

Table of Contents

DEFINITIONS.....	1
INTRODUCTION.....	2
OBJECTIVES	2
ROLES AND RESPONSIBILITIES	2
PROCUREMENT PROCESS.....	2
ETHICAL CONSIDERATIONS.....	4
MONITORING AND EVALUATION	4
APPLICABLE LEGISLATION & REGULATIONS	4
COMPLIANCE.....	4
APPENDIX A - SCORING SCHEDULE	5
APPENDIX B - MATRIX OF AUTHORITY	6
APPENDIX C - SA GOVERNMENT GENERAL PROCUREMENT GUIDELINES	7
APPENDIX D - PROCUREMENT PROCESSES	8

DEFINITIONS

HPP	Hermanus Public Protection
NPC	Non-profit Company
RFP	Request for Proposal - The RFP process aims to ensure transparency, competition, and fairness by allowing HPP to evaluate multiple proposals and select the most suitable service provider(s) based on HPP specific needs and evaluation criteria.
RFQ	Request for Quotation - The RFQ process is used for procurement of standardised products or services where the primary focus is on price comparison. It allows HPP to efficiently gather quotes from multiple service providers and select the most cost-effective option that meets HPP requirements.
SLA	Service Level Agreement

INTRODUCTION

This procurement policy outlines the guidelines and procedures for the procurement process of Hermanus Public Protection (HPP) NPC. It adheres to the Overstrand Municipal Special Rating Area (SRA) by-law and policy as well as the Financial Agreement between the parties. The policy aims to comply with the five pillars of procurement endorsed in the General Procurement Guidelines issued by the National Government of South Africa, which include value for money, open and effective competition, ethics and fair dealing, accountability and reporting, and equity (see Appendix C for additional information).

The policy aims to ensure that procurement activities are conducted in a responsible and ethical manner, maximizing the organization's resources, and achieving its objectives.

OBJECTIVES

The objectives of this procurement policy are as follows:

1. To promote accountability in the procurement process by establishing clear roles, responsibilities, and decision-making mechanisms.
2. To ensure transparency in all procurement activities, including solicitation, evaluation, selection, and contract award.
3. To foster fairness by providing equal opportunities for all qualified suppliers and contractors.
4. To encourage healthy competition among suppliers to obtain the best value for money.
5. To achieve value for money by acquiring goods, services, and works of acceptable quality at the most favourable terms and conditions.

ROLES AND RESPONSIBILITIES

1. The HPP Board of Directors is responsible for approving and overseeing the procurement policy and ensuring its effective implementation.
2. The Procurement Committee, appointed by the Board of Directors, is responsible for reviewing and approving procurement plans, tender evaluations, and contract awards.
3. The Executive Officer is responsible for managing the procurement process, ensuring compliance with this policy, and maintaining relevant documentation.
4. Portfolio Directors are responsible for identifying their procurement needs, providing specifications, and collaborating with the Executive Officer during the procurement process.

PROCUREMENT PROCESS

- a) Planning:
 - i. The Executive Officer, in consultation with budget holders and project managers, develops an annual procurement plan based on projected needs and available resources.

- ii. The plan includes specifications, estimated budgets, procurement methods, and timelines.
- iii. The procurement plan is reviewed and approved by the Procurement Committee.

b) Solicitation:

- i. The Executive Officer prepares solicitation documents, such as requests for quotations (RFQs) or requests for proposals (RFPs), ensuring they are clear, comprehensive, and aligned with the organization's requirements.
 - a. Request for Quotation - The RFQ process is used for procurement of standardised products or services where the primary focus is on price comparison. It allows HPP to efficiently gather quotes from multiple service providers (minimum three (3) and select the most cost-effective option that meets HPP requirements.
 - b. Request for Proposal - The RFP process aims to ensure transparency, competition, and fairness by allowing HPP to evaluate multiple proposals and select the most suitable service provider(s) based on HPP specific service needs and evaluation criteria.

See Appendix D for additional information and processes.

- b. The solicitation documents are published on the HPP website or other appropriate platforms.
- c. Suppliers are given sufficient time to respond to solicitations.

5. Evaluation and Selection:

- a. The Executive Officer, in collaboration with the Procurement Committee, evaluates supplier submissions based on predefined criteria, including price, quality, experience, and compliance with specifications. See Appendix A for required criteria.
- b. A selection committee may be appointed to ensure objectivity and fairness in the evaluation process.
- c. The Procurement Committee approves the selection recommendation and ensures it aligns with the principles of fairness, transparency, and value for money.

6. Contract Award:

- a. The Executive Officer initiates contract negotiations with the selected supplier or contractor.
- b. Contracts are awarded to the successful bidders upon agreement on terms, conditions, and pricing.
- c. The Executive Officer ensures all necessary documentation is completed, including contract agreements, service level agreements (SLAs), and insurance certificates.

