

KWAZULU-NATAL

SUPPLY CHAIN MANAGEMENT POLICY

FRAMEWORK

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INTRODUCTION

Promulgation of Regulation 16 A of the Treasury Regulations introduced Supply Chain Management (SCM) at national and provincial spheres of Government. As the KwaZulu-Natal Procurement Act, 2001 is inconsistent with Regulation 16 A, the Act was to be repealed to allow for the formal implementation of SCM in the Province.

In order to maintain control systems unique to KwaZulu-Natal and which are not provided for in Treasury Regulation 16 A, this SCM Provincial Policy Framework was approved by Cabinet. This Policy must be read in conjunction with:

- section 217 of the Constitution,
- the PFMA and its Regulations in general,
- the Preferential Procurement Policy Framework Act,
- National Treasury guidelines and
- Provincial Treasury SCM practice notes and guidelines.

DEFINITIONS AND APPLICATION

1. Definitions

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

- (a) **“Act”** means the Public Finance Management Act , 1999, (PFMA Act No 1 of 1999);
- (b) **“agent”** means a person mandated by another person (“the principal”) to do business for and on behalf of, or to represent in a business transaction, the principal, and thereby acquire rights for the principal against an organ of state and incur obligations binding the principal in favour of a department or Parliament;
- (c) **“bid”** means a written offer or bid in a prescribed or stipulated form in response to an invitation by a department for the provision of services or goods;
- (d) **“black”** is a generic term which means Africans, Coloureds and Indians;
- (e) **“consortium or joint venture”** means an association of persons for the purpose of combining their expertise, property, capital, efforts, skills and knowledge in an activity for the execution of a contract;
- (f) **“contract”** means the agreement that results from the acceptance of a bid or quotation by a departmental Bid Adjudication Committee, an Accounting Officer or a delegate of the Accounting Officer;
- (g) **“co-operatives”** means an autonomous association of persons united voluntarily to meet their common economic and social needs and aspirations, through a jointly owned and democratically controlled enterprise organised and operated on co-operative principles;

- (h) **“department”** means a department within the KwaZulu-Natal Provincial Administration and listed in the first column of Schedule 2 of the Public Service Act, 1994 (Proclamation No.103 of 1994);
- (i) **“disability”** means, in respect of a person, a permanent impairment of a physical, intellectual, or sensory function, which results in restricted, or lack of, ability to perform an activity in the manner, or within the range, considered normal for a human being;
- (j) **“historically disadvantaged individual (HDI)”** means a South African citizen:
- (i) who, due to the apartheid policy that had been in place, had no franchise in national elections prior to the introduction of the Constitution of the Republic of South Africa, 1983 (Act No 110 of 1983) or the Constitution of the Republic of South Africa, 1993 (Act No 200 of 1993) (“the Interim Constitution”); and/or
- (ii) who is a female; and/or
- (iii) who has a disability.
- Provided that a person who obtained South African citizenship on or after the coming into effect of the Interim Constitution, is deemed not to be an HDI;
- (k) **“management”** in relation to an enterprise or business, means an activity inclusive of control and performed on a daily basis, by any person who is a principal executive officer of the entity, by whatever name that person may be designated, and whether or not that person is a director;
- (l) **“person”** includes reference to a juristic person;
- (l) *Refer to circular scm 01/2007*
“priority population group” means an individual/member of a targeted group who falls into a population group that had no franchise in national elections prior to the introduction of the 1984 constitution and the tricameral parliamentary system.
- (m) **“quotation”** means an informal written or verbal offer in response to an invitation by a department for the provision of goods or services;
- (n) **“small, medium and micro enterprises (SMMEs)”** bears the same meaning assigned to the expression “small business” as defined in the National Small Business Act, 1996 (Act No. 102 of 1996); and
- (o) **“youth”** means all persons between the ages of 18 and 35.

2. Application

- (a) Unless the National Minister of Finance has directed otherwise, a department must only apply a preferential procurement system which is **in accordance** with the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000), hereinafter referred to as “the PPPFA”, and this Policy.
- (b) This Policy applies to all provincial departments.

FUNCTIONS OF PROVINCIAL TREASURY SUPPLY CHAIN MANAGEMENT OFFICE

3. General functions

(1) The Supply Chain Management Office must on request give advice to -

- (a) bid committees and their individual members;
- (b) accounting officers;
- (c) Supply Chain Management Units of departments;
- (d) suppliers; and
- (e) members of the public

on matters pertaining to Supply Chain Management policies and procedures.

