



national film and video foundation
SOUTH AFRICA

an agency of the
Department of Arts and Culture

NATIONAL FILM AND VIDEO FOUNDATION

Supply Chain Management Policy

March 2013

Issue Date	February 2005	Version	2	Review Date	March 2013
Process Owner	Finance	Sub Committee Approval	N/A	Council Approval	March 2013

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Introduction

The Council of the National Film and Video Foundation(NFVF) resolves in terms of section 51(1)(a)(iii) of the Public Finance Management Act 1 of 1999 (as amended by Act 29 of 1999), to adopt the following policy as the Supply Chain Management Policy of the NFVF.

Definitions

1. In this Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Act has the same meaning as in the Act, and –

“accounting authority” means a body or person mentioned in section 49 of the Public Finance Management Act 1 of 1999 (as amended by Act 29 of 1999), which in the case of the NFVF is the Council;

“chief executive officer” means the person appointed by the accounting authority as the administrative head of the NFVF;

“competitive bidding process” means a competitive bidding process referred to in paragraph 20 of this Policy;

“competitive bid” means a bid in terms of a competitive bidding process;

“final award”, in relation to bids or quotations submitted for a contract, means the final decision on which bid or quote to accept;

“in the service of the state” means to be –

- (a) a member of –
 - (i) any municipal council;
 - (ii) any provincial legislature; or

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- (iii) the National Assembly or the National Council of Provinces;
- (b) a member of the Council of any municipal entity;
- (c) an official of any municipality or municipal entity;
- (d) an employee of any national or provincial department, national of provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999);
- (e) a member of the accounting authority of any national or provincial public entity; or
- (f) an employee of Parliament or a provincial legislature;

“long term contract” means a contract with a duration period exceeding one year;

“list of accredited prospective providers” means the list of accredited prospective providers which the FVF must keep in terms of paragraph 15 of this policy;

“official” means a person in the employ of the NFVF;

“other applicable legislation” means any other legislation applicable to supply chain management, including –

- (a) the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000); and
- (b) the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003).

“Treasury guidelines” means any guidelines on supply chain management issued by the Minister in terms of section 51(1)(a)(iii) of the Act;

“the Act” means the Public Finance Management Act 1 of 1999 (as amended by Act 29 of 1999);

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“the Regulations” means Treasury Regulation 16A of 2005 issued in terms of the Public Finance Management Act 1 of 1999 (as amended by Act 29 of 1999);

“written or verbal quotations” means quotations referred to in paragraph 13(1)(b) and (c) of this Policy.

CHAPTER 1

IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY

Implementation requirements

2. (1) All officials and other role players in the supply chain management system of the National Film and Video Foundation must implement this Policy in such a way that –
 - (a) it gives effect to –
 - (i) section 217 of the Constitution; and
 - (ii) Chapter 9 and other applicable provisions of the Act;
 - (b) it ensures that the supply chain management system is fair, equitable, transparent, competitive and cost effective;
 - (c) it complies with –
 - (i) the Regulations; and
 - (ii) any minimum norms and standards that may be prescribed in terms of section 76 of the Act;
 - (d) it is consistent with the Preferential Procurement Policy Framework Act, the Broad Based Black Economic Empowerment Act and other applicable legislation;
 - (e) it does not undermine the objective for uniformity in supply chain management systems between organs of state in all spheres; and
 - (f) it is consistent with national economic policy concerning the promotion of investments and doing business with the public sector.
- (2) The National Film and Video Foundation must, in addition to complying with subparagraph (1), apply this Policy, to the extent determined by the

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relevant government department, in a way that is consistent with the supply chain management policy of that government department.

