



International Budget Partnership SOUTH AFRICA



ASIVIKELANE

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VOICES OF INFORMAL SETTLEMENT RESIDENTS ABOUT BASIC SERVICES

Introduction to the Public Procurement Process

Asivikelane Community Facilitator Training

25 April 2024





What is Public Procurement?

Process through which the government buys goods or services, or appoint contractors to provide specific services.

- From stationery (pens, paper) to appointing contractors to build a road

Why do we care about Public Procurement?

- Municipalities appoint contractors through the public procurement process to deliver basic services to informal settlements

Objective of this training?

- Introduction to the public procurement process and its different phases
- Introduction to what happens in each phase:
 - Decisions the municipality makes
 - Information that is being produced
 - Information that is made available
- We are going to focus on when the municipality is looking to appoint contractors for large contracts.
 - > R300 000 for local municipalities
 - > R750 000 for metros

Homework feedback

- Which basic services (water, sanitation, refuse removal) are provided by outsourced service providers/contractors?
- What information do you think communities should be told about the contractors and the services

Overview of the phases in the public procurement process

PHASE 1

PROCUREMENT PLANNING

The municipality determines all the goods and services it will need to fulfill its functions for the coming year, and when and how they are going to purchase these.

PHASE 2

BID SPECIFICATION

The line department decides exactly what they want the service provider to deliver (including what, when and how the tenders are going to be evaluated). They also compile the bid documents.

PHASE 3

INVITATION TO BID

The bid is advertised, the tender documents are made available, and bid briefing sessions take place.

PHASE 4

SUBMISSION AND OPENING OF BIDS

All bids submitted on the bid closing date are opened in public.

PHASE 5

BID EVALUATION AND ADJUDICATION

The Bid Evaluation Committee evaluates the bids according to price, broad-based black economic empowerment status and the other criteria in the bid specifications, and writes a report with the recommendation of who should win the contract. The Bid Adjudication Committee decides if the contract should be awarded to the service provider recommended by the Bid Evaluation Committee.

PHASE 6

CLEARING BIDDER AND AWARDED CONTRACT

The municipality makes sure that the winning contractor can do the work and that its tax and other affairs are in order, and awards the contract. If applicable, service delivery schedules and agreements are drawn up.

PHASE 7

CONTRACT IMPLEMENTATION

The service provider delivers the service and the municipality monitors if this is done according to the contract.

During this public procurement process, useful information is released during the various phases that could help you later to monitor if the service is being delivered according to the contract between the municipality and the service provider. Having all the relevant information will also make it easier for you to engage with the municipality if your community experiences a problem with the delivery of the service.

1. Procurement Planning

What happens?

Municipality puts together a plan of what they are going to buy and what they need to appoint contractors for in the coming financial year. The plan includes if the municipality is going to appoint new contractors to deliver water, sanitation or waste removal services to informal settlements.



What information is produced?

Public Procurement Plan/Demand Plan

Is the information publicly available?



Where?

Should be tabled as part of the draft budget



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2. Bid Specification

What happens?

The department responsible for the delivery of the service decides exactly what the service provider should deliver. Depending on the service, this can include *what* should be delivered and *when*. The department and the Supply Chain Management* Department work on this together; they also decide how the tenders are going to be evaluated.



What information is produced?

Tender documents/Bid documents which include the bid specifications**

Is the information publicly available?



Where?

See Phase 3!

*Supply Chain Management (SCM)

- The process the municipality uses to manage the public procurement process. The SCM department oversees that everything is done according to the law

**Bid Specifications

- Document that describes exactly what the contractor should do. This is sometimes referred to as the *scope* of the service. This includes what should be delivered, to which areas, when/how often. This can also sometimes include information on how the service will be monitored. BUT specifications can sometimes be vague.

3. Invitation to Bid

What happens?

The bids are advertised. This means that the municipality publishes an advertisement or notice that it is looking for a company or contractor to deliver a service, or that it is looking to buy something specific. And they are using this notice to ask people to submit bids or tenders for the work to be done, or to sell them the goods they need.



What information is produced?

Tender Notice/Invitation to Bid/Invitation to Tender*

Is the information publicly available?

NB: Also the Bid/Tender Documents with the bid specifications



Where?