(2) The Supply Chain Management Office comprises the following four operational components with the following functions:

(i) Norms and Standards

Continuously develop a set of Supply Chain Management policies, best practices and guidelines that facilitate effective and systematic Supply Chain Management.

(ii) Supply Chain Management Support

- (a) Provide advisory support and guidance to departments and the general public on all matters pertaining to Supply Chain Management.
- (b) Provide administrative support to the Bid Appeals Tribunal.

(iii) Compliance Monitoring

- (a) Undertake performance reviews on departmental contracts on an ad hoc basis;
- (b) Investigate departmental complaints regarding inadequate performance by contractors; and
- (c) Review compliance by departments to practice notes, policies and legislation.

(iv) Information Management and Performance Monitoring

Request reports from departments and other relevant sources in a format determined by the relevant practice notes.

4. Suppliers Database

(1) Provincial Treasury must maintain an electronic database containing a comprehensive list and profiles of legitimate suppliers, which should at all times be electronically accessible by authorised officials of Provincial Departments.

- (2) Suppliers details as requested by Provincial Treasury must be included in the database.

5. Registration and application for preference points

- (1) All suppliers of goods and services wishing to enter into contracts with the provincial government, must register on the Suppliers Database;
- (2) Exception to sub-paragraph (1) will only be considered in exceptional circumstances, as determined by Provincial Treasury;
- (3) A supplier may only be registered on the Suppliers Database provided that supplier meets all statutory requirements for operating a legitimate business;
- (4) When applying for registration, application for preference points is considered;
- (5) Any preference points granted must be open for public scrutiny and objection; and
- (6) A supplier must inform Provincial Treasury immediately when the circumstances under which any preference points were granted initially, have changed. Failure to do so may result in the cancellation of a contract awarded to a supplier on the basis of dated profile particulars.

**PREFERENCE POINT SYSTEM, EVALUATION OF BIDS, AWARDING OF CONTRACTS
PERTAINING TO BIDS NOT SCORING HIGHEST POINTS, CANCELLATION OF BID
PROCESS AND RE-INVITATION OF BIDS**

6. Direct Preference Point System (80/20): Consideration of bids for the procurement of goods and services with an estimated value of R 30 000 up to R 500 000

- (1) the following formula must be used to calculate the points for price in respect of bids/procurement with a Rand value equal to or above R 30 000 and up to a Rand value of R 500 000.

$$P_s = 80 \left\{ 1 - \frac{P_t - P_{min}}{P_{min}} \right\}$$

Where

P_s = Points scored for price of bid under consideration

P_t = Rand value of bid under consideration.

P_{min} = Rand value of lowest acceptable bid.

- (2) A maximum of 20 preference points may be awarded to a bidder for achieving the following specified goals.

Goal 1 (a) Preference points may be allocated to an HDI woman, HDI disabled person or a youth, with reference to the formula below.

(i) $0.0333 \times (X_t - 25)$

Where:

X_t = the equity ownership of an entity under consideration, with respect to HDI women, HDI disabled persons or youth, which must be determined in relation to total equity ownership of the bidder under consideration.

Points are therefore only allocated if the equity ownership of HDI women, HDI disabled persons or youth respectively, is **greater than 25%**.

(b) A maximum of 2.5 points in respect of each group may be allocated. Points may therefore be allocated as follows:

- (i). If HDI women equity ownership is 25% or more, 2.5 points may be allocated proportional to equity ownership.

- (ii). If HDI disabled persons equity ownership is 25% or more, 2.5 points may be allocated proportional to equity ownership.
- (iii). If youth equity ownership is 25% or more, 2.5 points may be allocated proportional to equity ownership.

Points may be allocated cumulatively in respect of the above three groups under the relevant circumstances, as set out above.

Goal 2 : If the bidder is a **black company** with a minimum of **40% black equity ownership**, **7,5 points** must be allocated. (If black equity ownership is less than 40%, no points may be allocated.)

Goal 3 : If the bidder is a **black co-operative** with **100% black ownership**, **2.5 points** must be allocated. (If black ownership is less than 100%, no points may be allocated.)

Goal 4 : Entities which have a **100% PPG equity ownership** will qualify for **2.5 points**. (If PPG equity ownership is less than 100 %, no points may be allocated.)