Application of Policy

3. (1) This Policy applies when the National Film and Video Foundation –
 - (a) procures goods or services;
 - (b) disposes of goods; and/or
 - (c) selects contractors to provide assistance in the provision of services.
- (2) This Policy, except where specifically provided otherwise, does not apply if the NFVF contracts with another organ of the state for –
 - (a) the provision of goods and services; or
 - (b) the procurement of goods and services under a contract secured by that other organ of state, provided that the relevant supplier has agreed to such procurement.
- (3) The Supply Chain Officer may opt to participate in transversal term contracts facilitated by the relevant treasury but may not solicit bids for the same or similar product or service during the tenure of the transversal term contract.
- (4) The Supply Chain Officer may, on behalf the NFVF, participate in any contract arranged by means of a competitive bidding process by any other organ of state, subject to the written approval of such organ of state and the relevant contractors.

Amendment of the supply chain management policy

4. (1) The National Film and Video Foundation must –
 - (a) at least review the implementation of this Policy every three years; or
 - (b) when the chief financial officer considers it necessary, submit proposals for the amendment of this Policy to the Council.
- (2) When proposed amendments are submitted to the Council, such proposed amendments must comply with the Act and Treasury Regulations.
- (3) When amending this supply chain management policy the need for uniformity in supply chain practices, procedures and forms between

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organs of state in all spheres, particularly to promote accessibility of supply chain management systems for small businesses, must be taken into account.

Delegation of supply chain management powers and duties

5. (1) The Council hereby delegates all powers and duties to the chief executive officer which are necessary –
- (a) to discharge the supply chain management responsibilities conferred on NFVF in terms of –
 - (i) section 76(4)(c) of the Act which states that the National Treasury may make regulations concerning the determination of a framework for an appropriate procurement and provisioning system; and
 - (ii) this Policy;
 - (b) to maximise administrative and operational efficiency in the implementation of this Policy; and
 - (c) to enforce reasonable cost-effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation of this Policy;
- (2) The chief executive officer may not subdelegate any supply chain management powers or duties to a person who is not an official of the NFVF or to a committee which is not exclusively composed of officials of the NFVF;
- (3) This paragraph may not be read as permitting an official to whom the power to make final awards has been delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 31 of this Policy.

Subdelegations

6. (1) The chief executive officer may sub-delegate any supply chain management powers and duties, including those delegated to the chief

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executive officer in terms of this Policy, but any such subdelegation must be consistent with the NFVF's delegation of authority.

- (2) No supply chain management decision-making powers may be delegated to an advisor or consultant.

Oversight role of Council

7. (1) The Council reserves its right to maintain oversight over the implementation of this Policy.

Supply chain management unit

8. (1) A supply chain management unit must be established by the National Film and Video Foundation to implement this Policy.
- (2) The supply chain management unit operates under the direct supervision of the chief financial officer or an official to whom this duty has been delegated in terms of this Policy.

Training of supply chain management officials

9. Officials involved in implementing this Policy should be trained in accordance with any National Treasury guidelines on supply chain management training.

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CHAPTER 2

SUPPLY CHAIN MANAGEMENT SYSTEM

Format of supply chain management system

10. This Policy provides systems for –

- (i) demand management;
- (ii) acquisition management;
- (iii) logistics management;
- (iv) disposal management;
- (v) risk management; and
- (vi) performance management.

Part 1: Demand management

System of demand management

11. (1) The National Film and Video Foundation must establish and implement an appropriate demand management system in order to ensure that the resources required support its operational commitments and its strategic goals outlined in the Strategic Plan.
- (2) The demand management system must –
- (a) include timely planning and management processes to ensure that all goods and services required by the NFVF are quantified, budgeted for and timely and effectively delivered at the right locations and at the critical delivery dates, and are of the appropriate quality and quantity at a fair cost;
 - (b) take into account any benefits of economies of scale that may be derived in the case of acquisitions of a repetitive nature;
 - (c) provide for the compilation of the required specifications to ensure that its needs are met; and
 - (d) provide for an appropriate industry analysis and research to ensure that benefits for the NFVF are maximized.

