

E-PROCUREMENT SOLUTION BUSINESS PROCESS CHANGES

1. CREATION OF REQUEST FOR QUOTATIONS (RFQ)

- 1.1 The system will default to the below minimum advertising periods linked to relevant procurement threshold. **NB: Departments and public entities are required to review the need for adjusting the acceptable timeframes per procurement threshold bearing in mind the adequacy of response times in order for a supplier to appropriately respond to a Request for Quotation:**
- i. As per paragraph 5.5.2 (a) and (b) of the Provincial Treasury Instructions, 2019 it is currently a discretionary requirement to utilise the ePS for requirements between R2 000 and R10 000. Where institutions opt to utilise the ePS for procurement between R2 000 and R10 000 (VAT inclusive), such requirement must be advertised for a minimum period of 24 hours;
 - ii. procurement above R10 000 and up to R30 000 (VAT inclusive) must be advertised for a minimum period of 24 hours;
 - iii. the invitation of price quotations above R30 000 and up to R500 000 (VAT inclusive) must be advertised for a minimum period of 48 hours; and
 - iv. all procurement above R500 000 and up to a maximum of R1 million (Vat inclusive) must be advertised for a minimum period of seven (7) days.
- 1.2 The ePS allows for shortened advertising periods where approval has been granted by the delegated authority for such shortened advertising periods or in respect of emergency procurement. Institutions will be required to select the appropriate reason on the system for the shortened advertising period and will be required to upload the supporting evidence at the finalisation of the RFQ phase. Institutions must therefore ensure that its SCM policy and delegations provide for such instances.
- 1.3 In the interest of fairness, transparency and competitiveness RFQs (excluding shortened advertised period RFQs) may only be published before 20h00 on weekdays (excluding public holidays) to ensure suppliers are afforded a reasonable timeframe to submit offers during working hours. It must also be noted that the ePS defaults to a weekday (excluding public holidays and weekends).
- 1.4 The limitations as per paragraph 1.3 above, do not apply to shortened advertising periods as such can be advertised between one (1) and forty-seven (47) hours for quotations above R30 000 and up to R500 000 and between one (1) and six (6) days for procurement above R500 000 and up to a maximum of R1 million, where such approval has been granted by the relevant delegated authority to ensure service delivery requirements are met specifically in cases of emergency procurement.

2. COMPULSORY SITE MEETINGS

- 2.1 Institutions must ensure that there is **at least 48 working hours available after** the compulsory site meeting for suppliers to provide responses so as to not prejudice any supplier from responding appropriately. This would require institutions to plan appropriately to ensure that these lead times are met particularly in terms of fairness, transparency and competitiveness. The compulsory site meeting information must be captured below the conditions of tender on the ePS and it may also be included in the specification document uploaded onto the ePS.

3. PROCUREMENT METHOD: LIMITED BIDDING

- 3.1 Motivations for limited bidding must be aligned to paragraph 5.5.4 of Chapter 16A of the Provincial Treasury Instructions, 2019 when procuring via the limited bidding process on the ePS.
- 3.2 Institutions are required to advertise limited bidding RFQs for a minimum period of 24 hours. Buyers are required to upload the approval and/or motivation for utilising the limited bidding process at the finalisation of award phase of the RFQ to support the decision-making process.
- 3.3 Supervisors are required to ensure that the necessary approvals to utilise limited bidding has been granted before approving the RFQ for publishing on the system.

4. SECONDARY BUYERS AND APPROVERS

- 4.1 It is recommended that, where possible, institutions select a secondary buyer and a secondary approver for all RFQs for business continuity and to alleviate any possible delays in the procurement process in the event that primary buyers or approvers are not available to continue with the procurement process.

5. SELECTION OF COMMODITIES

- 5.1 The ePS do not have a supplier limitation hence multiple commodities may be selected per RFQ to give effect to the requirements of the specification.
- 5.2 The ePS do not restrict the type of commodities that may be combined on a single RFQ, hence there is a potential risk that buyers may advertise two or more commodities that are not related. As an example, stationery and catering are advertised as one RFQ. Institutions are cautioned against this practice and buyers as well as supervisors must apply due diligence when performing their functions on the system to avoid unnecessary cancellation of RFQs as well as impacting on service delivery. It is therefore prohibited that unrelated commodities are advertised as one RFQ unless it is advertised with multiple line items to conclude a project undertaken by the Department.

6. IMPLEMENTATION OF MUNICIPAL REGIONAL INDICATORS

- 6.1 Upon the issuance of the Preferential Procurement Regulations, 2017, Provincial Cabinet resolved that the Province implement regional indicators to stimulate economic growth within the area of procurement and hence the Provincial Treasury (PT) issued Treasury Circular No. 12 of 2017 that sets out the requirements to implement regional indicators. Institutions are required to adhere to the requirements of the above-mentioned Treasury Circular No. 12 of 2017 in respect of municipal regional indicators, if not already implemented.
- 6.2 The supplier selection criteria for an RFQ may be filtered using the Municipal Region, Postal Code and Turnover category selection criteria where the institutions policy allows for this or where approval has been granted on a case by case basis.
- 6.3 The implementation of municipal regional indicators is a policy decision that requires approval by the accounting officer or accounting authority and must be documented in the Departments and public entities SCM system (Accounting Officer's System and SCM Strategy).

