



DRAFT
SUPPLY CHAIN MANAGEMENT
PANEL ALLOCATION MANUAL
2025/2026

POLOKWANE MUNICIPALITY
SUPPLY CHAIN MANAGEMENT POLICY – PART A

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POLOKWANE MUNICIPALITY
SUPPLY CHAIN MANAGEMENT PANEL ALLOCATION PROCEDURE MANUAL – PART A

PART A

MUNICIPAL SUPPLY CHAIN MANAGEMENT PANEL ALLOCATION PROCEDURE MANUAL

The Council of the Polokwane Municipality resolved on in terms of section 111 of the Local Government: Municipal Finance Management Act (no. 56 of 2003) to adopt the following as the Supply Chain Management Panel Allocation Procedure Manual.

1. Definitions

In this Manual, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) has the same meaning as in the Act, and –

“Act” or “MFMA” means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

“CIDB” means Construction Industry Development Board

disability means, in respect of a person, a permanent impairment of a physical, intellectual, or sensory function, which results in restricted, or lack of, ability to perform an activity in the manner, or within the range, considered normal for a human being.

Specific goals Means specific goals as contemplated in section 2(1)(d) of the Act which may include contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender and disability including the implementation of programmes of the Reconstruction and Development Programme as published in Government Gazette No. 16085 dated 23 November 1994

Stakeholder Means a Supplier, Contractor, Service Provider that will be providing goods or services to the Municipality.

2. Preamble

In recognition of the vital role that stakeholders play in contributing to the effective functioning and development of our municipality, this Allocation Manual is established to provide a transparent, fair, and accountable framework for the allocation and deployment of stakeholders appointed to a panel within the Municipality. The Municipality is committed to upholding the principles of good governance, ethical conduct, and efficiency in the utilization of external expertise to enhance service delivery and meet the diverse needs of the community.

This manual aims to foster a collaborative and mutually beneficial relationship between the municipality and stakeholders, ensuring that the allocation of services aligns with the strategic objectives, priorities, and regulatory requirements of the Municipality. By establishing clear guidelines for the, project assignments, this manual seeks to enhance the overall effectiveness of stakeholder engagements while promoting economic development, job creation, and the empowerment of local businesses.

3. Objectives

The objectives of this Allocation Manual are centered around establishing a transparent, fair, and accountable framework for allocating service providers within the Municipality. Emphasizing transparency and fairness, the manual aims to ensure equal opportunities for all service providers through an equitable allocation method. It seeks to promote healthy competition among service providers, prevent monopolies, and encourage diversity. The manual is committed to empowering local businesses, particularly historically disadvantaged enterprises, contributing to economic development and fostering sustainable community growth.

4. Legislative Framework

The municipality's operations are governed by an array of different acts and this policy should be understood within that context.

The following Acts and prescripts are central in defining the municipality's boundaries and areas of influence:

- Local Government: Municipal Structures Act, 1998 (Act of 117 of 1998)
- Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)
- Local Government: Municipal Finance Management Act, 2003 (Act 53 of 2003)
- Supply Chain Management Regulations – GG 27636 – 30 May 2005
- Preferential Procurement Policy Framework Act and Regulations
- Treasury Regulations
- National Treasury MFMA Circulars
- MFMA Circular 96 : Implementation of SCM Regulation 32 (2019)
- National Treasury guidelines and prescripts

5. Contract Management

All contracts must be managed throughout the contract Life Cycle, based on the level of management control appropriate for the classification of that contract. good contract management by all stakeholders involved is essential for good financial management and will contribute greatly to the effectiveness and efficiency of service delivery.

Polokwane Municipality appoint panels of various Service Providers and Suppliers for various projects and Services for both Capital Projects (CAPEX) and Operational Projects (OPEX).

6. Method of allocation

The services are allocated to the stakeholders that are appointed on a panel, on a rotational basis, for operational or capital services, Maintenance Services, Stock Items and Emergency Services and allocate next in line on a rotational basis for Operational (OPEX) and Capital Projects (CAPEX) as and when needs arise.

Each Service Provider on a panel will be given an opportunity to provide a service.

Different types of Panels:

1. Capital Projects

- Construction Services
- Infrastructure Services
- Electrical Services

2. Operational Services

- Professional Services e.g Legal services, Consultants
- Stock items / Supply and Delivery
- Maintenance / Emergency Services

Allocation Processes are as follows:

- **Capital Projects**

The End-Users to submit specification, requirements and BOQ to the next in line appointed service provider on the panel:

Preparation of Project Specifications and Requirements:

1. Project managers prepare a request to allocate memo with specification, requirements, available budget segment enquiry and unpriced BOQ
2. Director recommends the request to allocate memo
3. Accounting Officer approve the request to allocate memo

Allocation of Appointed Service Providers:

1. The End-User Project Manager to request the quotation from the next in line appointed service provider as per the rotation schedule.
2. Project Manager prepare work allocation order and submit to Bid Adjudication Committee
3. The Director and Chief Financial Officer will then verify the compliance of the quotations based on the requirements and specifications
4. The Director and Chief Financial Officer recommends work allocation order to BAC
5. Bid Adjudication Committee recommends to the Accounting Officer for approval
6. The Accounting Officer approve the work allocation order

- **Operational Projects**

1. The Service Providers on the panel will be allocated on a next in line rotational basis using a rotational plan (Excel Format).
2. The End-User will send a request for quotation to the appointed service providers.
3. Each Service Provider on a panel will be given an opportunity to provide a service.
4. The Director and Project Manager will be responsible for the maintenance of the rotational plan.

Emergency and Maintenance Service:

1. The End-User project manager will request the next in line service provider to attend the emergency or maintenance service
2. Service providers provide quotation base on the work specification
3. Project managers and Director to approve the request to allocate and quotations

Specialized, Professional or work stream panel allocations:

1. Accounting Officer to allocate at the sole discretion considering the specification and requirements of the work to be performed.

7. CIDB Grading

The contractors will submit their CIDB gradings with their quotations to determine their ability to carry out the work. The table below specifies the CIDB gradings relative to the contract amount of the work.

Designation	Maximum value of contract that a contractor is considered capable of performing
2	R1 000 000
3	R3 000 000
4	R6 000 000
5	R10 000 000
6	R20 000 000
7	R60 000 000
8	R200 000 000
9	No limit

8. DATE OF IMPLEMENTATION

This policy takes effect from 1 July 2025 and will be reviewed annually during the budgetary process of the Municipality.

“END”