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Part 2: Acquisition management

System of acquisition management

- 12.** (1) The National Film and Video Foundation must implement the system of acquisition management set out in this Part in order to ensure –
- (a) that goods and services are procured in accordance with authorised processes only;
 - (b) that expenditure on goods and services is incurred in terms of an approved budget;
 - (c) that the threshold values for the different procurement processes are complied with;
 - (d) that bid documentation, evaluation and adjudication criteria, and general conditions of a contract, are in accordance with any applicable legislation; and
 - (e) that any Treasury guidelines on acquisition management are properly taken into account.
- (2) When procuring goods or services otherwise than through the supply chain management system of the NFVF, it must be made public, including -
- (a) the kind of goods or services; and
 - (b) the name of the supplier.

Range of procurement processes

- 13.** (1) Goods and services may only be procured by way of –
- (a) petty cash purchases, based on the threshold values prescribed by the National Treasury (see Financial Policy);
 - (b) verbal quotations of which one must be in writing for procurements based on the threshold values prescribed by the National Treasury;
 - (c) written price quotations for procurements based on the threshold values prescribed by the National Treasury; and
 - (d) a competitive bidding process based on the threshold values prescribed by the National Treasury for the procurement of long term contracts.

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- (2) Goods or services may not deliberately be split into parts or items of a lesser value merely to avoid complying with the requirements of the policy. When determining transaction values, a requirement for goods or services consisting of different parts or items must as far as possible be treated and dealt with as a single transaction.

General preconditions for consideration of written quotations or bids

- 14.** A written quotation or bid that must be evaluated and adjudicated according to the preference point system may not be considered unless the provider who submitted the quotation or bid –
- (a) has furnished that provider's –
- (i) full name;
 - (ii) identification number or company or other registration number; and
 - (iii) original tax clearance certificate with the tax reference number and VAT registration number, if any;
- (b) has indicated in the case of competitive bidding –
- (i) whether he or she is in the service of the state, or has been in the service of the state in the previous twelve months;
 - (ii) if the provider is not a natural person, whether any of its directors, managers, principal shareholders or stakeholder is in the service of the state, or has been in the service of the state in the previous twelve months; or
 - (iii) whether a spouse, child or parent of the provider or of a director, manager, shareholder or stakeholder referred to in subparagraph (ii) is in the service of the state, or has been in the service of the state in the previous twelve months.

Lists of accredited prospective providers

- 15.** (1) The National Film and Video Foundation must –
- (a) keep a list of accredited prospective providers of goods and services that must be used for the procurement requirements

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through written or verbal quotations and formal written price quotations; and

- (b) at least once a year through newspapers commonly circulating locally, the website and any other appropriate ways, invite prospective providers of goods or services to apply for evaluation and listing as accredited prospective providers;
 - (c) specify the listing criteria for accredited prospective providers; and
 - (d) disallow the listing of any prospective provider whose name appears on the National Treasury's database as a person prohibited from doing business with the public sector.
- (2) The list must be compiled per commodity and per type of service.

Sole and single suppliers

16. (1) A sole supplier of goods or provider of services can be used by the NFVF if there is no competition and only one bidder exists; or
- (2) A single supplier can be identified by the NFVF through a thorough analysis of the market, and by using a transparent and equitable pre-selection process, after which only one amongst a few prospective bidders will be requested to make a proposal to the NFVF.

Written quotations

17. The conditions for the procurement of goods or services through written quotations, are as follows:
- (a) Quotations must be obtained from at least three different providers preferably from, but not limited to, providers whose names appear on the list of accredited prospective providers of the NFVF, provided that if quotations are obtained from providers who are not listed, such providers must meet the listing criteria referred to in paragraph 15(1)(c) of this Policy;
 - (b) to the extent feasible, providers must be requested to submit such quotations in writing;

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- (c) if it is not possible to obtain at least three quotations, the reasons must be recorded.

