



# PAARDEN EILAND CITY IMPROVEMENT DISTRICT

Reg No: 2008/008315/08

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## PAARDEN EILAND CITY IMPROVEMENT DISTRICT - PROCUREMENT POLICY

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#### **1. Aim of the policy**

1. Provide guidelines for the procurement of goods and services by the Paarden Eiland CID NPC in such a way that is cost-effective, sustainable, transparent, competitive, and fair.
2. Promote openness and fairness to the procurement process.
3. Promote procurement from local sources while encouraging others to follow suite.
4. Empower previously disadvantaged people as well as promoting BEE.
5. Empower woman and physically handicapped people.
6. Support locally produced products.
7. Eliminate fraud and corruption.

#### **2. Commencement**

1. This policy is effective from the day on which it is approved by the Board of the Paarden Eiland CID NPC.
2. The policy must be reviewed by the Board annually before the AGM.

#### **3. Publication of the policy**

1. This policy will be published on the Paarden Eiland CID NPC website once approved by the Board and a copy will be send to the City of Cape Town CID's department.
2. No unauthorised copies of this policy may be used or advertised on any social media platforms unless permission has been granted by the Paarden Eiland CID NPC Board.



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## 4. Communications and Notices

1. In order to remain fully transparent, any transaction values above R50000 but less than R100000 will be displayed on the NPC Website.
2. For any transaction values above R100 000, the bid will be published in at least one local newspaper as well as being displayed on the NPC Website and Social Media.

## 5. Community based supplier

1. The Paarden Eiland CID NPC must at all times firstly request quotations from suppliers based in the Paarden Eiland Industrial area before seeking it elsewhere.
2. Procurements done up to the value of R5000, will be paid by credit card.
3. Procurements done from R5000 – R100000, will be done by EFT payment.

## 6. Competitive process

1. Where the transaction value is **less than R5000,00**, the Board, the CID Manager or any other delegated person may procure goods or services by way of direct negotiation.
2. Where the transaction value **exceeds R5000,00 and is less than R50000,00**, the CID Manager must obtain written quotations from at least three different suitably qualified and experienced providers which must be forwarded to the Board for their approval during the following Board meeting.
3. The aforesaid written quotations must be obtained by way of direct negotiation and/or bid invitations via the Paarden Eiland CID NPC's social media platforms and website.
4. If it is not possible to obtain three written quotations, the reasons must be recorded by the CID Manager and forwarded to be acknowledged and approved by the Board during a round robin.
5. The CID NPC Manager must record all information of the potential providers and attach this to their written quotations before submitting this to the Board in a round robin conversation.
6. The Board collectively must consider the written quotations and may award the contract to the preferred bidder without further discussions on the matter in the event of any situation described in point 8(eight).
7. Where the transaction is **higher than R50000**, tenders must be invited via public notice advertised on the Paarden Eiland CID NPC social media and website as well as in at least one local newspaper.
8. The Paarden Eiland CID NPC Manager will, by means of written motivation, suggest a preferred bidder to the Board following the bid process but this must be justifiable and in line with the aims of the policy as explained in point 1(one).
9. Bidders will then be discussed by the Board during a round robin at which time they will be identified. The successful bidders will then be discussed during a Board meeting after which



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time the successful bidder would be informed of their successful application by the Paarden Eiland CID NPC Manager.

## **7. Contracts**

1. Any contracts entered into with a service provider must include clear performance indicators with appropriate targets and/or service levels.
2. Provision must also be made for regular meetings with the service provider to review the performance against the targets.
3. A penalty system must be implemented to ensure that non-performance is dealt with accordingly.
4. A termination clause must be added to any contractual agreement that allows for termination in the event of poor or non-performance.

## **8. Deviation from the procurement policy**

1. The Board may dispense with the procurement processes stipulated in this policy and procure any required goods or services through any convenient process, which may include direct negotiation, but only in respect of any contract relating to an emergency where it would not be in the interest of Paarden Eiland CID NPC to invite bids or written quotations.
2. When there is a sole provider of goods which is easily obtainable.
3. Also, where there is an exceptional circumstance where it would be impractical or impossible to follow the official process.
4. The Board may ratify any minor breach of the policy by a delegated person, provided the breach is of a technical nature.
5. Any deviations shall be recorded by the Paarden Eiland CID NPC Manager and reported, via email, to all Board members.

## **9. Contract splitting.**

1. The provision of goods or services may not be split into parts, or items of lesser value, in order to avoid complying with the requirements of this policy.
2. In the event that this happens, the agreement will immediately be terminated.