



# LEPHALALE LOCAL MUNICIPALITY SUPPLY CHAIN MANAGEMENT PROCESS TURNAROUND TIME POLICY

## 1. Background

The MFMA SCM regulations provide that effective Supply chain Process must be in place to render effective service delivery within the set legislative provisions.

The expenditure section must ensure proper financial control, uphold the principle of effective administration and high standard of service level. The SCM unit assists the various departments in ensuring effective service delivery and ensuring the delivery of good quality products and services in the shortest possible turn-around time.

## 2. Definitions

In this policy, unless the context indicate otherwise. The following definitions are applied;

“**Accounting Officer**” Means the Municipal Manager for the municipality as contemplated in Section 60 of the local Government: Municipal Finance Management Act, 56 of 2003.

“**After-Hours**” Means from 16:01 to 07:29 Monday to Friday`s; 16:01 Friday after noon until 07:29 Monday morning.

“**CFO**” means the Chief Financial Officer designated in terms of section 80(2)(a) of the Local Government: Municipal Finance Management Act 56 of 2003.

**“Delegated authority”** Means the official who is given the authority for relevant functions in terms of the municipality’s written delegations.

**“Emergency”** Means a serious, unexpected, and often dangerous situation requiring immediate action as set out in the MFMA SCM Regulations.

**“End user”** Means the Lephhalale Local Municipality official who has requested the goods and services that will receive such and utilize for the purpose it is intended.

**“Official Order”** means a written request to order goods and services.

**“SANS”** Means South African National Standards.

**“Working Hours and Days”** Means office hours between 07:30 and 16:00 Monday to Friday excluding public holidays and weekends .

**“SLA”** Means Service Level Agreement

**“CSD”** Central Supplier Database as developed by South African National Treasury

### **3. Objectives of the Policy**

#### **3.1 The aim of this policy is:**

(a) To ensure that goods and services are delivered in correct quantities at the correct location at the required SANS or acceptable level of quality as stipulated in the specifications within the relevant timeframes for the various Supply Chain Processes.

(b) To set standards on turn-around times for the various supply chain processes.

(c) To ensure cost effective and efficient usage of available resources in respect of purchases.

(d) To provide guidelines for the Council employees to follow in the management for the acquisition of goods and services.

(e) To eliminate any potential standing time in hampering effective service delivery.

**THE TURNAROUND TIMES FOR VARIOUS LEVELS OF THE PROCUREMENT PROCESS**

NUMBER	BID PROCESS INDICATORS	TURN AROUND INDICATOR
1	<p>Three written quotations for goods and services with transaction value between R 200.00 and R 30 000.00</p> <p><b>Process flow</b></p> <ul style="list-style-type: none"> <li>• Submit Specifications</li> <li>• Request for quotations</li> <li>• Evaluations, award and official order</li> </ul>	<p>5 working days from the receipt of correct specifications/ order request from end-user excluding delays.</p> <p>The goods or services will be received by SCM official together with delegated end-user official.</p> <p>The goods or service shall be received at the municipal workshop and or Civic Center or any convenience of the end user department (e.g site were the service will be rendered).</p>
2	<p>Seven (7) day process for goods and services with a transaction value between R 30 001.00 and R 200 000.00</p> <p><b>Process flow</b></p> <ol style="list-style-type: none"> <li>1. Submission of specifications</li> <li>2. Placing of 7 day notice advert on</li> </ol>	<p>20 working days or less from receipts of correct specifications / order request from end user departments.</p> <p>Excluding section 36 approvals.</p>

	<p>municipal website and notice boards.</p> <ol style="list-style-type: none"> <li>3. Evaluation,</li> <li>4. <b>approvals memo</b></li> <li>5. Awards and issue of orders / appointment letters</li> </ol>	
3	<p>Turnaround time for the formal SCM bid process for goods and services above R 200 000.00.</p> <p><b>Process flow</b></p> <ol style="list-style-type: none"> <li>1. Submission of specification to bid specification committee</li> <li>2. Specification to be approved by the Accounting Officer</li> <li>3. Placing of advert on municipal website, notice boards, national and local media</li> <li>4. Bid closing and opening</li> <li>5. <b>Commercial</b> report capturing,</li> <li>6. Technical evaluation committee and</li> <li>7. Bid adjudication committee</li> <li>8. Approval and</li> </ol>	<p>The SCM regulations emphasis the 90 days validity period however ,Lephalale local Municipal turnaround times will be as follows :</p> <ul style="list-style-type: none"> <li>➤ For the bids above R10 million or long term contracts that are advertised for 30 days .</li> <li>➤ The turnaround time shall be 45 days</li> <li>➤ For the bids below R10 million and advertised for 14 days</li> <li>➤ The turnaround time shall be 30 days</li> </ul>

	issuing of appointment letters and Service Level Agriment	
4	<p><b>BID Committees</b></p> <p>Bid Specification Committee</p> <p>Bid Evaluation Committee</p> <p>Bid Adjudication Committee</p>	<p>Notice minimum 2 working days in advance.</p> <p>Notice minimum 2 working days in advance.</p> <p>Notice minimum 2 working days in advance.</p> <p>Agenda's to be issued the Friday before the Monday before the wedness meetings  <b>The Bid committees chairperson's</b> to develop and present the annual committee Schedules. And be presented to council together with the policy.</p>
5	Accredited Service Provider Database	The Lephalale Local Municipality Shall rely exclusively on Central Supplier Database (SA NATIONAL TREASURY DATABASE) to update expenditure

		and creditors database . The quotations shall be sourced from the Service Providers Registered on CSD .
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