Conditions for the use of written price quotations

- 18.** (1) The conditions for the procurement of goods or services through written price quotations, are as follows:
- (a) Quotations must be obtained in writing from at least three different providers;
 - (b) Quotations may be obtained from providers who are not listed, provided that such providers meet the listing criteria referred to in paragraph 15(1)(c) of this Policy; and
 - (c) If it is not possible to obtain at least three quotations, the reasons must be recorded.

Procedures for procuring goods or services through written or verbal quotations

- 19.** The procedure for the procurement of goods or services through written or verbal quotations, is as follows:
- (a) When using the list of accredited prospective providers the NFVF must promote ongoing competition amongst providers by inviting providers to submit quotations on a rotation basis;
 - (b) Offers received must be evaluated on a comparative basis taking into account unconditional discounts;
 - (c) Offers must be awarded based on compliance to specifications and conditions of contract, ability and capability to deliver the goods and services and price;
 - (d) Acceptable offers, which are subject to the preference points system (PPFA and associated regulations), must be awarded to the bidder who scored the highest points, although a contract may in exceptional cases be awarded to a bidder that did not score the highest number of points based on reasonable and justifiable grounds. The reasons for

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such a decision must be approved and recorded for audit purposes and must be defensible in a court of law; and

- (e) The Council must determine the requirements for proper record keeping.

Competitive bids

- 20.** (1) Goods or services above the threshold value for competitive bids that leads to long term contracts may only be procured through a competitive bidding process, subject to paragraph 11(2) of this Policy.
- (2) No requirement for goods or services with an estimated transaction value above the threshold value for competitive bids, may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process.

Process for competitive bidding

- 21.** The procedures for the following stages of a competitive bidding process are as follows:
- (a) Compilation of bidding documentation as indicated in paragraph 23;
- (b) Public invitation of bids as detailed in paragraph 24;
- (c) Site meetings or briefing sessions as indicated in paragraph 25 when applicable;
- (d) Handling of bids submitted in response to public invitation as indicated in paragraph 25;
- (e) Evaluation of bids as indicated in paragraph 33; and
- (f) Award of contracts as indicated in paragraph 27.

Contract administration

- 22.** The administration of contracts, includes:
- (a) entering into a written agreement by the accounting officer and the bidder after approval of a bid.

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- (b) proper record keeping, including keeping original/legal copies of written contracts agreements in a secure place for reference purposes.

Bid documentation for competitive bids

23. The criteria to which bid documentation for a competitive bidding process must comply, must –

- (a) take into account –
- (i) the general conditions of contract and any special conditions of contract, if specified;
 - (ii) any Treasury guidelines on bid documentation; and
- (b) include the preference points system to be used, goals as contemplated in the Preferential Procurement Regulations and evaluation and adjudication criteria, including any criteria required by other applicable legislation;
- (c) compel bidders to declare any conflict of interest they may have in the transaction for which the bid is submitted;
- (d) if the value of the transaction is expected to exceed a prescribed threshold value (VAT included), require bidders to furnish–
- (i) particulars of any contracts awarded to the bidder by an organ of state during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract;
 - (ii) a statement indicating whether any portion of the goods or services are expected to be sourced from outside the Republic, and, if so, what portion and whether any portion of payment from the NFVF is expected to be transferred out of the Republic; and
- (e) stipulate that disputes must be settled by means of mutual consultation, mediation (with or without legal representation), or, when unsuccessful, in a South African court of law.

Public invitation for competitive bids

24. (1) The procedure for the invitation of competitive bids, is as follows:

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- (a) Bids must also be advertised in the *Government Tender Bulletin* for a minimum period of 21 days before closure, except in urgent cases when bids may be advertised for such shorter period as the Council may determine; and
 - (b) Any invitation to prospective providers to submit bids must be by means of a public advertisement in newspapers commonly circulating locally, the website of the NFVF; and
 - (c) the information contained in a public advertisement, must include:
 - (i) the closure date for the submission of bids;
 - (ii) a statement that bids may only be submitted on the bid documentation provided by the NFVF; and
 - (ii) the date, time and venue of any proposed site meetings or briefing sessions.
- (2) The National Film and Video Foundation may determine a closure date for the submission of bids which is less than the 21 days requirement, but only if such shorter period (between 7 and 21 days) can be justified on the grounds of urgency or emergency or any exceptional case where it is impractical or impossible to follow the official procurement process.
- (3) Bids submitted must be sealed.