7. Service Provider Database:

- a. Compile a database of service providers that may be inspected by the Municipality as and when requested in writing by the Municipality.

ETHICAL CONSIDERATIONS

- a) Conflict of Interest:
 - i. Directors involved in the procurement process must disclose any personal, financial, or family interests that could potentially influence their decision-making.
 - ii. Conflicts of interest must be managed transparently, without bias, and individuals with conflicts should recuse themselves from decision-making processes.
 - iii. Ensure that no agreement entered conflicts with the terms of the Overstrand Municipality Financial Agreement with HPP.

- b) Corruption and Bribery:
 - i. HPP has a zero-tolerance policy for corruption and bribery.
 - ii. Any party associated with HPP must report any suspicions or incidents of corruption or bribery to the appropriate authority within the organization.

MONITORING AND EVALUATION

- a) The Executive Officer conducts regular audits of procurement activities to ensure compliance with this policy and relevant legislation.
- b) The Board of Directors receives periodic reports on procurement activities, including the outcomes of audits and any identified areas for improvement.
- c) The procurement policy is subject to periodic review and updates to ensure its continued effectiveness and alignment with best practices.

APPLICABLE LEGISLATION & REGULATIONS

HPP is committed to adhering to all regulatory requirements, including the Overstrand Municipality Financial Agreement terms, as well as any future regulations that may be introduced.

COMPLIANCE

All employees, suppliers, and contractors involved in procurement activities are expected to comply with this policy. Non-compliance may result in disciplinary action, contract termination, or legal consequences as appropriate.

APPENDIX A- SCORING SCHEDULE

Criteria	Points Awarded
*Vendor Compliance (20 points):	
• Experience and track record in the industry (10 points)	
• References and client testimonials (5 points)	
• Certifications and accreditations (Tax Compliance, Company Registration, Licenses, Insurance Certificates, Labour Regulations Compliance, Registrations and Associations (5 points)	
*Technical Capability (25 points):	
• Compliance with technical specifications and requirements (10 points)	
• Demonstrated expertise and knowledge (10 points)	
• Innovation and use of advanced technology (5 points)	
Price Competitiveness and Value for Money (30 points):	
• Comparison of submitted prices with market rates (15 points)	
• Value for money in terms of quality and features (10 points)	
• Overall cost-effectiveness and value for money in terms of quality and features (5 points)	
Delivery and Implementation (15 points):	
• Ability to meet project timelines and deadlines (10 points)	
• Project management capabilities (5 points)	
Support and Maintenance (10 points):	
• Availability of post-implementation support (5 points)	
• Quality and responsiveness of customer support (5 points)	
Additional Factors (10 points):	
• Adherence to ethical standards and codes of conduct (2 points)	
• Transparency in business practices (2 points)	
• Evidence of effective reporting and monitoring mechanisms (2 points)	
• Compliance with regulatory and legal requirements (2 points)	
• Commitment to diversity, inclusion, and equal opportunities (2 points)	
Total Score: 100 points	

Scorecard may be adjusted according to service provision required; however, Vendor Compliance and Technical Capability are mandatory requirements.

- **Compulsory Requirements**

APPENDIX B- MATRIX OF AUTHORITY

Expense Categories and Required Authorities Approval

Category	Value	Approval
Amounts greater than	R100,000	Board (by resolution)
Amounts greater than	R50,000	Chairperson and Finance Director
Amounts up to	R50,000	Finance Director and Executive Officer
Day to day expenses up to	R25,000	Executive Officer

APPENDIX C- SA GOVERNMENT GENERAL PROCUREMENT GUIDELINES

Introduction

Proper and successful government procurement rests upon certain core principles of behaviour - the Five Pillars of Procurement. They are best described as pillars because if any one of them is broken the procurement system falls down.

The Five Pillars are:

Value for Money

Open and Effective Competition

Ethics and Fair Dealing

Accountability and

Reporting Equity

These Guidelines address those Five Pillars and prescribe a minimum set of standards that are to be observed. The Guidelines are to be supplemented by individual Accounting Officer's Procurement Procedures issued under the general authority contained in the Public Finance Management Act, 1999.

Full document can be found here:

<https://www.treasury.gov.za/legislation/pfma/supplychain/general%20procurement%20guidelines.pdf>

APPENDIX D - PROCUREMENT PROCESSES

Request for Quotation (RFQ)

A Request for Quotation (RFQ) is used to invite service providers or suppliers to provide a price quote for specific products or services. Unlike an RFP, an RFQ focuses primarily on pricing information rather than detailed proposals or technical specifications.

The RFQ process:



Request for Proposal

A Request for Proposal (RFP) is issued to solicit proposals from potential service providers. It is a formal invitation for suppliers to submit their proposals outlining how they would meet the requirements and provide the desired goods, services, or solutions.

The RFP process:

