

SCM FREQUENTLY ASKED QUESTIONS

GENERAL SCM

Q1: Legislation applicable to the supply chain and movable asset management system

- Constitution of the Republic of South Africa, 1996;
- Public Finance Management Act (Act No. 1 of 1999);
- Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000);
- Preferential Procurement Regulations, 2017;
- Broad Based Black Economic Empowerment Act, 2003 (Act 53 of 2003);
- State Information Technology Agency Act, 1998 (Act 88 of 1998);
- Construction Industry Development Board Act, 2000 (Act 38 of 2000);
- Prevention and Combating of Corrupt Activities Act, 2004 (Act 12 of 2004);
- Promotion of Administrative Justice Act, 2000 (Act 3 of 2000);
- Promotion of Access to Information Act, 2000 (Act 2 of 2000); and
- any other legislation applicable to the institution's (provincial department or public entity) supply chain management system.

Q2: What are the core principles for an appropriate supply chain management system?

Accounting officers or accounting authorities must ensure that the supply chain management system is developed in accordance with the constitutional imperatives for a procurement system which is:

- fair;
- equitable;
- transparent;
- competitive; and
- cost effective.

Q3: Western Cape Standard Bidding Documents

To give effect to the requirements of National Treasury Regulation 16A.6.3(a) and (b), the Provincial Treasury has consolidated certain information as included in National Treasury's Standard Bidding Documents (SBD). The bidding documents, customised with the WCBD prefix, includes the following:

- WCBD 1: Invitation to Bid and Terms and Conditions for Bidding;
- WCBD 3.1: Pricing Schedules – Firm Prices (Purchases);
- WCBD 3.2: Pricing Schedules – Non-firm Prices (Purchases);
- WCBD 3.3: Pricing Schedule (Professional Services);
- WCBD 4: Declaration of Interests, Bidders Past SCM Practices and Independent Bid Determination;
- WCBD 5: National Industrial Participation Programme;
- WCBD 6.1: Preference Points Claim Form in terms of the Preferential Procurement Regulations, 2017 and Codes of Good Practice;
- WCBD 6.2: Declaration Certificate for Local Production and Content for Designated Sectors;
- WCBD 7.1: Contract Form for Goods and Services; and
- WCBD 7.2: Sale of Goods.

Q4: Threshold values for various forms of procurement

Accounting officers or accounting authorities must adhere to the following threshold values for the procurement of goods or services:

- goods or services up to an estimated value of R2000 (inclusive of all taxes) may be procured through petty cash;
- goods or services above an estimated value of R2 001 and up to R500 000 (inclusive of all taxes) must be procured through invitation of price quotations; and
- goods or services above the estimated value of R500 000 (inclusive of all taxes) must be procured through a competitive or limited bidding process.

Accounting officers or accounting authorities must ensure that goods or services are not deliberately split into parts as items of lesser value merely to avoid complying with the requirements of the prescribed threshold values as contained in the above paragraphs.

Q5: What are forms of procurement?

- Petty cash purchases
- Invitation of price quotations
- Competitive bidding
- Limited bidding
- Emergency procurement
- Unsolicited bids
- Provincial transversal contracts
- National transversal contracts
- Contracts procured by other organs of state

Q6: What are the requirements to do business with the Western Cape Government?
Supplier must:

- acquaint and up-skill themselves to enable them to participate in the procurement processes.
- self-register on the Central Supplier Database (CSD).
- register on the Western Cape Supplier Evidence Bank (WCSEB) via the eProcurement Solution.
- obtain a B-BBEE certificate/sworn affidavit and complete WCBD 6.1 to claim B-BBEE points.
- complete the compulsory Declaration document WCBD4.
- be Tax Compliant.
- be in position of a credible bank account.

Please note:

- There is no cost involved for a supplier to register on the CSD & WCSEB or to update profiles.
- All registration costs on the WCSEB are carried by the Provincial Treasury.

Q7: Penalties for Suppliers in terms of the Criminal Law Amendment Act 105 of 1997
Minimum sentence of 15 years' imprisonment for fraud, theft and forgery.

Q8: Penalties for Suppliers in terms of the Prevention and Combating of Corrupt Activities Act 12 of 2004

- Imprisonment for life (High Court).
- Register for tender defaulters (National Treasury).
- Agreements terminated.
- Offenders black-listed.

Q9: What constitutes fraud?

- misrepresentation/providing false information,
- intent to deceive,
- prejudice or potential prejudice,

Q10: Can withholding of information constitute a misrepresentation?

Yes, withholding information as a supplier can constitute misrepresentation.

Examples:

- failure by bidder to disclose that he/she is related to an employee of the state or that an employee of the state has a share in the bidding entity.
- failure to disclose collusion with employees of the state.
- inside information obtained about a tender.
- specifications are manipulated / collusion with employees of the state.

- manipulation of the quotation sourcing process.

Q11: Can employees of the state do business with the Western Cape Government?

The supply chain management system of the organ of state must, irrespective of the procurement process followed, prohibit any award to an employee of the state, who either individually or as a director of a public or private company or a member of a close corporation, who seeks to conduct business with the Western Cape Government, unless such employee is in an official capacity a director of a company listed in Schedule 2 or 3 of the PFMA.

Q12: Dispute mechanism in terms of the supply chain management [Treasury Regulation 16A9]

Persons aggrieved by decisions made or actions taken during the implementation of the departments' supply chain management system, may lodge within 14 days of becoming aware of the decision or action taken, a written objection or complaint against the decision or action to the accounting officer or accounting authorities.