Procedure for handling, opening and recording of bids

- 25.** (1) The procedures for the handling, opening and recording of bids, are as follows:
- (a) Bids must be deposited in the official tender box of the NFVF before or on the date and time indicated on the bid documents;
 - (b) Bids must be opened in the presence of two or more officials;
 - (c) Bids must be opened at the same time and as soon as possible after the period for the submission of bids has expired; and
 - (d) Bids received after the closing time should not be considered and returned unopened immediately.

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- (2) When bids are opened in public any bidder or member of the public has the right to request that the names of the bidders who submitted bids in time must be read out and, if practical, also each bidder's total bidding price;
- (3) No information, except the provisions in subparagraph (2), relating to the bid should be disclosed to bidders or other persons until the successful bidder is notified of the award; and
- (4) The Supply Chain Officer must:
 - (a) record in a register all bids received in time;
 - (b) publish the entries in the register and the bid results on the National Firm and Video Foundation website.

Negotiations with preferred bidders

- 26.** (1) The Supply Chain Officer may negotiate the final terms of a contract with bidders identified through a competitive bidding process as preferred bidders, provided that such negotiation –
- (a) does not allow any preferred bidder a second or unfair opportunity;
 - (b) is not to the detriment of any other bidder; and
 - (c) does not lead to a higher price than the bid as submitted.

Awarding of contracts

- 27.** Awards are published in the *Government Tender Bulletin* and other media by means of which the bids were advertised

Prohibition on awards to persons in the service of the state

- 28.** Irrespective of the procurement process followed, no award may be made to a person in terms of this Policy –
- (a) who is in the service of the state;
 - (b) if that person is not a natural person, of which any director, manager, principal shareholder or stakeholder is a person in the service of the state; or
 - (c) a person who is an advisor or consultant contracted with the NFVF.

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Awards to close family members of persons in the service of the state

- 29.** The Chief Financial Officer must ensure that the notes to the annual financial statements disclose particulars of any award that exceeds the threshold value for competitive bidding made to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months, including –
- (a) the name of that person;
 - (b) the capacity in which that person is in the service of the state; and
 - (c) the amount of the award.

Two-stage bidding process

- 30.** (1) A two-stage bidding process is allowed for –
- (a) large complex projects;
 - (b) projects where it may be undesirable to prepare complete detailed technical specifications; or
 - (c) long term projects with a duration period exceeding three years.
- (2) In the first stage technical proposals on conceptual design or performance specifications should be invited, subject to technical as well as commercial clarifications and adjustments.
- (3) In the second stage final technical proposals and priced bids should be invited.

Committee system for competitive bids

- 31.** (1) A committee system for competitive bids must be established, consisting of the following committees for each procurement or cluster of procurements:
- (a) a bid specification committee appointed by the chief financial officer;
 - (b) a bid evaluation committee appointed by the chief financial officer;
- and

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- (c) a bid adjudication committee appointed by the chief executive officer.
- (2) The committee system must be consistent with –
 - (a) paragraph 32, 33 and 34 of this Policy; and
 - (b) any other statutory/legal requirements.
- (5) The chief financial officer may apply the committee system to written price quotations.

Bid specification committees

- 32. (1) A bid specification committee must compile the specifications for each procurement of goods or services by the NFVF.

