



UNDERSTANDING THE MUNICIPAL PROCUREMENT PROCESS

**A GUIDE FOR
BUSINESSES**

How does the process work?
How does it prevent corruption?
What are the risks to my company?
What can I do if I think there is corruption?

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How does it prevent corruption?

What are the risks to my company?

What can I do if I think there is corruption?

Abbreviations

B-BBEE	Broad Based Black Economic Empowerment
CFO	Chief Finance Officer
EME	Exempted Micro Enterprise
MFMA	Municipal Finance Management Act
MM	Municipal Manager
SCM	Supply Chain Management

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Understanding the municipal procurement process: A guide for businesses

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1

Introduction



Introduction

1. What is this booklet about?

It is written to help businesses understand the municipal procurement process.

Knowledge is power. By knowing how the process should work, you can hold the municipality accountable to a process which is fair and free from corruption. Remember that the municipality belongs to its citizens, and as a citizen you can (and should) hold them accountable.

We also set out what businesses' responsibilities are, and we give some guidance on what to do if you believe you have been the victim of a corrupt procurement process.

Procurement values in the Constitution

Section 217 of the Constitution says that government procurement systems must be **fair, equitable, transparent, competitive and cost-effective**. These values should guide all procurement policies and how they are implemented.

2. What are the main risks to my business?

If the municipality does not follow correct procedure:

- **You may not get paid**

If the municipality does not follow the correct procedure when appointing you as a service provider you may struggle to get paid. This could happen even if you did nothing wrong, but they took shortcuts. If there are disputes the municipality may first want to investigate what happened and you may have to wait a long time for payment, or even go through expensive legal battles.

If you are involved in fraud or corruption:

- **Your contract could be cancelled**

If there is fraud or corruption in the procurement process the municipality may be entitled to cancel the contract. They can also try to recover any losses from guilty parties.

- **You could go to jail**

If you bribe officials you could go to jail. Dependent on the crime and which court it is heard in, the maximum sentences for corruption vary from three years to life imprisonment.

*According to the Prevention and Combating of Corrupt Activities Act a **bribe is not necessarily just money** – it can also include gifts, entertainment, favours, loans or any form of 'gratification'.*



- **You could be banned from doing business with government**

You and your company can be placed on National Treasury's register for tender defaulters. This basically means that you will be blacklisted and will not be able to do business with any government entity for a period of between 5 and 10 years. Business owners should take note, because you could also be blacklisted if the bribe was paid by one of your employees and you knew about it, or should reasonably have known about it. You should therefore make it very clear to your employees that the giving of bribes and kickbacks is not acceptable.



Gifts

Regulations specify that service providers may not give any gifts above R350 to anybody in the municipality who is involved in the procurement process. However, gifts below this value which are intended to influence the outcome of a bid will still be seen as bribes.

3. What are the 10 most important things I need to know?

1 There are different processes for different contract amounts.

The higher the amount the more checks and balances are in place.

2 All contracts above R30 000 must be advertised.

- R30 000 to R200 000:
 - 7 days on the municipal website and notice boards.
- R200 000 to R10 million:
 - 14 days prior to bid closing, in appropriate media.
- Above R10 million, or of a long terms nature:
 - 30 days prior to bid closing, in appropriate media.

By advertising correctly the municipality ensures that all interested parties hear about the tenders, and that there is enough time to prepare a submission.



3 If you submit a quote or a bid for any amount above R30 000 it must be submitted in the tender box by the specified time.

- You are allowed to be present when the box is opened.
- The official must read the names of all the bidders and 'if it is practical' also their bid amounts in public. Ask for it if they don't! (Reading bid amounts may be impractical if the bid called for unit prices for a large number of different items.)

4 For contracts above R200 000 the details of all bidders must be placed on the municipal website within 10 days from bid closure. It must include the following information:

- Bid reference number and description of the deliverables;
- Names of all bidders who submitted in time;
- B-BBEE status level of contribution of all bidders;
- Local content percentages (where applicable); and
- Total price of the bids (where practical).

This information must remain on the website for 30 days and must also be available at municipal offices and libraries.

5 Once the bid is awarded the following information must be made available on the website:

- Contract number and description;
- name of the successful bidder;
- the contract price;
- brands;
- dates for completion of contracts; and
- preference points claimed.

Points 3 to 5 are there to make the process more transparent! If you have all of this information it is a lot more difficult for any corruption to creep in. The first step is to be there when the bids are opened!



6 If you've won the bid you must be sure that the person signing your contract has the authority to do so.

(See question 13 for authority levels.)

7 If you were not successful you have the right to know why.

You can ask the Supply Chain Management unit informally, but you may also be required to fill in forms to get access to the information. *(See question 20 for more on access to information processes.)*

8 If you have a dispute you can raise it with the municipal manager in writing within 14 days of the decision being made.

- If your concern is not resolved in 60 days you may refer it to the relevant provincial treasury.
- If it is not resolved there you may refer it to National Treasury.
- You can also take the matter to court.

9 Businesses may be barred from doing business with municipalities, or may have their bids rejected if:

- They have not performed adequately in previous contracts with organs of state (including municipalities);
- They, or any of their directors have been convicted of fraud and corruption and have been placed on National Treasury's list of tender defaulters;
- Their tax matters are not in order with SARS;
- Their accounts (e.g. rates and taxes) are outstanding for more than three months with any municipality or municipal entity; or
- Any of their directors, managers, principle shareholders are in service of the state.

This is important for your business. You must make sure that none of your company's directors are in service of the State.

10 Businesses are not allowed to discuss pricing or other competitive information with each other prior to a bid (unless they are submitting a joint bid).

It could be seen as price fixing.

