



POLICY

Procurement Policy

Policies and Constitution

POLICY NUMBER	BDA-SCM-001
---------------	-------------

VERSION	1.0
---------	-----

APPROVED BY	BDA Board of Directors
-------------	------------------------

EFFECTIVE DATE	To be confirmed
----------------	-----------------

NEXT REVIEW	To be confirmed
-------------	-----------------

DOCUMENT CONTROL

Version	Date	Author	Description
1.0	[Date]	Ethics & Legal Committee	Initial Policy

1. PURPOSE AND BACKGROUND

The Burgersdorp Development Agency ("BDA") is entrusted with public and donor funds to pursue its development mandate. The responsible and transparent management of all procurement activities is therefore a fundamental obligation of the organisation.

This Procurement Policy ("the Policy") establishes the principles, processes, and procedures that govern all acquisition of goods, works, and services by BDA. The Policy is designed to:

- Ensure all procurement is conducted fairly, transparently, and equitably;
- Achieve value for money in all procurement decisions;
- Prevent fraud, corruption, and conflicts of interest in procurement;
- Ensure compliance with applicable South African legislation and funder requirements;
- Promote the participation of local, small, and B-BBEE-compliant suppliers; and
- Ensure accountability and proper documentation of all procurement activities.

2. SCOPE OF APPLICATION

This Policy applies to all procurement of goods, services, and works by BDA, regardless of the funding source. It applies to all employees, board members, and agents acting on behalf of BDA in any procurement capacity. All procurement must be processed through the official BDA procurement system. No individual may procure goods or services on behalf of BDA outside this Policy.

3. DEFINITIONS

Term	Definition
B-BBEE	Broad-Based Black Economic Empowerment, as defined under the B-BBEE Act 53 of 2003 and its Codes of Good Practice.
Bid	A formal offer submitted by a supplier in response to a BDA Request for Proposals or open tender.
Contract	A legally binding agreement between BDA and a supplier for the provision of goods, works, or services.
Emergency Procurement	Procurement conducted outside the normal process due to an urgent and unforeseen need that cannot be delayed without significant risk.
Preferred Supplier	A supplier formally registered on BDA's Approved Supplier Register following successful vetting.
Procurement	The process of acquiring goods, services, or works, from identifying the need through to contract conclusion and payment.
Procurement Committee	A committee of BDA management responsible for evaluating bids and recommending awards for medium and large-value procurement.
RFQ	Request for Quotation – a formal solicitation document sent to suppliers inviting price quotations for defined goods or services.

RFP / Tender	Request for Proposals / Invitation to Tender – a formal, publicly advertised solicitation for large or complex procurement requirements.
Single Source	Procurement from a single supplier without competitive solicitation, used only in emergencies or where a monopoly exists.
Value for Money	The optimum combination of economy, efficiency, and effectiveness, considering quality, price, and service delivery.

4. GUIDING PRINCIPLES

All BDA procurement shall be guided by the following principles, which are non-negotiable:

Principle	Application at BDA
Fairness	All suppliers shall be treated equally and given equal access to BDA procurement opportunities.
Transparency	Procurement processes and decisions shall be documented and open to audit at all times.
Competitiveness	BDA shall solicit competitive bids to the maximum extent possible, using competition to drive quality and cost.
Value for Money	Price is important but not the only criterion – quality, delivery, support, and lifecycle costs shall also be considered.
Accountability	Every procurement decision shall be made by a person with appropriate authority and shall be fully documented.
Ethics	Corruption, fraud, and conflicts of interest are prohibited. Any breach shall result in contract cancellation and disciplinary action.

5. PROCUREMENT PLANNING

All procurement shall be planned in advance. Department heads shall submit annual procurement plans to the Finance Manager by 1 February of each year, aligned with the budget planning process. The annual procurement plan shall:

- List all anticipated procurement needs for the year;
- Estimate the value and timing of each procurement;
- Identify the appropriate procurement method for each requirement;
- Consolidate similar requirements to achieve economies of scale; and
- Be approved by the ED and incorporated into the annual budget.

Ad hoc procurement not included in the annual plan requires written justification and ED approval before proceeding.

6. PROCUREMENT METHODS AND THRESHOLDS

The appropriate procurement method shall be determined by the estimated value of the requirement. Value splitting (artificially dividing a requirement into smaller parts to avoid a higher-level process) is strictly prohibited and constitutes misconduct.