- (3) The preference points scored by a bidder in respect of the goals contemplated in subparagraph (2) must be added to the points scored for price.
- (4) Only the bid with the highest number of points scored may be selected.

A discussion and explanations regarding the application of the preference point system, is contained in Provincial Practice Note SCM 06 of 2006.

7. Contract Participation Goal System (90/10): Consideration of bids for the procurement of goods and services with an estimated value above R 500 000.

- (1) The following formula must be used to calculate the points for price in respect of bids/procurement with a Rand value above R 500 000:

$$P_s = 90 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

Where

- P_s = Points scored for price of bid under consideration
- P_t = Rand value of bid under consideration
- P_{\min} = Rand value of lowest acceptable bid

- (2) A maximum of 10 preference points may be awarded to a bidder for being an HDI and/or achieving specified goals and/or subcontracting with an HDI. The formula for the calculation of points for the contract participation goals are as follows:

- (i) $N = 10 (D - D_s) / (X - D_s)$

Where

N = Points scored for achieving contract participation goal/s

D = Tendered Participation Goal

Ds = Minimum Participation Goal set by employer (10%)

X = Participation Goal above which no further points are awarded (40%)

(ii) A contractor may achieve his Contract Participation Goal obligations as follows:

- (a) By virtue of HDI status as a Prime Contractor.
- (b) By virtue of PPG status as a Prime Contractor.
- (b) By virtue of joint venture status as a Prime Contractor.
- (c) By awarding/subcontracting to HDI's/PPG's
- (d) By awarding/subcontracting to joint ventures which have HDI/PPG partners.

(3) The preference points scored by a bidder in respect of the goals contemplated in subparagraph (2) must be added to the points scored for price.

(4) Only the bid with the highest number of points scored may be selected.

A discussion and explanations regarding the application of the preference point system, is contained in Provincial Practice Note SCM 06 of 2006.

8. Direct Preference Point System (80/20): Consideration of bids for the sale or letting of assets with an estimated value of R 30 000 up to R 500 000.

(1) The following formula must be used to calculate the points for price in respect of bids with a Rand value equal to, or above R 30 000 and up to a Rand value of R 500 000 and which relate to the sale or letting of assets:

$$P_s = 80 \left(1 + \frac{P_t - P_h}{P_h} \right)$$

Where –

P_s = Points scored for price of bid under consideration
P_t = Rand value of bid under consideration
P_h = Rand value of highest acceptable bid

(2) A maximum of 20 preference points may be awarded to a bidder for achieving specified goals.

Goal 1 (a) Preference points may be allocated to an HDI woman, HDI disabled person or a youth, with reference to the formula below.

(i) $0.0333 \times (X_t - 25)$

Where:

X_t = the equity ownership of an entity under consideration, with respect to HDI women, HDI disabled persons or youth., which must be determined in relation to total equity ownership of the bidder under consideration,

Points are therefore only allocated if the equity ownership of HDI women, HDI disabled persons or youth respectively, is **greater than 25%**.

(b) A maximum of 2.5 points in respect of each group may be allocated. Points may therefore be allocated as follows:

- (iv). If HDI women equity ownership is 25% or more, 2.5 points may be allocated proportional to equity ownership.
- (v). If HDI disabled persons equity ownership is 25% or more, 2.5 points may be allocated proportional to equity ownership.
- (vi). If youth equity ownership is 25% or more, 2.5 points may be allocated proportional to equity ownership.

Points may be allocated cumulatively in respect of the above three groups under the relevant circumstances, as set out above.

Goal 2 : If the bidder is a **black company** with a **minimum of 40% black equity ownership, 7.5 points** must be allocated. (If black equity ownership is less than 40%, no points may be allocated.)

Goal 3 : If the bidder is a **black co-operative** with **100% black ownership, 2.5 points** must be allocated. (If black ownership is less than 100%, no points may be allocated.)

Goal 4 : Entities which have a **100% PPG equity ownership** will qualify for **2.5 points**. (If PPG equity ownership is less than 100 %, no points may be allocated.)

(3) The preference points scored by a bidder in respect of the goals contemplated in subparagraph (2) must be added to the points scored for price.

(4) Only the bid with the highest number of points scored may be selected.

A discussion and explanations regarding the application of the preference point system, is contained in Provincial Practice Note SCM 06 of 2006.