②

understanding

the procurement process



Understanding the procurement process

4. How can I get to know about opportunities for municipal contracts?

The municipality must be fair and transparent in making people aware of potential contracts.

- For contracts **below R200 000** the municipality may contact you if you are registered on their list of accredited prospective providers. (See question 5 below for more on this list.)
- Any contracts **above R30 000** must also be advertised on the municipality's website and notice boards.
- Any long term contracts and those **above R200 000** must also be advertised in appropriate media such as local, regional or national newspapers, and the government gazette.

Note that not all contracts will be advertised in the government gazette, so you have to keep checking the newspapers and municipal websites. There are companies who track newspapers and tender bulletins. If you subscribe to their service they will keep you updated on opportunities.

5. What is the 'list of accredited prospective providers' and how do I get on the list?

Each municipality must keep a database of businesses that they can contact if they want to get quotes for all types of commodities and services. The purpose is to pre-accredit these service providers to ensure they are legitimate businesses and to know what each business can do. Businesses must register on this list if they wish to be contacted for quotes.

You will only be directly contacted for quotes below R200 000. It is however not guaranteed that you will be contacted since the municipality uses a rotational system. There might be too many other service providers who provide the same goods or services, which means that you may not get a chance. As set out above, they also have to advertise any contracts above R30 000, so you can monitor the municipality's website for such opportunities even if you are not registered.

The municipality must invite prospective suppliers to register, using adverts in local media and the municipal website. But you don't have to wait for adverts and can submit your application at any time. Just contact the municipality's Supply Chain Management Unit for the application forms, or check on the municipal website. Be aware that you will need to submit a lot of supporting documentation.

6. Is the procurement process the same in each municipality?

No, not exactly. The Municipal Supply Chain Management Regulations set a minimum standard which all municipalities have to adhere to. These standards are explained in this booklet. Municipalities are allowed to have stricter standards, but must at least keep to this minimum.

Each municipality will have a Supply Chain Management Policy that sets out its standards. This must be available on their website, but if you can't find it there you can ask for it from the municipality's Supply Chain Management Unit.

Relevant legislation and regulations

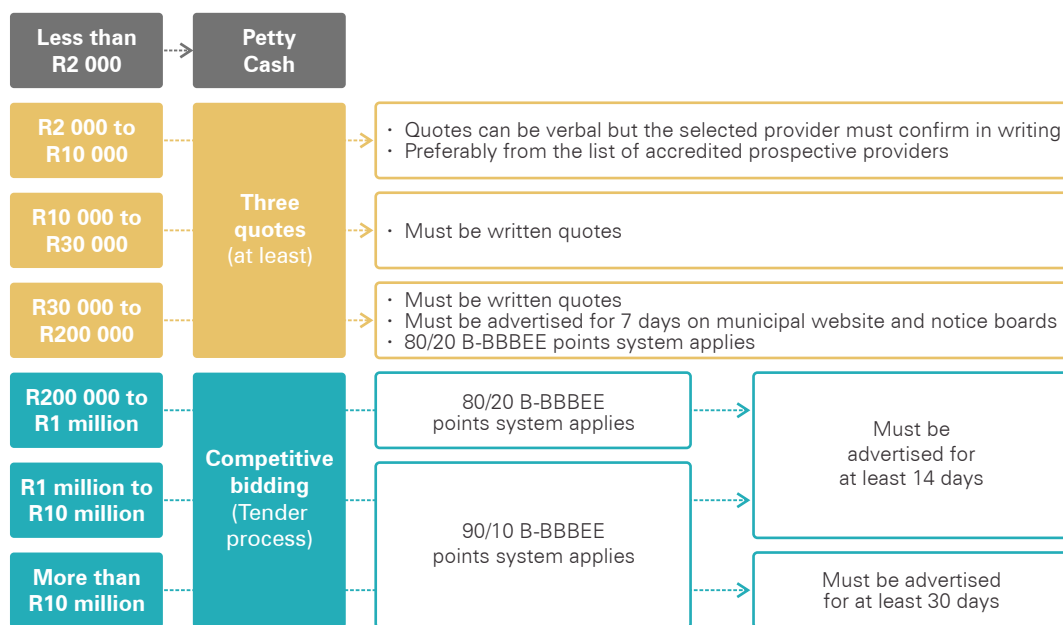
The procurement process is regulated by the Municipal Finance Management Act (MFMA) and its regulations, most pertinently the Municipal Supply Chain Management Regulations.

National Treasury also releases circulars from time to time which set further requirements that municipalities have to comply with.

Municipalities may seem very bureaucratic and require a lot of paperwork from your side. They do however have to comply with all these requirements, otherwise they will not get clean audits.

7. How does the process work?

The process that is followed depends on the expected contract amount as shown below. (Note that all amounts include VAT.)



Bids may not be split into smaller parts to avoid following the required process.

Let's go through each process:

7.1. Petty cash - Purchases below R2 000

Managers may use petty cash for purchases of R2000 or less. Any manager may sign off on the petty cash purchases in their unit, but they must keep all receipts and must report this to the Chief Finance Officer (CFO) on a monthly basis.

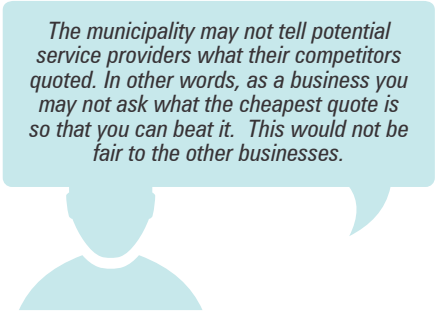
7.2. Three quotes – R2 000 to R200 000

For purchases between R2 000 to R200 000 the municipality must get *at least three quotes*. They may however also approach more than three suppliers. This is considered good practice, since not all suppliers respond to the call for quotations, which would leave the municipality with fewer than three quotes. If they ask for three (or more), but get fewer than three they must explain this in writing and report this to the CFO.