Value Range	Method	Min Quotes/Bids	Approval Authority	Advertisement Required?
Up to R5,000	Petty Cash / Direct Purchase	1 quote	Finance Manager	No
R5,001 – R50,000	Request for Quotation (RFQ)	3 written quotes	ED	No
R50,001 – R200,000	Formal RFQ Process	3+ formal quotes	ED + Procurement Committee	Optional – recommended
R200,001 – R500,000	Request for Proposals (RFP)	Open / Invited Bids	Procurement Committee + Board	Yes – BDA website and notice boards
Above R500,000	Open Tender	Public Tender	Full Board Resolution	Yes – public media + BDA website
Emergency	Single Source	1 quote; motivation required	ED + Board notification within 5 days	No (report post-award)

7. REQUEST FOR QUOTATION (RFQ) PROCESS

The RFQ process shall be followed for all procurement in the R5,001 to R200,000 range. The following steps apply:

- Step 1 – Identify Need: The requesting department completes a Procurement Request Form (Appendix A) with a detailed specification of the requirement.
- Step 2 – Approval: The Finance Manager or ED (per thresholds) approves the request and confirms budget availability.
- Step 3 – Invite Quotes: The Finance Manager sends the RFQ Form (Appendix B) to at least three registered suppliers. Suppliers shall have a minimum of five (5) working days to respond.
- Step 4 – Receive Quotes: All quotes shall be submitted in writing (email or sealed envelope). Verbal quotes are not acceptable.
- Step 5 – Evaluate: Quotes shall be evaluated using the BDA Bid Evaluation Matrix (Appendix C), considering price, quality, delivery, and B-BBEE status.
- Step 6 – Award: The approving authority awards the contract. Reasons for any award not made to the lowest bidder shall be documented in writing.
- Step 7 – Issue Purchase Order: A Purchase Order (Appendix D) shall be issued to the successful supplier before any goods or services are delivered.

- Step 8 – Receipt and Payment: Goods/services shall be verified upon receipt. Payment shall only be processed on receipt of a valid tax invoice matched to the purchase order.

All RFQ documentation shall be filed and retained for a minimum of seven years.

8. TENDER PROCESS (RFP / OPEN TENDER)

For procurement above R200,000, the following formal tender process shall apply:

8.1 Tender Preparation

- A comprehensive Tender Specification document shall be prepared by the requesting department with assistance from the Finance Manager.
- The Tender Specification shall include: scope of work, technical specifications, evaluation criteria and weightings, contract terms, B-BBEE requirements, and submission instructions.
- All tenders above R500,000 shall be reviewed by BDA's legal advisor before publication.

8.2 Advertisement

- Tenders shall be advertised on BDA's official website, prominent notice boards, and where appropriate, in local or national media.
- The minimum advertisement period is 21 calendar days.
- Any clarifications or amendments during the tender period shall be communicated in writing to all invited bidders simultaneously.

8.3 Tender Evaluation

- All tenders shall be evaluated by the BDA Procurement Committee using the published evaluation criteria and the 90/10 preference points system (or 80/20 as applicable) as per the Preferential Procurement Policy Framework Act.
- Each evaluation committee member must sign a declaration of impartiality before commencing evaluation.
- A formal Bid Evaluation Report shall be prepared and submitted to the Board for approval.

8.4 Award and Debriefing

- The Board shall approve the award by resolution. Written notification shall be sent to all bidders.
- Unsuccessful bidders may request a debriefing within 30 days of the award notification.

9. EMERGENCY PROCUREMENT

Emergency procurement is permitted only where: (a) there is a genuine, unforeseen emergency that cannot be delayed without significant harm to BDA or its beneficiaries; and (b) there is insufficient time to follow the normal procurement process.

The following rules apply to emergency procurement:

- The ED must approve all emergency procurement in writing before or immediately after the procurement event;
- A written motivation explaining the nature of the emergency and the reasons for single-source procurement must be prepared;
- The Board must be notified within five (5) working days of any emergency procurement above R25,000;
- At least one price must be obtained from the supplier, and value for money assessed;
- Emergency procurement shall not be used to circumvent the normal procurement process or to benefit a specific supplier;
- A retrospective report on all emergency procurement shall be presented to the Board quarterly.

Any misuse of the emergency procurement provision constitutes serious misconduct.