Q13: What limited or non-sensitive information may be made public after the award of a contract upon written request by a bidder?

- Names of all responding Bidders.
- Lead Price of successful Bidder.
- Where applicable, the preferences claimed.
- Reasons for pass-over of the enquiring Bidder's offer.
- Any further information may be requested by the Bidder in the context of the Promotion of Access to Information Act.

Central Supplier Database

Q14: Why is the supplier registration on the CSD compulsory?

National Treasury has established a Central Supplier Database on behalf of all departments, constitutional institutions and public entities listed in Schedule 2 and 3 of the Act.

From 01 April 2016 organs of state were required to **only** do business with suppliers that are duly registered on the CSD.

The CSD was defined with the intent to:

- be the single source of all supplier information for all organs of state;
- reduce the paper-based exchange of compliance documents;
- eliminate multiple registrations with different organs of state;
- reduce the cost for both business and government by enabling electronic registration and verification processes; and
- reduce audit queries on suppliers' compliance information.

Western Cape Supplier Evidence Bank

Q15: Why is the supplier registration on the WCSEB compulsory?

Compulsory registration on the WCSEB for procurement via eProcurement Solution is a policy decision taken by the Western Cape Government in order to utilise the WCSEB as a central repository of governance documentation i.e. WCBD 4, WCBD 6.1 and BBBEE certification that is required in the procurement process.

Q16: WCSEB registration forms

- SEB Registration form;
- Commodity list;
- WCBD4 for Declaration of Interest;
- WCBD6.1 for Claiming preference points for BEE status; (must be submitted with BEE affidavit/certificate);

- B-BBEE Exempted Micro Enterprise Affidavit General; OR
- B-BBEE Exempted Micro Enterprise Affidavit Specialized; OR
- B-BBEE Qualifying Small Enterprise Affidavit General; OR
- B-BBEE Qualifying Small Enterprise Affidavit Specialized; OR
- B-BBEE Exempted Micro Enterprise Affidavit for Construction sector.

Q17: What are the governance documents housed on the WCSEB?

- WCBD 4
 - ❖ Compulsory document which is valid for one (1) year.
- WCBD 6.1 and BBBEE certificate/affidavit
 - ❖ Optional governance documents which are valid for one (1) year.
 - ❖ WCBD 6.1's validity is based on the validity period of the BBBEE certificate or affidavit.
 - ❖ BEE affidavit must have the month & year on the space for the financial year-end, e.g. March 2020.
 - ❖ A supplier must ensure that all commissioned documents have force numbers of South African Police Services (SAPS) officials if such documents will be commissioned by a Constable, Sergeant or Warrant Officer at SAPS.

Q18: How many B-BBEE documents can a supplier submit?

A supplier may only submit one (1) B-BBEE document, or a B-BBEE certificate obtained from a SANAS accredited agent or a CIPC affidavit.

Q19: What is the cost of registration?

Registering on the database is free.

Q20: What do I need to do to get registered?

Visit the WCSEB Walk-in Centre and submit the documentation required as per Q9 above.

Q21: What are the contact details for the WCSEB?

WCSEB Walk-in Centre physical address;

Provincial Treasury, 4 Waterford Place, 2nd Floor, Century City, Cape Town
Private Bag X9165, Cape Town, 8000

Email: wcseb@westerncape.gov.za

Please Note: The Office is closed due to Coronavirus pandemic you can contact us by email.

Q22: Does the CSD and WCSEB registration apply when procuring through petty cash?

No.

Q23: Does the CSD and WCSEB registration apply when procuring from foreign suppliers with no local registered entity?

No.

Q24: Does the CSD and WCSEB registration apply when procuring from any other entity as may be directed by National Treasury from time to time?

No.

Q25: Is the CSD and WCSEB registration compulsory for procurement below R500 000?

Yes.

Q26: Is the CSD registration compulsory for procurement above R500 000?

Yes.

Q27: Is the WCSEB registration compulsory for procurement above R500 000?

No.

Q28: Is a Tax Clearance Certificate (TCC) still a requirement?
No, the supplier Tax Compliance Status is verified via the CSD.

Q29: Can a supplier be suspended on the WCSEB for a non-compliant tax status?
No, the supplier Tax Compliance Status is verified via the CSD.

Q30: When will a supplier be suspended on the WCSEB?
A supplier will **only** be suspended on the WCSEB for an outdated WCBD 4.

eProcurement Solution

Q31: What is the e-Procurement Solution?
e-Procurement Solution is an internet-based sourcing solution utilised by the provincial departments and public entities for invitation of quotations, the receipt thereof and the adjudication of bids submitted by suppliers.

Tender Opportunities

Q32: How can the suppliers access Western Cape Government opportunities?

Bids

- all competitive bids must be advertised on the eTender Bulletin Portal.
- all competitive bids must be advertised on the Government Tender Bulletin.
- the awards of all competitive bids must be published on the eTender Bulletin Portal.
- the awards of all competitive bids must be published on the Government Tender Bulletin.

Quotations

- all prospective suppliers who wish to do business with the Western Cape Government must be registered on the WCSEB via eProcurement Solution.

To access tenders or bids and their results, please visit the eTender Publication Portal website www.etenders.gov.za and for weekly tender bulletin please visit <https://www.gov.za/documents/tender>.