There are a few differences in the procedures for quotes in this range, dependent on their value:

a) From R2 000 to R10 000

The municipality does not need to advertise for purchases below R10 000. They should first go to their list of accredited prospective providers (discussed in question 5) and ask quotes from suppliers who indicated that they can provide the service required. They should approach accredited suppliers on a rotational basis in a manner that promotes on-going competition. They can however also ask for quotes from service providers not on the list if there aren't suitable providers on the list.



The municipality may not tell potential service providers what their competitors quoted. In other words, as a business you may not ask what the cheapest quote is so that you can beat it. This would not be fair to the other businesses.

The quotes may be verbal, but the accepted quote must be confirmed in writing.

b) R10 000 to R30 000

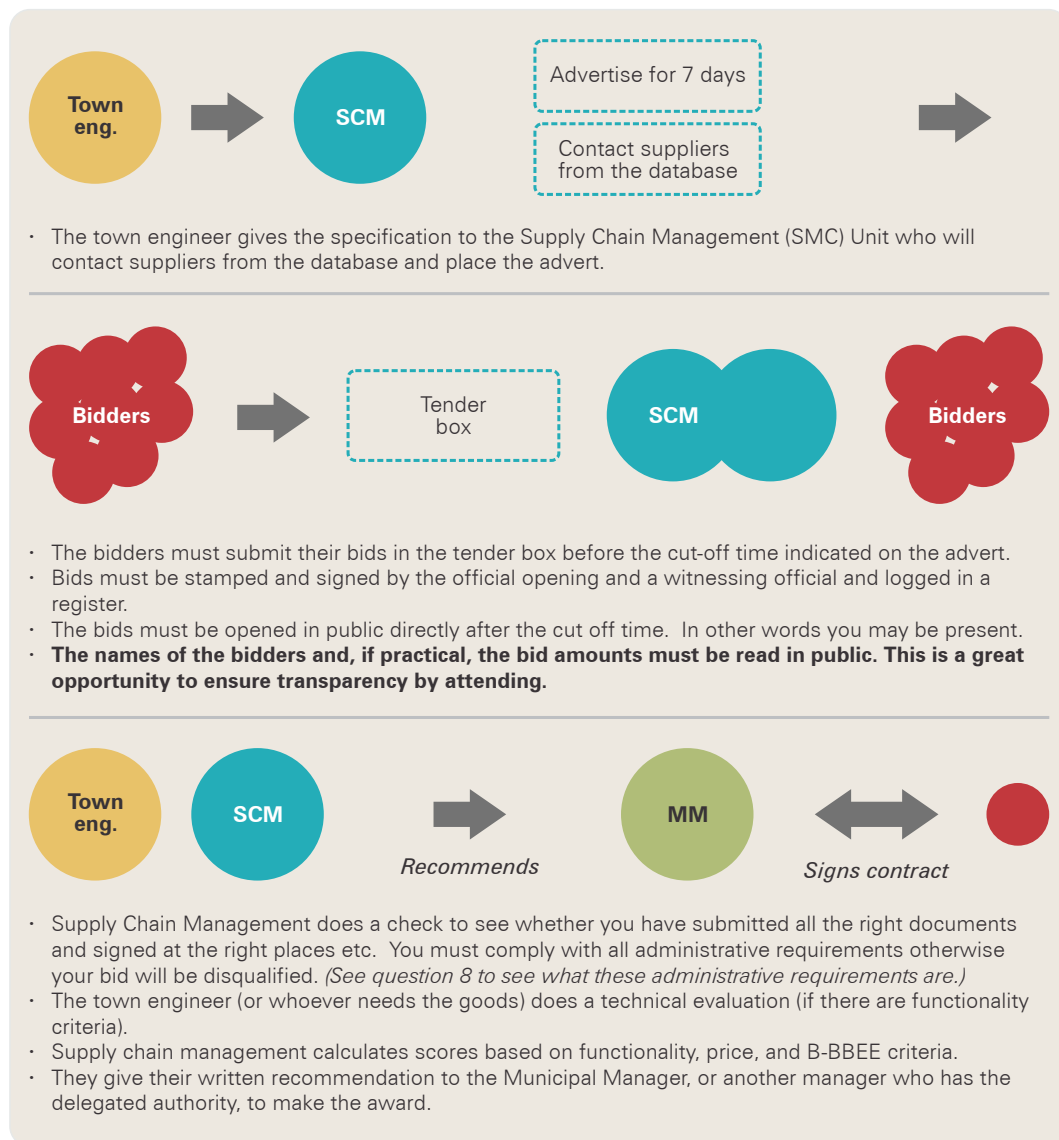
This works the same as the quotes for below R10 000, except that all the quotes must be in writing.

c) R30 000 to R200 000

This process again works the same, except that the municipality must advertise for at least 7 days on their website and notice boards. You will need to monitor these if you want to know of upcoming opportunities, or you may be contacted if you are on their list of accredited prospective providers.

From R30 000 the B-BBEE criteria also start applying. (See question 10 for more on this.)

Let's see how this process works by using the example of a town engineer who wants to buy a large format printer with an estimated value of R50 000.



7.3. Competitive bidding (Tenders) – Above R200 000

The system gets more complex as the price gets higher. This is to ensure that there are more checks and balances to prevent corruption and to ensure the right purchases are made for the right price. It does however also mean that the process becomes quite technical and you have to be careful to comply with everything to prevent your bid from being disqualified.