10. SUPPLIER REGISTRATION AND VETTING

BDA shall maintain an Approved Supplier Register. The following rules apply:

- All suppliers from whom BDA procures goods or services (above R5,000) must be registered on the Approved Supplier Register;
- Suppliers must complete the Supplier Registration Form (Appendix E) and provide: CIPC registration documents, valid tax clearance certificate (SARS), B-BBEE certificate or sworn affidavit, proof of banking details, and relevant professional registrations or certifications;
- The Finance Manager shall verify all supplier documents before approving registration;
- Supplier registrations shall be renewed annually;
- BDA shall not conduct business with any supplier whose tax affairs are not in order;
- Related parties (persons connected to BDA staff or board members) may be approved as suppliers only by full Board resolution after a conflict of interest assessment.

11. CONTRACT MANAGEMENT

All procurement above R10,000 shall be formalised by a written contract or purchase order. For values above R50,000, a full BDA standard services or supply contract shall be used. The following contract management rules apply:

- Contracts shall be signed by the ED (for contracts up to R100,000) or by the ED and Chairperson jointly (for contracts above R100,000);
- All contracts must contain: scope of work, deliverables and timelines, payment terms, dispute resolution, BDA's right to audit, and termination provisions;
- The responsible department head shall monitor contract performance and report any non-performance to the ED immediately;

- Contract variations (changes to scope, price, or timeline) must be approved at the same level as the original contract and documented by a written addendum;
- No work may commence under any contract until the contract has been signed by both parties.

12. B-BBEE AND LOCAL SUPPLIER PREFERENCE

BDA is committed to contributing to South Africa's broad-based black economic empowerment objectives. The following preferences shall be applied in all procurement:

- All things being reasonably equal, BDA shall prefer suppliers with a higher B-BBEE rating;
- The 90/10 or 80/20 preference points system (as set out in the PPPFA and applicable regulations) shall be applied in all formal tenders;
- BDA shall actively seek to include local Burgersdorp and Joe Gqabi District businesses in its procurement processes;
- BDA shall maintain records of B-BBEE spend and report on procurement equity in its annual report.

13. ETHICS AND ANTI-CORRUPTION

BDA maintains a zero-tolerance stance on corruption and procurement fraud. The following conduct is expressly prohibited:

- Receiving, offering, or soliciting any bribe, kickback, or improper inducement in connection with procurement;
- Manipulating specifications to favour a particular supplier;
- Disclosing confidential bid information to any supplier;
- Splitting procurement to avoid higher approval thresholds;
- Awarding contracts to disqualified or unregistered suppliers;
- Falsifying procurement documentation.

Any employee who becomes aware of procurement irregularities must report them to the ED, Chairperson, or external auditor. Whistleblowers are protected in terms of the Protected Disclosures Act. Confirmed breaches will result in disciplinary action and possible criminal prosecution.

14. RECORD KEEPING

All procurement documentation shall be retained for a minimum of seven (7) years. For each procurement, BDA shall retain:

- Procurement request and approval;
- RFQ or tender advertisement and specification;
- All quotes and bids received;
- Bid evaluation matrix and report;

- Award motivation and approval;
- Signed contract or purchase order;
- Delivery notes and goods receipt records;
- Invoices and payment records.

15. PROCUREMENT COMMITTEE

The BDA Procurement Committee shall consist of the ED (Chairperson), Finance Manager, and at least two other management representatives designated by the ED. The Committee shall:

- Evaluate all procurement in the R50,001 to R500,000 range;
- Prepare bid evaluation reports and recommendations for Board approval (where required);
- Review and report on emergency procurement; and
- Monitor compliance with this Policy on a quarterly basis.

Each Committee member must sign a Declaration of Impartiality before evaluating any bid. No Committee member may participate in evaluation of a bid in which they have a conflict of interest.

16. POLICY REVIEW

This Policy shall be reviewed annually. Material amendments require Board approval. This Policy was approved by the BDA Board of Directors on [Insert Date].

