Such sessions will be included in the advertisement of the bid invitation in the Government Tender Bulletin.

PERFORMANCE OF SUPPLIERS

The following is seen as non-performance :

- If the supplier fails to deliver any or all of the goods within the period(s) specified in the contract, or within any extension thereof granted by the purchaser pursuant to GCC clause 21.2
- If the supplier fails to perform any other obligation(s) under contract; or
- If the supplier, in the judgement of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.

ACTIONS THAT CAN BE TAKEN BY THE PURCHASER IN THE CASE OF NON-PERFORMANCE

The purchaser, without prejudice to any other remedy for breach of contract, by written notice of default sent to the supplier, may :

- Impose a penalty, a sum calculated on the delivered price of the delayed goods or unperformed services using the current prime interest rate calculated for each day of the delay until actual delivery/performance;
- Terminate the contract in whole or partially;

- Procure goods/services similar to those undelivered, and the supplier shall be liable for any excess costs;
- Impose a restriction penalty by prohibiting such supplier from doing business with the public sector for a period not exceeding ten years.

COMPLAINTS

Complaints may be lodged in writing to the :

- Sub-/National Bid Adjudication Committee of this Department, which adjudicated the bid
- National Treasury
- Public Protector