All procurement with a value over R 200 000 takes place through a bid committee system. There are three committees involved:

- **The Bid Specifications Committee**

This committee is responsible for ensuring the bid specification documents are clear and fair, and comply with all necessary requirements.

Specifications may not be written to suit a specific service provider. For example, specifications may not refer to specific brand names.

- **The Bid Evaluation Committee**

This is where the main evaluation of bids takes place. This committee scores all submissions according to their ability to execute the contract, price and B-BBEE rating, and submits a recommendation to the Bid Adjudication Committee.

The Bid Evaluation Committee should ideally have different members from the Bid Specification Committee, but if it is not practical (as might be the case in smaller municipalities) the members can overlap.

- **The Bid Adjudication Committee**

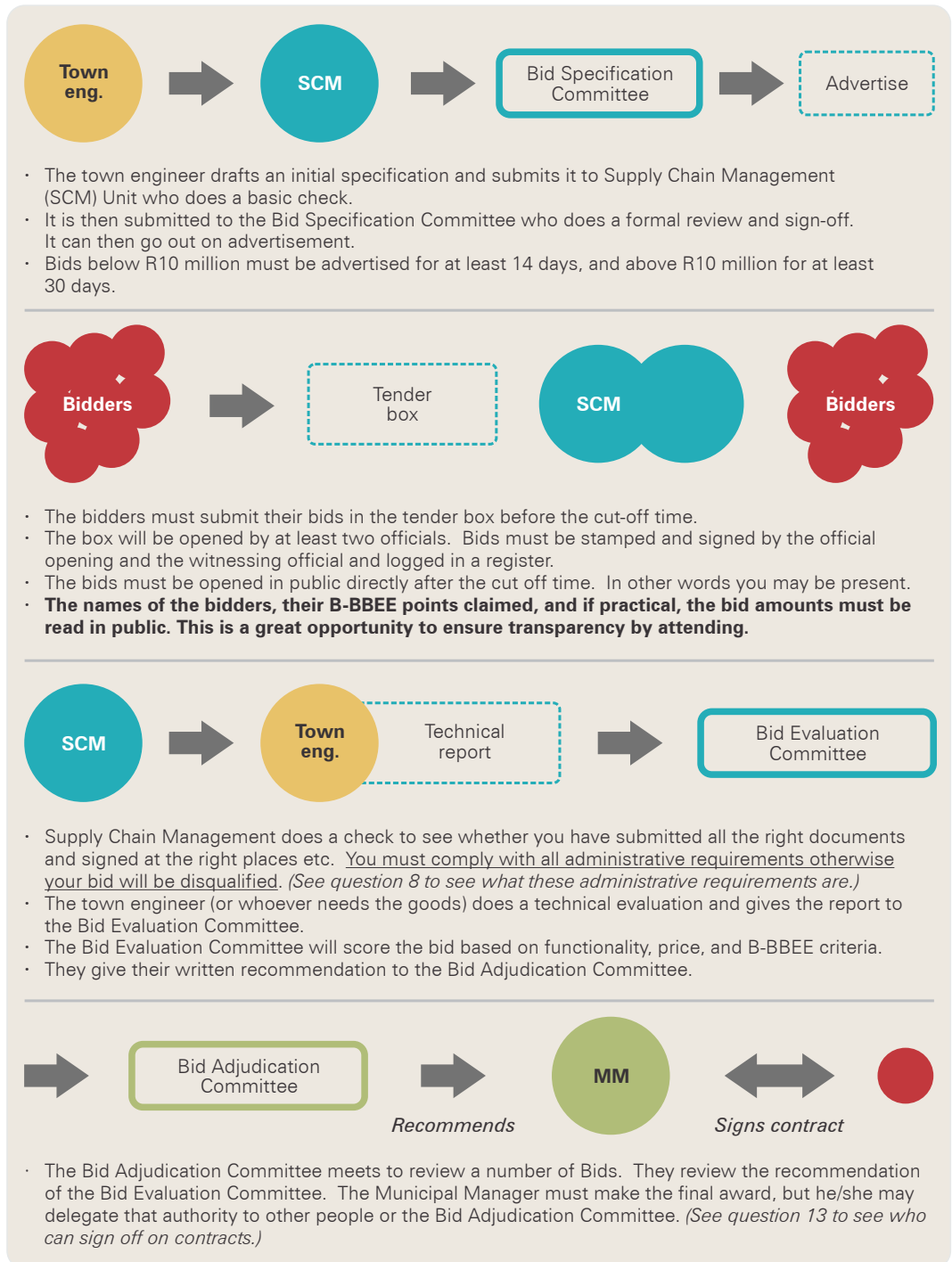
This is an oversight to committee that will consider the Bid Evaluation Committee's recommendations and, depending on its delegated authority, make either a final award or a recommendation to the Accounting Officer.

They are allowed to recommend a company other than the Bid Evaluation Committee's preferred bidder, but they must have very good reasons for doing this. There is obviously a risk for corruption here. Therefore the Municipal Manager (also called the Accounting Officer) must agree to this and must let the Auditor General, Provincial Treasury and National Treasury know in writing what the reason was for this deviation.

The Bid Adjudication Committee is not allowed to have the same members as the Bid Evaluation Committee. Bid Evaluation Committee members may give input at Bid Adjudication Committee meetings, but they may not vote.

Note! Councillors (elected officials) are not allowed to participate in the procurement processes and may not serve on any of the committees.

Let's use an example to show how this process would work. If the town engineer wants to procure services of a contractor to construct a water pipeline with an estimated value of R800 000, the following process will have to be followed:



8. What 'administrative criteria' can cause my bid to be disqualified?

You must read the bid documentation very carefully and comply with all the requirements. If you do not submit all the necessary information your bid may be disqualified.

