

ANNEXURE B



**SUPPLY CHAIN MANAGEMENT BID
COMMITTEES FOR THE GOVERNMENT
EMPLOYEES PENSION FUND**

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ANNEXURE B – BID COMMITTEES

1. Price Quotation Committee (PQC)

- 1.1. The Price Quotation Committee (PQC) is a Committee whose objective is to assist in ensuring that a Price Quotation Register is kept for the GEPP; evaluate and adjudicate on purchases (goods and services) ranging from above R100 000 to R1 000 000; and ensure that the relevant forms are properly completed and certificates are appended. In respect of bids above R100 000 to R1 000 000 that require technical evaluation, the appointed BEC will make a recommendation to the PQC for a final recommendation to the relevant approver as per SCM delegations.
- 1.2. The PQC will comprise of at least three (3) cross-functional team members who are in a manager rank at the GEPP including SCM practitioner/s.
- 1.3. Due to the nature and content of purchases (goods and services) to be done in terms of price quotations, the availability of members for this Committee is crucial and this needs to be an-around-the-clock support structure, and it will, therefore, comprise of a few and readily available employees or service providers within the GEPP.

2. Bid Specifications Committee (BSC)

- 2.1. This Committee is responsible for the compilation of bid specifications. The specifications must be written in an unbiased manner to allow all potential bidders to render services and deliver goods in a professional and satisfactory manner.
- 2.2. The PEO is responsible for appointing members of this committee.
- 2.3. This Committee should be cross functional in composition, i.e. it will comprise of SCM practitioners; the Project Manager; other employees and Internal Audit. In exceptional cases, a consultant / independent specialist may participate in the compilation of specifications under the supervision of a knowledgeable manager. Consultants/ independent specialists can be in the form of subject specialists from other organisations who can assist in bid specifications at no charge.
- 2.4. The project manager will chair the Committee, and will be supported by other employees on a needs basis. Dependent on the nature and content of a service or a good, the PEO will appoint any competent employee(s) from other agencies/entities to assist in the Committee.
- 2.5. The BSC is responsible for quality assurance of the specifications as they are deemed to be experts and are fully cognisant of what is required from prospective bidders.
- 2.6. The BSC must ensure that appropriate Special Requirements and Conditions of Contract are specified.
- 2.7. After the compilation of the specifications by the BSC, the specifications shall be submitted to the BAC to support and further recommend the specifications to the PEO for approval. It must be noted that the BAC may only adjudicate on bids according to the criteria stipulated in the bid documentation.

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3. Bid Evaluation Committee (BEC)

The responsibility of the BEC will be to evaluate and verify bids received for compliance and correctness.

- 3.1. This Committee should be cross functional in composition, i.e. it will comprise of SCM practitioners; the Project Manager; other evaluators and Internal Audit.
- 3.2. The PEO will appoint each committee based on the nature of the project initiated, and it will be supported by other employees on a needs basis. Dependent on the nature and content of a service or a good, the PEO may appoint competent employee(s) from other agencies/entities to assist in the Committee.
- 3.3. In the verification process the BEC will verify:
 - (i) The capability/ability of the bidder to execute the contract;
 - (ii) The Tax Pin issued by the South African Revenue Services (SARS); and
 - (iii) In the evaluation of the bids received, the BEC will ensure that:
 - Bids are only evaluated in accordance with the criteria specified in the bid documentation;
 - Bids are only evaluated in accordance with a preference point system as specified in the bid documentation;
 - Any specific goal for which a point may be awarded, must be clearly specified in the invitation to submit a bid; and
 - (iv) The relevant manager should participate in the recommendation process (to the BAC) to ensure that the sourced proposals or tenders meet the requirements of the GEPF.
 - (v) Bids received are evaluated accordingly, and the Committee shall submit to the BAC a copy of the signed minutes, a report and recommendation(s) in respect of the awarding of the bid(s).
 - (vi) Internal Audit report in instances where Internal Audit played a role in the BEC.
- 3.4. Each BEC member as well as all employees rendering administrative support must sign a declaration form at each BEC meeting. Members are to declare that they will:
 - (i) Accept the confidentiality of the meeting;
 - (ii) Not make known anything regarding the meeting, unless officially authorised; and
 - (iii) Not purposefully favour or prejudice anybody

4. Bid Adjudication Committee (BAC)

- 4.1. The BAC should be cross-functional in composition, with at least one member being a SCM Practitioner as an advisor.
- 4.2. The BAC is a Committee whose objective is to verify that the GEPF request for proposals were evaluated correctly and adjudicate on purchases (goods and services) above R1 000 000 and ensure that the relevant forms were properly completed and certificates are appended.
- 4.3. The BAC will approve bids valued above R1 000 000 to R5 000 000.

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- 4.4. The BAC will make a recommendation to the PEO to approve a proposal to assign the tender for contracts above R5 000 000.
- 4.5. The BAC will make a recommendation to the PEO to submit a proposal to the Finance & Audit Committee (FA-C) for submission to the Board of Trustees to assign the tender for contracts above R10 000 000.
- 4.6. The Board of Trustees is responsible for the awarding the bid in terms of its authority and accept the recommendation or may refer the proposal back to the FA-C for further investigation by the PEO and BAC. The Board of Trustees may not reject the recommended supplier and award the tender to another supplier without reverting the recommendation back to the Finance & Audit Committee for resubmission to the Board.
- 4.7. The number of external members of the BAC can never exceed the number of internal members.
- 4.8. The membership of the BAC will comprise of the following members
 - (i) The membership of the BAC will comprise of the following members
 - All members of the GEPF Executive Committee
 - Head of Enterprise Risk Management;
 - At least one (1) manager, preferably the Finance Manager, or any other manager from within the organisation;
 - SCM representative as a co-opted member in an advisor role (i.e.: to advise on supply chain practices and compliance with relevant policies and legislation); and
 - Internal Audit representative as a co-opted member in an advisor role.
- 4.9. The PEO must ensure that all members, as well as the Secretary of the BAC, have declared their financial interests annually.
- 4.10. Each member as well as all employees rendering administrative support must sign a declaration form at each BAC meeting. Members are to declare that that they will:
 - (i) Accept the confidentiality of the meeting;
 - (ii) Not make known anything regarding the meeting, unless officially authorised; and
 - (iii) Not purposefully favour or prejudice anybody.
- 4.11. The BEC and BAC must be composed of different members to ensure that a transparent and an objective evaluation and adjudication is conducted. Members of the BEC, preferably the Chairperson, may present the committee's reports to the BAC. This is done to clarify any ambiguities and uncertainties. Such members or the representative from the BEC will not have any voting power on the proceedings of the BAC.
- 4.12. The Head of Finance is the Chairperson of the BAC and when unavailable the Committee can appointment a replacement to be the Chairperson for the meeting.
- 4.13. The BAC must only consider recommendations/ reports if more than 50% of its members are present, with a minimum of two (2) Executive Members. For the purpose of continuity and not to delay meetings, the PEO may also appoint secundee to temporarily replace members that are absent from meetings due to illness, leave, etc. The PEO will also decide whether or not such secundee will have the same powers as members.

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- 4.14. The PEO, as the Accounting Officer of the GEPP, may utilise the services of any other institution's BAC if and when required.

5. Responsibilities of the Bid Adjudication Committee

- 5.1. The BAC must consider the recommendations/ reports of the BEC and depending on the approved authorisation level (refer Annexure A); make a final award on tenders with the value up to R5 000 000 or make a recommendation to the PEO to make a final award on tenders with the value up to R10 000 000 or for the PEO to support and further recommend to the Board of Trustees via FA-C to make a final award on tenders with the value above R10 000 000; or make an alternative recommendation to the PEO on how to proceed with the relevant procurement.
- 5.2. The BAC must ensure that:
- (i) All necessary bid documents have been submitted;
 - (ii) Disqualifications are justified and that valid and accountable reasons and motivations were furnished for passing over of bids;
 - (iii) Scoring has been fair, consistent and correctly calculated and applied; and
 - (iv) Bidder's declarations of interest have been taken cognisance of.
- 5.3. The BAC must also consider and rule on all recommendations/reports regarding the amendment, variation, extension, cancellation or transfer of contracts awarded.
- 5.4. The BAC may also, if and when required to do so, consider and recommend to the PEO for approval the recommendations of the Bid Specification Committee in order to ensure that a proper and unbiased specification is compiled for the specific requirement.
- 5.5. The SCM Specialist must ensure that all Terms of Reference that are drawn up for the service required clearly indicating in accordance with this policy the minimum threshold percentage of functionality, the ration between price and BBBEE, the evaluation criteria as well as their weights and values.
- 5.6. The BAC must also ensure that strategic sourcing principles were applied and that the market was properly researched and analysed.
- 5.7. The Finance Manager must check that the necessary funds are available.
- 5.8. The BAC must satisfy itself that the preference point system prescribed, the appropriate goals identified and points allocated for these goals are adhered to and where appropriate, ranges have been set (indicating the breakdown of the points / percentages as provided for in the relevant sliding scales for the selected specified goals).
- 5.9. In order to meet their obligations, BAC members must be familiar with and adhere to all relevant SCM legislation, GEPP SCM policy and guidelines.
- 5.10. The integrity of SCM Practitioners must never be compromised and the highest level of professional competence must be maintained. Furthermore, courteous conduct is expected of all BAC Members.