9. **Contract Participation Goal System (90/10): Consideration of bids for the sale or letting of assets with an estimated value above R 500 000**

- (1) The following formula must be used to calculate the points for price in respect of bids with a Rand value above R 500 000 and which relate to the sale or letting of assets:

$$P_s = 90 \left(1 + \frac{P_t - P_h}{P_h} \right)$$

Where -

- P_s = Points scored for price of bids under consideration
 P_t = Rand value of bid under consideration
 P_h = Rand value of highest acceptable bid

- (2) A maximum of 10 preference points may be awarded to a bidder for being an HDI and/or achieving specified goals and/or subcontracting with an HDI. The formula for the calculation of points for the contract participation goals are as follows:

(i) $N = 10 (D - D_s) / (X - D_s)$

Where

- N = Points scored for achieving contract participation goal/s
 D = Tendered Participation Goal
 D_s = Minimum Participation Goal set by employer (10%)
 X = Participation Goal above which no further points are awarded (40%)

- (ii) A contractor may achieve his Contract Participation Goal obligations as follows:

- (a) By virtue of HDI status as a Prime Contractor.
- (b) By virtue of PPG status as a Prime Contractor.
- (c) By virtue of joint venture status as a Prime Contractor.
- (f) By awarding/subcontracting to HDI's/PPG's
- (g) By awarding/subcontracting to joint ventures which have HDI/PPG partners.

- (3) The preference points scored by a bidder in respect of the goals contemplated in subparagraph (2) must be added to the points scored for price.

- (4) Only the bid with the highest number of points scored may be selected.

A discussion and explanations regarding the application of the preference point system, is contained in Provincial Practice Note SCM 06 of 2006.

10. Stipulation of preference point system to be used

A department must in the bid documents, stipulate the preference point system which will be applied in the adjudication of a bid.

11. Evaluation of bids on functionality and price

- (1) A department must in the bid documents, indicate if, in respect of a particular bid invitation, bids will be evaluated on functionality and price.
- (2) The total combined points allowed for functionality and price may, in respect of contracts with an estimated Rand value equal to, or below, R 500 000, not exceed 80 points. Not more than 40 points may be allocated for functionality.
- (3) The total combined points allowed for functionality and price may, in respect of contracts with an estimated Rand value above R 500 000, not exceed 90 points. Not more than 45 points may be allocated for functionality.
- (4) The conditions of tender or the evaluation criteria may stipulate the granting of additional points in terms of functionality for the pursuance of prescribed socio-economic objectives.
- (5) When evaluating the bids contemplated in this regulation, the points for functionality must be calculated for each individual bidder.
- (6) The conditions of bid may stipulate that a bidder must score a specified minimum number of points for functionality to qualify for further adjudication.
- (7) Preference points for achieving specified goals must be calculated separately and must be added to the points scored for functionality and price.
- (8) Only the bid with the highest number of points scored may be selected.

12. Award of contract pertaining to bid not scoring the highest number of points

Despite paragraphs 6(4), 7(4), 8(4), 9(4) and 11(8), a contract may, on reasonable and justifiable grounds, be awarded in respect of a bid that did not score the highest number of points. The reasons for such an award should be clearly documented for auditing purposes.

13. Cancellation of bid process and re-invitation of bids

- (1) In the event that, in the application of the 80/20 preference point system as stipulated in the bid documents, all bids received exceed the estimated Rand value of R 500 000, the bid invitation must be cancelled.
- (2) In the event that, in the application of the 90/10 preference point system as stipulated in the bid documents, all bids received are equal to or below, R 500 000, the bid invitation must be cancelled.
- (3) A department which has cancelled a bid invitation as contemplated in sub-paragraphs (1) and (2) must re-invite bids and must, in the bid documents, stipulate the preference point

system to be applied.

- (4) A department may prior to the award of a bid, cancel a bid process if-
 - (a) due to changed circumstances, there is no longer a need for the goods or services;
 - (b) funds are no longer available to cover the total envisaged expenditure; or
 - (c) no acceptable bids are received.

14. Threshold for Quotations

The maximum monetary value of the threshold for quotations is R ⁵200 000.