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- (2) Specifications –
- (a) must be drafted in an unbiased manner to allow all potential suppliers to offer their goods or services;
 - (b) must, where possible, be described in terms of performance required rather than in terms of descriptive characteristics for design;
 - (c) must indicate each specific goal for which points may be awarded in terms of the 80:20 or the 90:10 points system set out in the Preferential Procurement Regulations, 2011; and
 - (d) must be approved by the Supply Chain Officer prior to publication of the invitation for bids in terms of paragraph 24 of this Policy.
- (3) A bid specification committee must be composed of two or more officials of the NFVF, preferably the manager responsible for the function involved, and may, when appropriate, include external specialist advisors.

Bid evaluation committees

- 33.** (1) A bid evaluation committee must –
- (a) evaluate bids in accordance with –
 - (i) the specifications for a specific procurement; and
 - (ii) the points system set out in terms of paragraph 32(2)(c).
 - (b) evaluate each bidder’s ability to execute the contract; and
 - (c) submit to the adjudication committee a report and recommendations regarding the award of the bid or any other related matter.
- (2) A bid evaluation committee must as far as possible be composed of-
- (a) officials from directorates/units/sections requiring the goods or services; and
 - (b) at least one supply chain management practitioner of the National Film and Video Foundation.

Bid adjudication committees

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- 34.** (1) A bid adjudication committee must consider the report and recommendations of the bid evaluation committee in line with its delegation of authority; and
- (2) A bid adjudication committee must consist of at least four senior managers of the National Film and Video Foundation which must include –
- (a) the chief financial officer or, if the chief financial officer is not available, another manager in the Office of the Chief Financial Officer reporting directly to the chief financial officer and designated by the chief financial officer; and
- (b) at least one senior supply chain management practitioner who is an official of the National Film and Video Foundation; and
- (c) a technical expert in the relevant field who is an official, if such an expert exists.
- (3) The chief financial officer must be appointed as the chairperson of the committee. If the chairperson is absent from a meeting, the members of the committee who are present must elect one of them to preside at the meeting.
- (4) Neither a member of a bid evaluation committee, nor an advisor or person assisting the bid evaluation committee, may be a member of a bid adjudication committee.

Procurement of IT related goods or services

- 35.** (1) The National Film and Video Foundation may request the State Information Technology Agency (SITA) to assist with the acquisition of IT related goods or services through a competitive bidding process.
- (2) Both parties must enter into a written agreement to regulate the services rendered by, and the payments to be made to, SITA.

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Procurement of goods and services through public-private partnerships

36. Treasury Regulation 16 must be complied with when goods or services are procured through public private partnerships or as part of a public private partnership.

Procurement of goods and services under contracts secured by other organs of state

- 37.** (1) The NFVF may procure goods or services under a contract secured by another organ of state, but only if:
- (a) the contract has been secured by that other organ of state by means of a competitive bidding process applicable to that organ of state;
 - (b) there is no reason to believe that such contract was not validly procured;
 - (c) there are demonstrable discounts or benefits to do so; and
 - (d) that other organ of state and the provider have consented to such procurement in writing.

Proudly SA Campaign

- 38.** The NFVF supports the Proudly SA Campaign to the extent that, where possible, preference is given to procuring local goods and services from:
- suppliers and businesses within the relevant municipal or district area;
 - suppliers and businesses within the relevant province;
 - suppliers and businesses within the Republic of South Africa based on the designated sectors referred to in Regulation 9 of the Preferential Procurement Regulations of 2011.

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Appointment of consultants

- 39.** The NFVF may procure consulting services provided that any Treasury guidelines in respect of consulting services are taken into account when such procurements are made.

Deviation from, and ratification of minor breaches of, procurement processes

- 40.** (1) The NFVF may –
- (a) dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –
 - (i) in an emergency;
 - (ii) if such goods or services are produced or available from a single provider only;
 - (iii) in any other exceptional case where it is impractical or impossible to follow the official procurement processes; and
 - (b) ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties.
- (2) The Supply Chain Officer must record the reasons for any deviations in terms of subparagraphs (1)(a) and (b) of this policy and the chief financial officer must include it as a note to the annual financial statements.