7. BIDDERS LINKED TO THE RFQ

- 7.1 Only bidders who are actively registered (dependent on a valid WCBD 4) on the WCSEB at the date and time of publishing of the RFQ will receive the invitation to submit an offer if eligible in terms of the criteria selected by the buyer. This would imply that not all suppliers listed at the “Link and view suppliers” phase will receive the RFQ as the registration status of suppliers are continuously changing (active and inactive) on the WCSEB depending on the validity of the WCBD 4.
- 7.2 On the “Link and view suppliers” tab, buyers will note a WCBD 4 column indicating a date in red. This flag was added to highlight the date when the current WCBD 4 will expire prior to the date and time of publication. Where no date is indicated, the expiry date of those WCBD 4s are beyond the publication date of the RFQ.
- 7.3 Institutions must also note that any profile changes of a supplier on the WCSEB will only reflect on the ePS the next day given the technical requirements of updating the ePS.
- 7.4 The bidders' current B-BBEE points as approved and evidentiary proof uploaded onto the WCSEB, if claimed by the bidder, will be linked to the RFQ at the closing date and time of the RFQ.

8. AWARD INFORMATION

- 8.1 Institutions are requested via the buyer functionality to ensure that the correct award information is captured on the ePS, i.e. that the correct successful bidder is selected. Once the award process has been effected, such decisions cannot be reversed, as this will impact on the credibility of the data on the system which will affect the information provided to support the audit trail as well as the credibility of performance information drawn from the system and included in the Quarterly System Insight Reports and various other ad hoc reporting to Provincial Cabinet as Parliament provided by the Provincial Treasury. The Provincial Treasury accepts that institutions will exercise caution when capturing this information which will be used for the purposes of reporting and publishing as required from time to time.
- 8.2 The PT notes that in certain circumstances the successful bidder may be unable to provide the goods or render the services after the award information was captured and such cannot be amended on the ePS. However, this will be introduced as an enhancement going forward on the system.
- 8.3 In the interim, where such a scenario exists, the following must be actioned:
- i. buyers are required to upload the amended procurement template with the appropriate reasons on the system to establish a credible audit trail; and
 - ii. Institutions must report these instances in the attached **Annexure C**, to be submitted to the Provincial Treasury on a quarterly basis prior the 7th of the month following a quarter.

9. COMMUNICATION FUNCTIONALITY

- 9.1 Bidders may only request clarity regarding the specification via the messaging functionality on the system before the closing date and time of an RFQ. Any clarification requested outside of the system should not be responded to by buyers as such is a control mechanism to ensure that clarification is communicated to all bidders invited to the RFQ in the interest of transparency and fairness in terms of Section 217 of the Constitution.

9.2 The system does not limit bidders to only utilise the messaging functionality within the publishing period hence institutions must guide buyers in terms of the cut- off period for responding to clarification messages by incorporating such limitations and conditions in their SCM policy as a control mechanism.

9.3 The message functionality is available to buyers and bidders throughout the RFQ lifecycle.

10. CANCELLATION OF AN RFQ

10.1 An RFQ may be cancelled at any stage prior to the award of the RFQ in the procurement process. The reason for a cancellation must be captured on the system **and it must be noted that a cancellation after publication approval will require the supervisor to approve the cancellation request.** Once the cancellation process has been effected, such decisions cannot be reversed.

If the need is still required by the department the process of initiating a RFQ must commence de novo (i.e afresh).

10.2 If an RFQ was cancelled in error, the RFQ must be re-advertised on the system to mitigate the re-opening of cancelled events.

10.3 An automated e-mail notification will be sent to all participating suppliers informing them of the RFQ cancellation. The notification will not specify the cancellation reason captured by the buyer as suppliers will be directed to Departments for further information.

11. COST BREAK DOWNS

11.1 Cost breakdowns must be administered on the ePS and not outside of the system. Suppliers must be informed via the specification that cost breakdowns must be uploaded on the "supplier response" screen below "Introduction" where specified "*Please upload attachments here (if applicable)*".

11.2 Where the upload of cost breakdowns or other substantiating documents are mandatory, bidders must be informed via the specification/ bid conditions that failure to upload such documents on the ePS will render their offers unresponsive.

11.3 Cost breakdowns submitted via fax or e-mail **MUST NOT** be accepted as this process is outside of the system and is open to tampering, collusion etc.

12. DOCUMENT UPLOAD ON THE ePS

12.1 The following documents must be uploaded on the ePS at the finalization phase of the RFQ:

- i. manual requisition (Log 1);
- ii. procurement template (approved); and
- iii. order (number must also be captured on the screen).

12.2 Other documents may also be uploaded and saved to the ePS until the RFQ is "Marked as finalised" after which no further documents can be uploaded.

13. ePS UNAVAILABILITY

13.1 In the event that the ePS are unavailable due to technical challenges, Institutions must follow paragraph 5.6 of Chapter 16A of the PTIs, 2019 "Deviations from Utilising the ePS".

13.2 Institutions are required to maintain evidence of the ePS unavailability as part of the audit trail and must inform the Provincial Treasury of all awards made to a supplier as per the above process through the monthly reporting process referred to in paragraph 6.3.3 of Chapter 16 A of the PTIs, 2019.

14. SUB-CONTRACTING

14.1 Bidders may indicate its intention to sub-contract a portion of the contract to another bidder at paragraph 1.7 of the supplier's response to the RFQ on the system.

14.2 If sub-contracting is applicable, institutions are required to add to the specifications that the original WCBD 6.1 must be submitted to the relevant institution.

14.3 The bidder must download the WCBD 6.1, availed at paragraph 1.7, which must be duly completed to reflect the bidders sub-contracting arrangements. The completed WCBD 6.1 must be uploaded by the bidder for evaluation purposes at paragraph 1.8 of the "Supplier Response" screen.