Among other things you have to:

- **Give all required personal and company information, including:**

- Full names and identification numbers of all directors
- Company or other registration numbers; and
- Tax reference number and VAT registration number (if applicable).

- **Submit:**

- Valid B-BBEE certificate from a B-BBEE accreditation agency. Exempted Micro Enterprises must submit an affidavit stating their turnover and black ownership level.
- Valid, original tax clearance certificate.
- MBD4 form – 'Declaration of Interest'
This form requires you to disclose whether you are employed by the state, whether you know someone who might be involved in bid evaluation, whether your municipal accounts are in order and various other conflict of interest related matters.
- MBD8 form – 'Declaration of bidder's past supply chain management practices'
This form requires disclosure on whether the bidder has any convictions related to fraud or corruption or whether previous contracts have been cancelled due to failure to perform or other reasons.
- MBD9 form - Certificate of independent bid determination
This is a statement certifying that there has not been any collusion or other anti-competitive practices.

- **Sign at all the required places, especially the pricing schedule.**

There might also be other requirements, so read the documentation thoroughly.

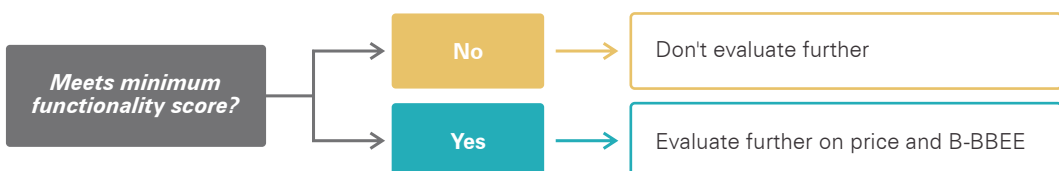
It is a good idea to scan a copy of your submission as a dated.pdf document prior to submitting it. If there is ever a dispute this can serve as some proof that all your documentation was in order when you submitted it.



9. Will the best and cheapest service provider always win the tender?

Not necessarily. There are a number of other factors that have to be considered.

Where there are functionality criteria the Bid Specification Committee must set a minimum functionality score. Bidders that meet this minimum score will then be evaluated further based only on price and B-BBEE ratings.



In other words once it is determined that companies can do the work, their functionality scores are not considered any further. It is therefore possible that a service provider is appointed who is not the best. But they must at least be able to do the work.

B-BBEE criteria might also mean that the cheapest service provider is not appointed as is explained in the next question.

10. What are the 80/20 and the 90/10 preferential points systems?

Note! The rules with relation to preferential procurement are currently being reviewed. The updated rules should however be widely publicised.

All contracts above R30 000 are subject to a weighting system to promote Broad-based Black Economic Empowerment (B-BBEE). If the contract is less than R1 million (incl. VAT) the price contributes 80 points of the total score and the B-BBEE status contributes 20 points. If it is above R1 million, price contributes 90 points and B-BBEE status 10.

The following table indicates how many points you will be allocated dependent on your B-BBEE status level:

B-BBEE status level	Number of points	
	80/20 (<R1 million)	90/10 (>R1 million)
1	20	10
2	18	9
3	16	8
4	12	5
5	8	4
6	6	3
7	4	2
8	2	1
Non-compliant Contributor	0	0

Only bids that qualify based on functionality may be evaluated further using the preference point system.

In other words, it is possible that a bid that is not the cheapest will win a tender. But, whoever wins the tender must fulfil the functionality criteria and be able to do the work.

The regulations do say that the municipality is also allowed to apply the 80/20 ratio to contracts below R30 000 - *'if and when appropriate'*.

The process specified in the bid documents will give you an indication of the bid amount expected. If the bid documents specify an 80/20 process you should know that the bid amount must be under R1 million. If they do not get functional bids under that amount they will have to re-advertise.

10.1. How do these rules apply to Exempted Micro Enterprises?

Exempted Micro Enterprises (EMEs) are small businesses with a turnover of less than R10-million. These businesses do not need to have a B-BBEE certificate from a registered verification agent. All they need to do is give an affidavit specifying their turnover and percentage of black ownership.

EMEs will be rated as follows:

Black ownership	B-BBEE level awarded
100%	1
Above 51%, but below 100%	2
Below 51%	4

11. How is 'fronting' prevented?

A contractor or supplier is not allowed to sub-contract more than 25% of the contract value to another enterprise that does not have an equal or higher B-BBEE status level, unless the sub-contractor is an Exempted Micro Enterprise (EME) that has the ability to do the work.

12. Must the municipality let me know if I was not successful?

No. It is your responsibility to follow up. You are however entitled to know why you did not win the bid. See questions 20 to 23 for more on what information you may have access to.

13. Who may sign off on my contract?

Municipal Managers (also known as Accounting Officers) are responsible for final awards. They may however delegate the responsibility for making the award as follows:

- Between R2 million and R10 million (incl. VAT)
 - The Chief Financial Officer;
 - A senior manager; or
 - A bid adjudication committee of which the CFO or a senior manager is a member.
- Below R2 million (incl. VAT)
 - All of the above;
 - A manager directly accountable to the CFO or a senior manager; or
 - Any bid adjudication committee.
- Petty cash
 - Any manager.

Awards above R10 million (incl. VAT) may not be delegated and must be signed off by the Municipal Manager.

The municipality is allowed to have stricter rules, but must keep to the minimum delegations set out above. Check the Municipality's Supply Chain Management Policy if you want to be sure.

14. Are municipal officials and councillors allowed to contract with the municipality?

No, they may not.

The municipality is not allowed to contract with any person in service of the State, whether they work for national, provincial or local government.

