



CLIFTON
CITY IMPROVEMENT DISTRICT

PROCUREMENT POLICY

November 2023

Introduction

The following policy seeks to guide the acquisition process used to secure services, goods, and work from external sources.

This policy is intended to ensure that the Clifton CID receives goods, services, or works at the best possible price, when aspects such as quality, quantity, time, and location are compared.

Before a purchase is approved, it must be determined that the provider is appropriate and that pricing, conditions of purchase and related items are suitable and meet the requirements of its intended purpose.

Objectives

To ensure fairness, equity, transparency, competitiveness, cost effectiveness and accountability when obtaining securing or purchasing goods or services.

Policy

It is a requirement of this policy that all quotes and relevant information (motivation, minutes of meetings when relevant, supporting documentation) is to be recorded and stored with the current financial year records / archived at the end of each financial year.

All procurement decisions must align with the requirements of the Finance Agreement entered into between the Clifton City Improvement District NPC and the City of Cape Town.

Procurement process

The procurement process encompasses the following phases:

- Identifying needs and budget review to determine available spend;
- Researching and identifying suppliers;
- Contacting and communicating with suppliers to obtain valid quotations;
- Negotiation of terms;
- Assessing supplier service;
- Satisfaction (condition, on time, correct goods or services delivered) and payment.

Obligation of the Board

Each Board Member must declare any conflict of interest (e.g., directly or indirectly receiving any financial benefit from Clifton CID procurement activities) prior to the review and approval of a supplier and thereafter recuse themselves from the decision-making process.

The Board of Directors will take appropriate action against any corrupt or unethical activities and acts of financial misconduct in the purchase of goods and services.

In each instance, the Board must determine which type of procurement process is appropriate – namely either a Request for Proposals (RFP) or a Request for Quotation (RFQ).

Decision making process

Board approvals (where required) may be obtained via email unless otherwise stated in this policy.

Procurement process:

1. Once off expenses below R20 000-00:

Individual purchases that form part of the annual operating budget, are once off expenses and if they do not exceed R20 000-00 are exempt from this policy.

It is the CID Manager's responsibility to ensure that sound procurement practices are followed in each instance. The CID Manager may seek input from the Board Chair as necessary.

2. Expenses exceeding R20 000-00 and below R100 000-00 (approved as part of operating budget or accumulated surplus / retention fund budget)

3. The CID Manager, must define the terms of reference of the planned procurement and then source two independent quotes including relevant specification details regarding the item or service to be secured;
4. The CID Manager must make a recommendation as to the preferred provider.
5. The CID Manager must submit the written recommendation (plus all supporting documents) to the Board Chair and Board Deputy Chair for consideration and approval to proceed;
6. If the goods or services are to be supplied inside of a contract, this contract may only be signed by the Board Chair and the Board Deputy Chair (or other Directors / CID Manager as may be mandated by the Board to fulfill this duty on behalf of The Clifton CID) unless this responsibility is delegated to the CID Manager in writing;
7. The procurement decision (plus all supporting documents) must be included in the document pack for the next scheduled Board meeting.

3. Expenses exceeding R100 000-00 (approved as part of operating budget or accumulated surplus / retention fund budget)

1. The Board may establish a working group of Directors to provide input into the procurement;
2. The CID Manager, with inputs from the relevant working group, must document the terms of reference for the proposed procurement;
3. The CID Manager and the relevant working group must determine if an open tender or targeted call is required;
4. These terms of reference must be sent out to as determined by the type of call, and proposers must make submissions in response;

5. The CID Manager, with inputs from the relevant working group, must prepare a supplier assessment document. This will always include a governance assessment as a qualifying criteria;
6. Potential providers must be invited to make a presentation to a selection panel convened per instance and that will be comprised of working group members and staff ;
7. A selection grid must be completed per provider and retained as art of the procurement record;
8. The selection panel must make a written recommendation as to the selection of the provider which will be submitted to the full Board for final review and approval.
9. If the goods or services are to be supplied inside of a contract, this contract may only be signed by the Board Chair and the Board Deputy Chair (or other Directors / The CID Manager as may be mandated by the Board to fulfill this duty on behalf of The Clifton CID).

4. Internal capacity building / program expansion projects OR special projects (funded by accumulated surpluses)

1. The CID Manager must lead the project development process and document a full project / program scope. As part of this process, the CID Manager must consult with Board members and may also call for inputs from external parties;
2. Once documented, the CID Manager must develop an implementation plan and a full proposed budget;
3. The project / program scoping document, implementation plan and budget must be sent to the full Board for review and further comment;
4. Approval to proceed must be obtained from the full Board.

Variation from this policy

In instances where potential suppliers are deemed unique in terms of their specific skills, competencies and attributes, the full Board may agree to vary the requirement to request proposals from multiple suppliers for specific procurement.