Municipal Website

Notice board at municipal offices

Local Newspapers

* Tender Notice/Invitation to Bid/Invitation to Tender

It includes lots of useful information:

- Name of tender
- Number of tender
- How and where to get the tender documents
 - how much do you need to pay?
- Contact details of responsible official
- Is there a compulsory briefing session**? Details of this (time, venue)
- NB: the closing time and date

** Compulsory briefing session: **OPEN to the public, might have to buy docs**

Sometimes a **briefing session** is held before the closing date of a tender. The purpose of a briefing is to provide interested bidders with the opportunity to meet with officials from the department responsible for the delivery of the service, ask questions and get any further information they might need to prepare their bid.

4. Submission and Opening of Bids

What happens?

The bids are opened in public on the submission date (just after the closing time). The officials write down in a register the names of all the contractors who have submitted bids.



What information is produced?

Bid Register/Tender Opening Register

Is the information publicly available?



Where?

Municipal Website

Notice board at municipal offices (?)

5. Bid Evaluation and Adjudication

What happens?

Bid Evaluation: a committee evaluates all the submitted bids and recommends who should get the contract. They look at price, does the contractor have right equipment, experience, black economic empowerment status. They write a report with recommendations on who should get the contract.

Bid Adjudication: a committee evaluates report from the Bid Evaluation Committee to see if they made the right decision. This meeting can be open to the public, but only to observe.



What information is produced?

Bid Evaluation Report

Bid Adjudication Report

Is the information publicly available?



6. Clearing bidders and awarding contract

What happens?

The municipality makes sure the winning contractor(s) can do the work and that their tax and other affairs are in order. The contract is then awarded and signed. After the contract has been signed, additional agreements and schedules can be drawn up.



What information is produced?

Tenders awarded/Bids awarded (list of contractor(s) who won the tender)

Service delivery agreements, service delivery schedules

Is the information publicly available?

Tenders awarded document



Additional agreements, schedules



Where?

Municipal Website

Notice board at municipal offices (?)



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7. Contract Implementation

What happens?

The contractor provides the service or goods. Municipal officials are supposed to monitor if this is done according to the contract and other additional schedules.



What information is produced?

Timesheets, invoices, signed delivery notes

Is the information publicly available?



Where to usually find procurement information

- Municipality's website
- Municipal offices (tender section, notice boards)
- Local newspapers
- Contact Supply Chain Management Department or Finance Department
- Ask your Ward Councillor to find out

What to look for on the website:

- Different names for this section on different municipal websites
 - Tenders
 - Procurement
 - Doing business with/Do Business
 - Supply Chain/Supply Chain Management
 - Bids
 - Bidding Opportunities

When and what information you can find during the public procurement process

PHASE 1

PROCUREMENT PLANNING

The municipality determines all the goods and services it will need to fulfill its functions for the coming year, and when and how they are going to purchase these.



- **PROCUREMENT PLAN**

PHASE 2

BID SPECIFICATION

The line department decides exactly what they want the service provider to deliver (including what, when and how the tenders are going to be evaluated). They also compile the bid documents.

PHASE 3

INVITATION TO BID

The bid is advertised, the tender documents are made available, and bid briefing sessions take place.



- **BRIEFING SESSION**
- **What is the name of the Contract? TENDER NOTICE**
- **What should be delivered and when? BID DOCUMENTS**

PHASE 4

SUBMISSION AND OPENING OF BIDS

All bids submitted on the bid closing date are opened in public.



- **BID REGISTER**

PHASE 5

BID EVALUATION AND ADJUDICATION

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- **BID EVALUATION AND BID ADJUDICATION REPORTS**

PHASE 6

CLEARING BIDDER AND AWARDED CONTRACT

The municipality makes sure that the winning contractor can do the work and that its tax and other affairs are in order, and awards the contract. If applicable, service delivery schedules and agreements are drawn up.



- **Who should deliver the service? TENDERS AWARDED**
- **SERVICE DELIVERY SCHEDULES**

PHASE 7

CONTRACT IMPLEMENTATION

The service provider delivers the service and the municipality monitors if this is done according to the contract.



- **Information about monitoring**
- **Information about deviations and extensions**



The documents and information written here in **BLUE** will help you monitor the **appointment of the service provider**.

The documents and information written in **GREEN** will tell you more about the **service that should be delivered**.

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