The codes of conduct for both municipal officials and municipal councillors specify that they are not allowed to benefit from any contract with any municipality or municipal entity.

The new Public Administration Management Act forbids any civil servant, whether they work for national, provincial or local government from doing business with the State. This Act, although signed into law in December 2014 has not yet come into effect at time of publication of this booklet.

The Act also says that a civil servant may not be a director of a company conducting business with the State. **This is important for your business. You must make sure that none of your company's directors are in service of the State.**

15. Are municipal officials' and councillors' close families allowed to contract with municipalities?

Yes they are, but they have to be transparent about it.

If you have a close family member who works for government you must disclose this on the form provided (the MBD4 form) when you submit your proposals. Close family members include your spouse, child or parent.

If you are going to contract with the municipality where a close family member works, the family member must also disclose this in writing to the municipality. The municipality must in turn disclose this in their annual financial statements if the value of the contract is above R2000.

16. If there are so many checks and balances, why is there still corruption?

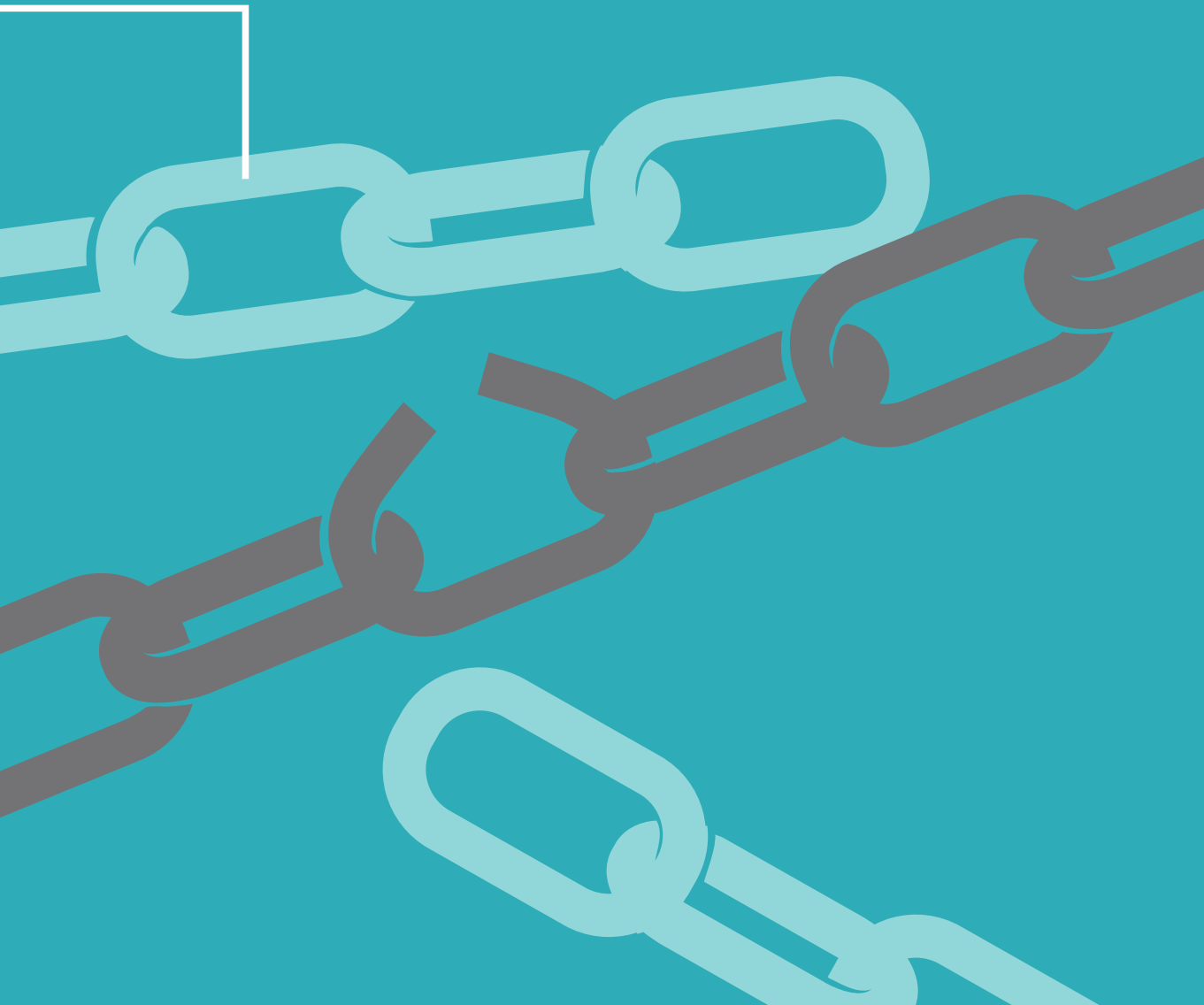
The checks and balances are primarily based on human oversight. One person cannot make all the decisions. That is why all the committees are involved.

There are however instances where powerful people manipulate the outcomes by pressuring others to support their decisions illegally. Many employees do not want to rock the boat and may also fear that they may lose their jobs.

There is also the possibility that a number of role-players may collude to make a specific bidder win a tender.

3

if things go wrong



If things go wrong

17. What if I don't get paid?

The Municipal Finance Management Act requires that the municipality pays all creditors within 30 days of receipt of a valid invoice or statement. (Refer to SARS' website to see what a valid tax invoice looks like). If you do not get paid in this timeframe you should immediately raise it with the municipality in writing. It is best to address this to the Municipal Manager. You should also look at the General Conditions of Contract that you signed with the Municipality.

At the same time you could speak to the Supply Chain Management Unit and the Finance Department to see what the problem might be.