15. General conditions

- (1) A department may, in the adjudication of bids, give particular consideration to procuring locally manufactured products. Preference points in this regard may be accommodated within the ambit of the Direct Preference (80/20) or Contract Participation Goal (90/10) point systems by allocating points for functionality, within the range of 80 or 90 points respectively. For specific industries (determined by the Department of Trade and Industry), where the award of a contract to local manufacturers is of critical importance, the relevant bids may be advertised with a specific bidding condition that locally manufactured products will be given preference.
- (2) Only a bidder who has completed and signed the appropriate declaration on the bid documentation may be considered for preference points.
- (3) A department may, before a bid is adjudicated or at any time, require a bidder to substantiate claims it has made with regard to preference points.
- (4) A department must when calculating comparative prices, take into account any discounts which have been offered unconditionally.
- (5) A discount which has been offered conditionally must, despite not being taken into account for evaluation purposes, be implemented when payment is effected.
- (6) In the event that two or more bids have equal total points scored, the successful bidder must be the one scoring the highest number of preference points for specified goals. Should two or more bids be equal in all respects, the award shall be decided by the drawing of lots.

16. Principles

- (1) The equity ownership contemplated in calculating preference points must be equated to the percentage of an enterprise or business, including a close corporation, owned by individuals or, in respect of a company, the percentage of a company's shares that are owned by individuals, who are actively involved in the management of the enterprise or business and exercise control over the enterprise or business, commensurate with their degree of ownership at the closing date of the bid.
- (2) In the event that the percentage of ownership contemplated in sub-paragraph (1) changes after the closing date of the bid, the bidder must notify the relevant department or that bidder will not be eligible for any preference points.

- (3) Preference points may not be claimed in respect of individuals who are not actively involved in the management of an enterprise or business and who do not exercise control over an enterprise or business commensurate with their degree of ownership.
- (4) Subject to sub-paragraphs (1), (2) and (3), all claims made for equity ownership by an HDI must be considered according to the following criteria:
 - Equity within private companies must be based on the percentage of equity ownership;
 - Preference points may not be awarded to public companies and tertiary institutions; and
 - Equity claims for a Trust may only be allowed in respect of those persons who are both trustees and beneficiaries and who are actively involved in the management of the Trust.
- (5) Documentation to substantiate the validity of the credentials of the trustees contemplated in sub-paragraph (4) must be submitted to the relevant department.
- (6) Consortium or Joint Venture may, based on the percentage of the contract value managed or executed by their HDI members, be entitled to equity ownership in respect of an HDI.
- (7) The number of points scored for a Consortium or Joint Venture must be added to the number of preference points scored for achieving specific goals, weighted in accordance with their participation agreement.
- (8) The preference points contemplated in sub-paragraph (7) must be added to the preference points scored for price, in order to establish the total number of points scored.
- (9) Subject to paragraph (10), the contract may be awarded pertaining to the bid which scores the highest points.
- (10) A person awarded a contract as a result of preference for contracting with, or being an HDI, may not subcontract more than 25% of the value of the contract to a person who is not an HDI or does not qualify for the preference points.

17. Tax clearance certificate

No contract, above the threshold limit, may be awarded to a person who has failed to submit an original Tax Clearance Certificate from the South African Revenue Services (“SARS”) certifying that their taxes are in order or that suitable arrangements have been made to the satisfaction of SARS. Although this requirement does not apply to contracts awarded below the threshold limit, it does not imply that suppliers to which such contracts are awarded, do not have to comply with requirements determined by SARS concerning the payment of tax.

To support the specific objectives of the KwaZulu-Natal Government, policies regarding the application of these provisions will be made.

APPEALS

18. Bid Appeals Tribunal

- (1) The MEC for Finance and Economic Development must establish an independent and impartial Bid Appeals Tribunal.
- (2) Members of the Bid Appeals Tribunal must:
 - (i) collectively have appropriate skills and expertise that will enhance the capacity and effectiveness of the tribunal; and
 - (ii) be fit and proper persons to hold office as members of the tribunal.
- (3) The Bid Appeals Tribunal must consist of four members appointed from civil society.
- (4) Two of the members of the Bid Appeals Tribunal must be qualified to be admitted to practice as a legal practitioner in the Republic and have experience related to the application or administration of the law, or have lectured in law at a university in the Republic.
- (5) The other two members of the Bid Appeals Tribunal must have knowledge of the Supply Chain Management process.
- (6) The MEC for Finance and Economic Development must appoint the members of the Bid Appeals Tribunal after consultation with Cabinet and the Portfolio Committee.
- (7) The MEC for Finance and Economic Development must appoint one person referred to in sub-paragraph (4) as the Chairperson and the other as the Deputy Chairperson of the Bid Appeals Tribunal.
- (8) A quorum of the Tribunal is constituted by at least three members, of whom one member must be the Chairperson or Deputy Chairperson.