Unsolicited bids

- 41.** (1) The NFVF is under no obligation to consider unsolicited bids received outside a normal bidding process.
- (2) An unsolicited bid may be considered, only if –
- (a) the product or service offered in terms of the bid is a demonstrably or proven unique, innovative concept; or
 - (b) the product or service will be exceptionally beneficial to, or have exceptional cost advantages; or

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- (c) the person who made the bid is the sole provider of the product or service; or
 - (d) the reasons for not going through the normal bidding processes are found to be sound by the chief financial officer.
- (3) The adjudication committee must consider the unsolicited bid and may award the bid or make a recommendation to the chief executive officer, based on its delegation of authority.

Combating of abuse of supply chain management system

- 42.** (1) The NFVF must–
- (a) take all reasonable steps to prevent abuse of the supply chain management system;
 - (b) investigate any reasonable allegations against an official or other role player of fraud, corruption, favouritism, unfair or irregular practices or failure to comply with this Policy based on documentary proof, and when justified –
 - (i) take appropriate steps against such official or other role player; or
 - (ii) report any alleged criminal conduct to the South African Police Service;
 - (c) check the National Treasury’s database prior to awarding any contract to ensure that no recommended bidder, or any of its directors, is listed as a person prohibited from doing business with the public sector;
 - (d) reject a recommendation for the award of a contract if the recommended bidder, or any of its directors, has committed a corrupt or fraudulent act in competing for the particular contract;

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- (e) cancel a contract awarded to a person if –
 - (i) the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract; or
 - (ii) an official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of the contract that benefited that person; and
- (f) reject the bid of any bidder if that bidder or any of its directors has abused the supply chain management system of the NFVFor has committed any improper conduct in relation to such system;

Part 3: Logistics, Disposal, Risk and Performance Management

Logistics management

- 43.** The NFVF must establish and implement an effective system of logistics management, which must include -
- (a) the placing of manual or electronic orders for all acquisitions other than those from petty cash;
 - (b) before payment is approved, certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract;
 - (c) regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes; and
 - (d) monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services.

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Disposal management

- 44.** (1) Unserviceable, redundant or obsolete assets may be disposed of by –
- (i) transferring the asset to another organ of state at market related value or, when appropriate, free of charge in terms of a provision of the Act enabling the transfer of assets;
 - (ii) selling the asset by means of an auction or a competitive bidding process;
 - (iii) donating it to schools or charitable organisations; or
 - (iv) destroying the asset.
- (2) The National Film and Video Foundation must ensure that –
- (a) immovable property is let at market related rates except when the public interest or the plight of the poor demands otherwise;
 - (b) where assets are traded in for other assets, the highest possible trade-in price is negotiated; and
 - (c) in the case of the free disposal of computer equipment, the provincial department of education is first approached to indicate within 30 days whether any of the local schools are interested in the equipment.

Risk management

- 45.** (1) A risk management process will be followed within the Supply Chain Management Unit according to the annual risk assessment.
- (2) Appropriate risk management conditions must be incorporated in contracts.

Performance management

- 46.** (1) The NFVF must establish and implement an internal monitoring system in order to determine, on the basis of a retrospective analysis, whether the authorised supply chain management processes were followed and whether the objectives of this Policy were achieved.
- (2) The performance management system shall accordingly focus on, amongst others:

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- (a) achievement of goals;
- (b) compliance to norms and standards;
- (c) savings generated;
- (d) cost variances per item;
- (e) non-compliance with contractual conditions and requirements; and
- (f) the cost efficiency of the procurement process itself.

Part 4: Other matters

Prohibition on awards to persons whose tax matters are not in order

- 47.** No award above an amount as determined by the National Treasury may be made in terms of this Policy to a person whose tax matters have not been declared by the South African Revenue Service to be in order.