If you see that things are going nowhere it might be worthwhile to get a lawyer involved.

If there are some amounts under dispute the municipality may withhold payment of these amounts, but not all payment.

18. What can I do if I am approached for a bribe by an official or if I know there was corruption?

You will know by now that it is very seldom the decision of any one person to give a contract. In some cases you may be approached for a bribe by someone when they know that you have already been awarded the contract. In other words they can't influence the process, but they pretend that they can.

That said, there may be systems that are broken and people may have influence that they can sell.

It is obviously morally wrong to pay bribes. So how does one deal with the situation to ensure that you still have a fair chance to compete? There is no right way of dealing with this and we here just give some ideas that might be useful.

Remember that transparency is your friend. The more people that look at a matter, the lower the chances of abuse.

If you trust the Municipal Manager you can contact him or her to take the matter further. Some metropolitan municipalities have appointed independent ombudsmen that could assist you. You could also contact the Internal Audit Unit in the municipality as they have to report to an Audit Committee which has some independent members.

It would not hurt to include external parties in e-mail communication. This might include government bodies such as the relevant provincial treasury, National Treasury, the Auditor General and the Public Protector.

You may also include other independent bodies such as Corruption Watch.

Keep in mind that if you cc too many people it might be that no-one takes note of your matter. Rather make contact with one or two bodies and keep them in the loop.

If you feel that you might be in physical danger it is best to remain anonymous. There are a number of hotlines that you can use for this purpose, but keep in mind that anonymous reports can be difficult to investigate.

You can contact:

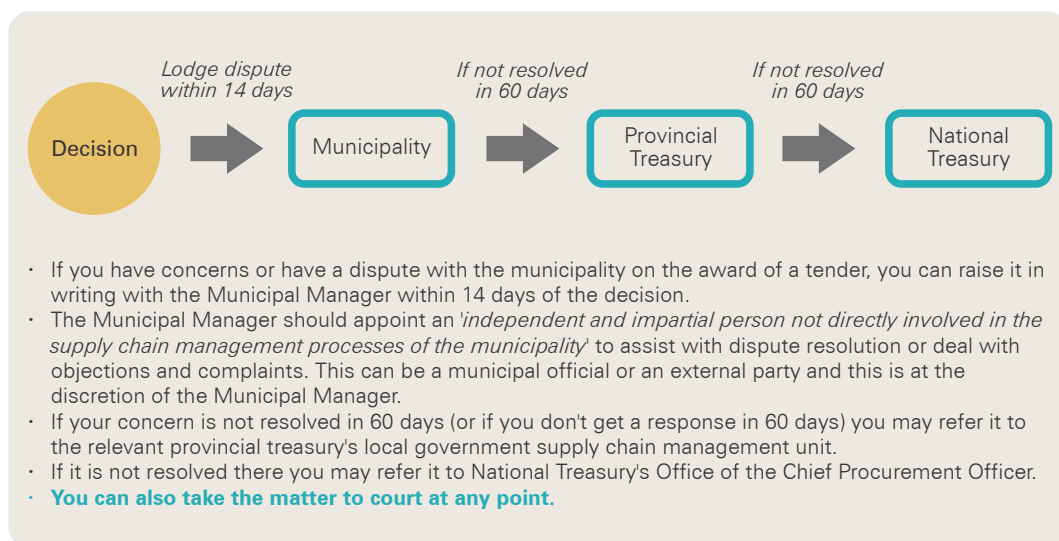
- The National Anti-corruption Hotline – 0800 701 701
 - This hotline is managed by the Public Service Commission. They will refer the matter to the provincial government who may investigate, but may also refer it to the municipality to investigate.
- Presidential Hotline – 17737
- Provincial hotlines (where available)
- Municipal hotlines (where available).

In most cases these hotlines are independently managed and you can trust that your information will be safe.

*“The only thing necessary for the triumph of evil is for good men to do nothing.”
- Edmund Burke*

19. What if I want to dispute a decision?

The following diagram shows the process to follow if you have a dispute.



④

transparency



Transparency

20. What if I lost the bid and want to find out why?

You can approach the Supply Chain Management Unit directly. There are many dedicated civil servants who will be happy to clarify how the decision was made. Approach them informally and you may have your questions answered in no time. They may require you to follow a more formal approach by requesting information in writing. You can also raise the matter in writing with the Municipal Manager.

If you don't get information from the Municipality you do have other options.

The Promotion of Access to Information Act gives you the right to any information (held by private or government bodies) that you may need to exercise or protect your rights. Each municipality must have an access to information manual. You will need to follow the process set out in this manual to get the information you want. You can also contact the South African Human Rights Commission for assistance with Access to Information matters.

The Promotion of Administrative Justice Act legislates that any decision made by the state (including the municipality) must be a lawful, reasonable and procedurally fair. This means that the municipality must be able to explain why they took specific decisions, such as the award of tenders. The Act sets out the process for getting these reasons and what you can do to get recourse if necessary.

The dispute process set out above in question 19 is there to ensure administrative justice.

21. Can I see other companies' tender documents if I was not successful?

No. When you submit a bid you assume that this is confidential. You may include proprietary information that you don't want your competitors to see. You may therefore not see the itemised pricing of your competitors and they may not see yours. It could also be seen as anti-competitive if this information is shared.

22. Can I see other companies' tender amounts?

In most cases, yes. But only the full bid amount – not itemised pricing.

You can be present at the opening of bids above R30 000. There the bid amounts should be read out in public. You can also contact the Supply Chain Management Unit for this information.

For bids above R200 000 the municipality must make the following information available on their websites within 10 working days after the bid closes.