Approved By	Designation	Date & Signature
	Chairperson, BDA Board	
	ED, BDA	

APPENDIX A: PROCUREMENT REQUEST FORM

To be completed by the requesting department before any procurement is initiated

Requesting Department	
Requested By (Name & Designation)	
Date of Request	
Description of Requirement	
Technical Specifications / Scope of Work	
Estimated Value (R)	
Budget Line Item	
Required by Date	
Is this an Emergency?	Yes / No (if Yes, attach motivation)
Suggested Suppliers (optional)	

Requested By (Signature & Date)	Approved By (ED / Finance Manager + Date)

APPENDIX B: REQUEST FOR QUOTATION (RFQ) FORM

RFQ No: _____ Date Issued: _____ Closing Date: _____

Dear Supplier,

The Burgersdorp Development Agency hereby invites you to submit a quotation for the supply of the following goods / services:

Item No.	Description / Specification	Quantity	Unit Price (R)	Total (R)
1				
2				
3				
	TOTAL (excl. VAT)			
	VAT (15%)			
	TOTAL (incl. VAT)			

Terms and Conditions:

- Delivery Address: [BDA Address]
- Delivery Date Required: _____
- Quote validity period: 30 days
- Please include your tax clearance certificate and B-BBEE certificate with your quote.
- Quotes must be submitted to: [email / address] by [Closing Date] at [Time].

Supplier Declaration: I/We confirm that the above prices are correct and that this quotation is valid for 30 days from the date of submission.

Supplier Name & Company	Authorised Signatory & Date

APPENDIX C: BID EVALUATION MATRIX

RFQ / Tender No: _____ Description: _____ Date: _____

STEP 1: Compliance Check (Mandatory Gate)

Mandatory Requirement	Supplier A (Y/N)	Supplier B (Y/N)
Valid Tax Clearance Certificate		
B-BBEE Certificate / Sworn Affidavit		
Completed and Signed Quotation Form		
Compliant with Specification? (No Material Deviation)		
ALL MANDATORY REQUIREMENTS MET? (Must be YES to proceed)		

STEP 2: Price and Preference Points Evaluation (for formal tenders)

Criterion	Weight	Supplier A Score	Supplier B Score
Price (90 or 80 points)	90		
B-BBEE Preference Points (10 or 20 points)	10		
TOTAL PREFERENCE POINTS	100		

STEP 3: Functionality / Quality Evaluation (for RFQ)

Criterion	Weight	Supplier A /10	Supplier B /10
Price Competitiveness	40%		
Technical Specification Compliance	30%		
Delivery / Timeline	15%		
Supplier Track Record / Experience	15%		
WEIGHTED TOTAL	100%		

RECOMMENDATION:

Reason (if not lowest price): _____

Evaluator 1 (Signature & Date)	Evaluator 2 (Signature & Date)	Approved By (Signature & Date)

APPENDIX D: PURCHASE ORDER TEMPLATE

BURGERSDORP DEVELOPMENT AGENCY OFFICIAL PURCHASE ORDER

BDA Details	Supplier Details
Burgersdorp Development Agency [Address] [Tel] [Email]	Supplier Name: Address: VAT No.: Contact Person:

PO Number	PO Date	Required by Date	Budget Code
BDA-PO-____			

Line	Description	Qty	Unit Price (R)	Total (R)
1				
2				
	SUBTOTAL (excl. VAT)			
	VAT @ 15%			
	TOTAL (incl. VAT)			

Terms: Payment within 30 days of receipt of valid tax invoice. Invoice must reference this PO number. Goods must be delivered to [BDA delivery address]. No variation to this PO is valid unless confirmed in writing by the BDA Finance Manager.

Authorised Signatory (BDA)		Supplier Acceptance	
Name:	Date:	Name:	Date:

APPENDIX E: SUPPLIER REGISTRATION FORM

To be completed by all new suppliers seeking to do business with BDA

Company / Trading Name	
Legal Entity Type	PTY Ltd / CC / Sole Proprietor / NPC / Other
CIPC Registration No.	
VAT Registration No. (if applicable)	
Physical Address	
Postal Address	
Contact Person	
Tel / Cell	
Email Address	
B-BBEE Level	
Bank Name & Account No.	
Services / Goods Supplied	

Documents to Attach (tick and attach):

- CIPC Company Registration Certificate
- Valid SARS Tax Clearance Certificate
- B-BBEE Certificate (or sworn affidavit for EME / QSE)
- Proof of Bank Account (bank letter or cancelled cheque)
- Professional certifications / registrations (if applicable)

Declaration: I confirm that all information provided is accurate and complete. I understand that BDA may verify this information and that false information will result in disqualification.

Supplier Authorised Signatory	BDA Finance Manager (Approval)
Name: Date:	Name: Date: