

THABO MOFUTSANYANE DISTRICT MUNICIPALITY



SUPPLY CHAIN MANAGEMENT CODE OF CONDUCT

PROCUREMENT CODE OF CONDUCT

OBJECTIVE

THE MUNICIPALITY acknowledges the susceptibility of the procurement process to fraud and corruption. In line with our zero tolerance on fraud and corruption the Procurement Code of Conduct Policy assists the MUNICIPALITY in the prevention of such activities. In addition it is the MUNICIPALITY's objective to promote the well being of its employees in the workplace and to maintain high standards of professional conduct and work performance. Accordingly, this policy sets forth (1) standards for professional conduct, and (2) behavior that is unacceptable in the procurement environment.

I. EMPLOYEES TO WHOM POLICY APPLIES

This policy applies to all procurement practitioners (employees employed in the Procurement Department) and other role players¹ involved in procurement.

II. LEGAL FRAMEWORK

The Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA) was promulgated to regulate financial management in the local sphere of government and its associated entities.

Section 62(1)(c)(i) of the MFMA, requires effective, efficient and transparent systems of financial and risk management and internal

control to be implemented. In addition, subsection (a), requires that all resources are used effectively, efficiently and economically.

Framework for Supply Chain Management, draft document: Government Gazette 29 October 2004. Refer to as “the Framework”.

III. ABBREVIATIONS

A. MFMA

The Municipal Finance Management Act, Act 56 of 2003.

IV CODE OF CONDUCT

1. *General Principles*

1.1 THE MUNICIPALITY commits itself to a policy of fair dealing and integrity in the conducting of its business. The position of a procurement practitioner is, therefore, a position of trust, implying a duty to act in the public interest. Practitioners should not perform their duties to unlawfully gain any form of compensation, payment or gratuities from any person, or supplier/contractor for themselves, their family or their friends.

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1.3 Practitioners should ensure that they perform their duties efficiently, effectively and with integrity, in accordance with the relevant legislation and regulations. They should ensure that the MUNICIPALITY's are administered responsibly.

1.4 Practitioners should be fair and impartial in the performance of their functions. They should at no time afford any undue preferential treatment to any group or individual or unfairly discriminate against any group or individual. They should not

abuse the power and authority vested in them.

- 1.5 Practitioners should comply with the Code of Conduct for the Public Service as contained in Chapter 2 of the Public Service Regulations, 2001 especially items C 4.5 to C 4.12 and C 5.3 to C 5.4 thereof.

2. *Conflict of interest*

- 2.1 Procurement practitioners, to the extent required by their position, should declare any business, commercial and financial interests or activities undertaken for financial gain that may raise a possible conflict of interest.

- 2.2 They should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.

- 2.3 Practitioners should not take improper advantage of their previous office after leaving their official position.

- 2.4 Practitioners must recognise and disclose any conflict of interest that may arise.

- 2.5 Practitioners must ensure that they do not compromise the credibility or integrity of the supply chain management system through the acceptance of gifts or hospitality or any other act.

3. *Accountability*

- 3.1 Practitioners are accountable for their decisions and actions.

3.2 Practitioners should use THE MUNICIPALITY property scrupulously.

3.3 All transactions conducted by a practitioner should be recorded and accounted for in an appropriate accounting system. Practitioners should not make any false or misleading entries into such a system for any reason whatsoever.

4. Openness

4.1 Practitioners should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only if it is in the public interest to do so.

5. Confidentiality

5.1 Any information that is the property of THE MUNICIPALITY or its suppliers should be protected at all times. No information regarding any bid / contract / bidder / contractor may be revealed if such an action will infringe on the relevant bidder's / contractor's personal rights.

5.2 Matters of confidential nature in the possession of supply chain practitioners should be kept confidential unless legislation, the performance of duty or the provisions of law requires otherwise. Such restrictions should also apply after separation from service.

6. Bid Evaluation / Adjudication Teams

- 6.1 Bid evaluation / adjudication teams should regulate procurement on behalf of the MUNICIPALITY in an honest, fair, impartial, transparent, cost-effective and accountable manner in accordance with the delegated powers.
- 6.2 Bid evaluation / adjudication teams should be familiar with and adhere to the prescribed legislation, directives and procedures in respect of procurement in order to perform effectively and efficiently.
- 6.3 All members of bid adjudication teams are required to declare their financial interest annually.
- 6.4 No person should-
- 6.4.1 interfere with the procurement system; or
- 6.4.2 amend or tamper with any bid after its submission.

7. Combative Practices

Combative practices are unethical and illegal and should be avoided at all cost.

They include but are not limited to:

- (i) Suggestions to fictitious lower quotations;
- (ii) Reference to non-existent competition;
- (iii) Exploiting errors in bids;
- (iv) Soliciting bids from bidders whose names appear on the

list of restricted bidders/suppliers/persons;

- (v) Subdivision of requirements to avoid the invitation of formal competitive bids, nor shall the same goods or services be ordered in succession, so that procurement falls under the financial thresholds.

V REVISION AND DISTRIBUTION OF THIS POLICY AND SUPPLEMENTAL POLICIES

A. Revision of policies

With the prior written approval of the Municipal Manager of the MUNICIPALITY, policies may be reviewed to accommodate changing needs and circumstances.

B. Distribution of policies

Departmental Heads shall make available to employees copies of this policy and any revised policies.

C. Supplemental policies

1. With the prior written approval of the Municipal Manager of the MUNICIPALITY, sections may supplement this policy to accommodate their specific needs as long as any supplemental section policies are not inconsistent with this policy.
2. Any department that promulgates a supplemental policy shall include that policy in future editions of the section's employee handbook, and the section's procurement procedures manual, if any.

VI. AUTHORITY AND INTERPRETATION

- A.** This policy is issued by the Municipal Manager of the MUNICIPALITY.

- B.** The Chief Financial Officer of the MUNICIPALITY is responsible for official interpretation of this policy. Questions regarding the application of this policy should be directed to the Office of the Chief Financial Officer.

- C.** The Municipal Manager of the MUNICIPALITY reserves the right to revise or eliminate this policy as necessary.

VII. SHORT TITLE

This Policy is the Procurement Code of Conduct Policy of the Thabo Mofutsanyana District Municipality.

VIII. IMPLEMENTATION

This Policy has been approved by Thabo Mofutsanyane District Municipality in terms of resolution.....dated.....and comes into effect from..... and this policy shall be reviewed on