- Bid reference number and description of the deliverables
- Names of all bidders
- B-BBEE status level of contribution of all bidders
- Local content percentages (where applicable)
- Total price of the bids (where practical)

This information must remain on the website for at least 30 days. It must also be available at municipal offices and libraries.

Similar information must be made available on the winning bid.

23. Can I see the scoring sheets used by the Bid Evaluation Committee?

There are no formal regulations on this, so to an extent it will be at the municipality's discretion. You should be able to see your own scoring sheet without a problem, but it may be a bit more difficult if you want to see the scores of your competitors. There might be concerns about sharing information that might prejudice their rights.

Your best chance to obtain this is if you submit a formal request under the Promotion of Administrative Justice Act. You should make very clear that you are not interested in confidential information related to your competitors and that you merely want to see the scores that were allocated to all bidders.

You can also try to get this information by following the procedures specified at question 19.



5

businesses'
responsibilities

Businesses' responsibilities

24. I hear a lot about anti-competitive behaviour. What is this about?

In a normal market businesses will compete based on price. Sometimes businesses however collude to remove competition from the market so that they can charge higher prices and make more money. This is of course illegal as it harms consumers.

The following are the most common forms of anti-competitive behaviour:

- **Price fixing**
 - e.g. Companies agree to keep a price at a specific level.
- **Dividing markets**
 - e.g. Company A agrees that it will not approach Company B's clients or sales regions and vice-versa.
- **Collusive tendering**
 - e.g. Companies A, B and C are the only players in a specific industry and they share information before tenders to ensure that the prices remain high and they all get some of the tenders.

If you do meet with your competitors you must be very careful not to discuss any competitive information such as the prices that you charge.

25. What are my responsibilities?

There are those who complain about corruption and pay bribes at the same time. The majority of people however want to do the right thing, but we sometimes get so caught up in things that we lose perspective.

Here are some reminders:

- 1 Be completely honest when submitting your documentation. Submitting false information or even withholding information can be seen as fraud.
- 2 Think about conflicts of interest. And be as transparent as possible. Mention it when you think there might be a perceived conflict. And avoid clear conflicts of interest.
- 3 Think extra carefully when there are family and friends involved. If in doubt be transparent.
- 4 Avoid BEE fronting. This too can be seen as fraud.
- 5 Don't give gifts and entertainment to municipal officials and councillors. It puts them in a difficult position.
- 6 Don't collude with other companies when submitting bids. You should not be speaking to your competitors at all when it comes to submitting bids.
- 7 And of course don't pay bribes or kickbacks. Bribes are not just money. Favours, loans and any other 'gratification' can also be seen as bribes.
- 8 Raise the alarm when approached for a bribe. This is not always as easy as it seems, but if people know they may be exposed they are less likely to ask in the first place. See question 18 for some guidance on this.

⑥

other



Other information

26. Legislation and regulations

The information in this booklet is generated from the following pieces of legislation and regulations:

- Municipal Finance Management Act
- Municipal Supply Chain Management Regulations
- Prevention and Combating of Corrupt Activities Act
- Promotion of Access to Information Act
- Promotion of Administrative Justice Act
- Preferential Procurement Policy Framework Act

Remember that the policies in your municipality may differ slightly. It is therefore worthwhile to look at their policy as well.

27. Organisations to contact

- If you get stuck with the municipality itself you can also try to contact the Local Government Supply Chain Management Unit at the relevant provincial treasury.
- You can also get information from the Office of the Chief Procurement Officer: Governance, monitoring and compliance department.
<http://ocpo.treasury.gov.za>
- Other organisations you can contact:

Public Protector

Toll free line: 0800 11 20 40
Customer Service Line: (012) 366 7143
customerservice@pprotect.org

Auditor General

Telephone: 012-426-8000
Fax: 012-426-8257
agsa@agsa.co.za

Corruption Watch

011 242 3900
Corruption reporting hotline: 0800 023 456
info@corruptionwatch.org.za
<http://www.corruptionwatch.org.za/content/how-contact-us>

About EthicsSA

The Ethics Institute of South Africa (EthicsSA) is a non-profit, public-benefit organisation that commenced operations in August 2000. The organisation is governed by a board of directors consisting of prominent persons committed to promoting ethical responsibility.

EthicsSA's vision is: "Building an ethically responsible society".

We achieve our vision by forming partnerships with the public and private sectors, and the professions. EthicsSA serves as a resource through our thought leadership, research, training, support, assessment and certification activities.

Thought leadership

EthicsSA is committed to stimulate and advance awareness of ethics in South Africa and in other countries on the African continent where we are active. We participate regularly in public debates in the media and contribute to policy formulation in respect of business ethics, corruption prevention and professional ethics.

Services offered

EthicsSA offers a wide array of services related to the management of ethics in organisations and professions. These services include:

Training: Public and in-house training programmes on a range of ethics-related themes.

Advisory services: Consulting to public-sector and private-sector organisations and professional associations on matters related to the management of ethics.

Assessments: Assisting organisations with gauging their current state of ethics through a variety of assessment instruments.

Certification: Certifying certain ethics-related services and service providers in order to provide assurance that these services and service providers meet relevant ethics standards.

Project management: Acting as project manager for funders wishing to enhance good governance, corruption prevention, or professional ethics.

Membership services: Offering subscription membership to individuals and organisations, with a variety of membership benefits.

More information on EthicsSA can be found at www.ethicssa.org

This booklet is aimed at businesses who want to know more about doing work for municipalities. The municipal procurement process can seem complicated and, as in all organisations, it is open to abuse. There are however processes in place to prevent corruption and if businesses understand these rules they can use them to ensure fair procurement.

We here try to clarify the procurement procedures in an easy to read FAQ style.

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