19. Appeals Procedure

- (1) The following entities aggrieved by a decision of a departmental Bid Adjudication Committee or a delegate of an accounting officer, may appeal to the Bid Appeals Tribunal in the prescribed manner –
 - (a) a department
 - (b) a bidder.
- (2) The department or bidder must, within five working days of receipt of the notification of an award, deliver written notification of an intention to appeal.
- (3) The department or bidder may, together with the notification of intention to appeal under paragraph (2), deliver a request for written reasons for the award of the said bid.

- (4) The Bid Adjudication Committee or a delegate of an accounting officer must deliver to the appellant the written reasons requested under paragraph (3) within ten working days.
- (5) The appellant must, within ten working days of receipt of the written reasons delivered under paragraph (4), or, failing a request for written reasons under paragraph (3), within ten working days of giving notice under paragraph (2), submit written representations to the Bid Appeals Tribunal, indicating sufficiently and without unnecessary elaboration the grounds and basis of the appeal and the nature of the complaint.
- (6) Upon receipt of a notice of intention to appeal, the Bid Appeals Tribunal must notify other bidders who may be adversely affected by the appeal, in writing of the appeal and invite them to respond within five working days.
- (7) No oral hearing of appeals will be allowed unless the Chairperson of the Bid Appeals Tribunal, in the interests of justice, issues a directive indicating otherwise, in which event the procedure to be followed will be as prescribed.
- (8) A decision of the majority of the members of the Bid Appeals Tribunal will be the decision of the Bid Appeals Tribunal.

20. Grounds of Appeal

The Bid Appeals Tribunal may interfere with a decision of an Accounting Officer, a Bid Adjudication Committee or a delegate of the Accounting Officer, only if the Accounting Officer, Bid Adjudication Committee or the delegate -

- (a) committed misconduct in relation to their duties concerning the awarding of contracts;
- (b) committed a gross irregularity;
- (c) exceeded its or their power;
- (d) awarded a contract in an improper manner; or
- (e) awarded a bid inconsistent with the objectives of the Act.

21. Determining whether an Appeal is Frivolous, Vexatious or without Merit

- (1) The Chairperson of the Bid Appeals Tribunal must determine, within three working days after receipt of the written representations of an appellant under paragraph 19(5), whether an appeal is frivolous, vexatious or without any merit.
- (2) If the Chairperson of the Bid Appeals Tribunal finds under sub-paragraph that an appeal is frivolous, vexatious or without any merit, the Chairperson of the Bid Appeals Tribunal –
 - (i) must dismiss the appeal and in writing notify the appellant and any other bidder which responded under paragraph 19(6), of the decision, together with reasons for the decision; and
 - (ii) may make an appropriate order as to costs, which may include the costs to the Province of having the appeal heard.

22. Powers of the Bid Appeals Tribunal

- (1) In respect of appeals not determined under paragraph 21 to be frivolous, vexatious or without any merit, the Bid Appeals Tribunal -
 - (i) must hear and finalize the appeal within fourteen working days of the determination under paragraph 21;
 - (ii) must make recommendations to the MEC for Finance to confirm, vary or set aside the decision of a Bid Adjudication Committee, an Accounting Officer or his/her delegate; and
 - (iii) may make an appropriate order as to costs, which may include the costs to the Province of having the appeal heard.
- (2) If the award is set aside, the Bid Appeals Tribunal must make any order it considers appropriate regarding the procedures to be followed to determine the matter.

23. Remuneration of Members of the Bid Appeals Tribunal

The MEC for Finance and Economic Development must prescribe the remuneration and allowances payable to a member of the Bid Appeals Tribunal out of the funds of Provincial Treasury.

OTHER MATTERS

24. Promoting SMME's and Co-operatives

- (1) Departments may where SMMEs and co-operatives are concerned, make payments within fourteen days of receipt of invoice, in order to facilitate execution of their contractual obligations.
- (2) Departments may determine the guarantees and sureties required in respect of all contracts, based on their assessment of the capacity of the SMME and co-operative contractor to execute the contract.