Ethical standards

- 48.** (1) A code of ethical standards, “**the National Treasury’s Code of Conduct for Supply Chain Management Practitioners**”, is hereby accepted for officials and other role players in the supply chain management system of the NFVF in order to promote –
- (a) mutual trust and respect; and
 - (b) an environment where business can be conducted with integrity and in a fair and reasonable manner.
- (2) An official or other role player involved in the implementation of this Policy –
- (a) must treat all providers and potential providers equitably;
 - (b) may not use his or her position for private gain or to improperly benefit another person;
 - (c) may not accept any reward, gift, favour, hospitality or other benefit directly or indirectly, including to any close family member, partner or associate of that person, of a value higher than determined by the relevant policy of the NFVF;

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- (d) notwithstanding subparagraph (2)(c), must declare details of any reward, gift, favour, hospitality or other benefit promised, offered or granted to that person or to any close family member, partner or associate of that person in line with NFVF's policy;
 - (e) must declare details of any private or business interest which that person, or any close family member, partner or associate, may have in any proposed procurement or disposal process of, or in any award of a contract by the NFVF;
 - (f) must immediately withdraw from participating in any manner whatsoever in a procurement or disposal process or in the award of a contract in which that person, or any close family member, partner or associate, has any private or business interest;
 - (g) must be conscious of the fact that property belonging to the NFVF must be utilized in the best interest of the Foundation and for the purpose that it was meant for;
 - (h) must assist the chief executive officer in combating fraud, corruption, favouritism and unfair and irregular practices in the supply chain management system; and
 - (i) must report to the chief executive officer any alleged irregular conduct in the supply chain management system which that person may become aware of, including –
 - (i) any alleged fraud, corruption, favouritism or unfair conduct;
 - (ii) any alleged contravention of paragraph 42(1) of this Policy; or
 - (iii) any alleged breach of this code of ethical standards.
- (3) Declarations in terms of subparagraphs (2)(d) and (e) -
- (a) must be recorded in a register which the chief executive officer must keep for this purpose;
 - (b) by the chief executive officer must be made to the Council of the NFVF who must ensure that such declarations are recorded in the register.

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- (4) The National Treasury's code of conduct must also be taken into account by supply chain management practitioners and other role players involved in supply chain management.
- (5) A breach of the code of ethics must be dealt with as follows -
- (a) in the case of an employee, in terms of the disciplinary procedures of the NFVF;
 - (b) in the case a role player who is not an employee, through other appropriate means in recognition of the severity of the breach.
 - (c) In all cases, financial misconduct must be dealt with in terms of Chapter 10 of the Act.

Sponsorships by providers

49. The NFVF must promptly disclose to the National Treasury and the relevant provincial treasury any sponsorship promised, offered or granted, whether directly or through a representative or intermediary, by any person who is –
- (a) a provider or prospective provider of goods or services; or
 - (b) a recipient or prospective recipient of goods disposed or to be disposed.

Objections and complaints

50. Persons aggrieved by decisions or actions taken in the implementation of this supply chain management system, may lodge within 14 days of the decision or action, a written objection or complaint against the decision or action.

Resolution of disputes, objections, complaints and queries

51. (1) The chief executive officer must appoint an independent and impartial person, not directly involved in the supply chain management processes –
- (a) to assist in the resolution of disputes between the NFVF and other persons regarding -

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- (i) any decisions or actions taken in the implementation of the supply chain management system; or
 - (ii) any matter arising from a contract awarded in the course of the supply chain management system; or
- (b) to deal with objections, complaints or queries regarding any such decisions or actions or any matters arising from such contract.
- (2) The chief executive officer, or another official designated by the accounting officer, is responsible for assisting the appointed person to perform his or her functions effectively.

Reporting of SCM information

52. The NFVF must submit to the relevant treasury such supply chain management information as that treasury may require.

Short title and commencement

53. This Policy is called the Supply Chain Management Policy of the National Film and Video Foundation and will come into effect when it has been approved by the Council..

54. Approvals

Signed By:

M Ramagoshi
Chairperson: NFVF
14 May 2013

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