

## MBHASHE LOCAL MUNICIPALITY



### SUPPLY CHAIN MANAGEMENT COMMODITY BASED PROCUREMENT POLICY

1.  
NO.

<b>Document Category:</b>	Municipal Policies	<b>Version:</b>	1 OF 2018
<b>Document Number:</b>	201718-BTO-022	<b>Review period</b>	Annually
<b>Department:</b>	Budget & Treasury Office		
<b>Approval Structure</b>		<b>Date:</b>	
<b>Originator:</b>	Chief Financial officer		
<b>Effective date</b>	01 July 2017	<b>Review date:</b>	11 May 2017
<b>Council Resolution Number</b>		<b>Council Resolution Date</b>	31 May 2017
<b>Very Important:</b> Verify that this is the correct version before use			

INDEX

PAGE NO.

1	BACKGROUND	3
2	SECTORS IDENTIFIED FOR LOCAL PROCUREMENT	3
3	OBJECTIVE	3
4	MBHASHE LOCAL MUNICIPALITY SECTORS	3 - 4
5	COMMENCEMENT OF POLICY	5

## 1. BACKGROUND

Eastern Cape Provincial Government promotes targeted procurement in respect of designated commodities. Mbhashe Local Municipality is in favour of promoting commodity based procurement of goods and services from local manufacturer's and/or suppliers. The provincial designated commodities index list, as amended by GPG from time to time as well as additional commodities specific to Mbhashe is used as the basis of procurement where practically implementable.

## 2. SECTORS IDENTIFIED FOR LOCAL PROCUREMENT

National Treasury, in collaboration with the Department of Trade and Industry, has identified various sectors and issued Circular 69 that prescribes the invitation and evaluation of bids based on the stipulated minimum threshold for local production and content of these goods and services.

National Treasury issues circulars with effect to the various sectors as they are identified and finalised.

## 3. OBJECTIVE

It is the objective of the Municipality to promote local procurement to enhance job creation and sustainability.

In order to give effect to this initiative, Mbhashe LM will endeavour to procure goods and services from locally situated vendors, either within Mbhashe LM's direct geographic area or within the District area.

## 4. MBHASHE LOCAL MUNICIPALITY SECTORS

Over and above the sectors identified by National Treasury, Mbhashe Local Municipality has identified the following commodities to be locally procured (where possible) subject to the provisions of the applicable legislation, as set out in the table below:

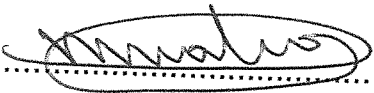
LOCAL PRODUCTION AND CONTENT: INDUSTRY/ SECTOR/ SUB-SECTOR	MINIMUM THRESHOLD FOR LOCAL CONTENT
Public transport	100% Mbhashe area
Rental of tents and chairs	100% Mbhashe area
Event equipment hire and decorations	100% Mbhashe area
Catering services	100% Mbhashe area
Pauper Burials	100% Mbhashe area

Car Wash	100% Mbhashe area
----------	-------------------

<b>LOCAL PRODUCTION AND CONTENT: INDUSTRY/ SECTOR/ SUB-SECTOR</b>	<b>MINIMUM THRESHOLD FOR LOCAL CONTENT</b>
Minor vehicle repair services	100% Amathole district
General hardware	100% Amathole district
Minor computer repairs	100% Mbhashe area
Minor plumbing repairs	100% Mbhashe area
Groceries	100% Mbhashe area
General Building construction related works	All unskilled workers must be locals and any project worth more than R500 000 must do EPW reporting subject to the provisions of the CIDB, the MFMA SCM Regulations, B-BBEE and PPPFA.
General Building works, repairs and maintenance to buildings, fences and sites	30% must be sub-contracted to local contractors (where practically implementable) promote local enterprise development of Mbhashe SMME and/or emerging contractors subject to the provisions of the CIDB, the MFMA SCM Regulations, B-BBEE and PPPFA.
General Building and Civil works: CIDB registered GB1/CE1 and GB2/CE2 companies	General Building and Civil work projects up to the value of R650 000 vat inclusive, to be allocated to local MLM companies (where possible), promote local enterprise development of Mbhashe SMME and/or emerging contractors subject to the provisions of the CIDB, the MFMA SCM Regulations, B-BBEE and PPPFA.
Civil Works (gravel to tar, paving, etc.)	30% of total contract value to be sub-contracted to MLM locally/Township situated CIDB registered businesses (where practically implementable) promote township and local enterprise development of Mbhashe SMME and/or emerging contractors subject to the provisions of the CIDB, the MFMA SCM Regulations, B-BBEE and PPPFA.

5. **COMMENCEMENT**

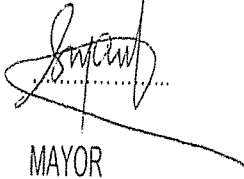
This Policy takes effect on 1 July 2017.

  
.....

Mr NAKO M  
ACTING MUNICIPAL MANAGER

02/08/17  
.....  
DATE

Cllr. Janda S.N

  
.....  
MAYOR

02/08/17  
.....  
DATE