



the dps

Department : Public Safety
North West Provincial Government
REPUBLIC OF SOUTH AFRICA

Amos House Building
Mafikeng, 2745
PO Box 204,
Rooigrond, 2743
Tel: +27 (18) 388 2462
Cell: 078 800 4521
Enq: Siphon Maduma Director SCM

SUPPLY CHAIN MANAGEMENT DIRECTORATE

TO : OFFICE OF THE MEC
OFFICE OF THE HOD
CHIEF DIRECTORS
DIRECTORS
ALL DISTRICT MANAGERS

FROM : MR. O MONGALE
HEAD OF DEPARTMENT

DATE : 06 NOVEMBER 2009

SCM CIRCULAR NO.05

URGENT AND EMERGENCY PROCUREMENT OF GOODS AND SERVICES

1. URGENT PROCUREMENT

- 1.1 Irrespective of monetary value an urgent procurement process will only apply where early delivery is of critical importance and the utilisation of the standard procurement process is either impossible, or impractical. (However, a lack of proper planning should not be constituted as an urgent case)
- 1.2 In urgent cases Supply Chain Management (SCM) may dispense with the invitation of bids and may obtain the requirement by means of quotations preferably making use of the list of prospective providers per commodity or otherwise in any manner to the best interest of the Department.
- 1.3 The appropriate course of action for urgency shall be justifiable within 48 hours under the circumstances. The nature of the urgency and the details of the justifiable procurement process followed will be recorded and reported to Supply Chain Management Manager.
- 1.4 When the user division identifies urgency, the urgent case is to be certified by the manager of the user division (Programme Manager) as urgent and submitted to the SCM Unit for processing.
- 1.5 As part of the request, the user division must provide the SCM Unit in writing with the following:
 - 1.5.1 The 3 quotations obtained from the list of prospective providers, where Possible the nature of the urgency

- 1.5.2 The date and time thereof
 - 1.5.3 The details of the procurement action to be taken
 - 1.5.4 The envisaged result if the standard procurement procedure were to be followed.
16. For all transactions which is above R100 000, the Director SCM is to evaluate and make proposal to the Departmental Adjudication Committee for adjudication and recommendation for approval by the Accounting Officer.

17. EMERGENCY PROCUREMENT

- 17.1 Irrespective of monetary value, an emergency procurement process will only apply in serious, unexpected and potentially life threatening circumstances which require immediate rectification:
- 17.2 In the event of a threat or interruption in the Department's ability to execute its mandate.
- 17.3 In the event of an immediate threat to the environment or human safety.
- 17.4 The standard procurement processes will be bypassed and the Department will dispense with the invitation of bids and will obtain quotations by making use of the list of prospective service providers from the Database. The appropriate course of action for emergency shall be justifiable under the circumstances. The nature of the emergency and the details of the justifiable procurement process followed will be recorded and reported to Director Supply Chain Management.
- 17.5 When an emergency is identified it must be reported to the Director SCM, the relevant manager from user division and Head of Department. The emergency will be certified telephonically or in writing by the manager of the user division, submitted to the SCM Unit for processing.
- 17.6 In the event where it is impossible to liaise with the SCM Directorate, the user division must, within 48 hours of such an emergency, inform in writing the Director SCM if the following:
- (i) The nature of the emergency
 - (ii) The date and time thereof
 - (iii) The details of the procurement action taken
 - (iv) The envisaged results should the standard procurement process been followed
 - (v) Should it not be possible to conform to the above within 48 hours, the Head of Department must be informed of this fact in writing.
18. The SCM Unit must record and report such incidents to the DMC on quarterly basis.
19. Urgent cases are cases where early delivery is critical and the invitation of bids is impossible or impractical. (A lack of proper planning should not constitute an urgent case.)
20. Emergency cases are cases where immediate action is necessary in order to avoid an interruption to a critical service, a dangerous, risky situation or misery.

21. The reasons for the urgent or emergency cases and for dispensing with competitive bids should be clearly recorded and approved by the Programme Manager concerned or/authorize person or his or her delegate.
22. An **annexure "A"**, emergency application form to be completed and submitted to Supply Chain Management with motivation.

23. PROCEDURE

- 23.1 The Director: SCM or CFO must be made aware of any possible unavoidable expenditure against which an official order has not been generated in order for verbal approval to be immediately granted prior to committing the Department.
- 23.2 The approval must be granted to the relevant Programme Manager in consultation with the Chief Financial Officer and the Accounting Officer.
- 23.4 At least 3 written quotations must be sourced as soon as possible for any expenditure estimated to be above R100, 000'.
- 23.5 The approved suppliers Database must be utilized.
- 23.6 Where only one quotation was received and accepted, all reasonable steps taken to ensure that a fair price and good quality was obtained, should be listed.
- 23.7 The Programme Manager must ensure that within 24 hours or the earliest possible time, a full written motivation is submitted with the accompanying quotation(s) to the Director: Supply Chain Management for ratification.
- 23.8 An official order must be generated and issued within 24 hours upon ratification.

24. RISK MANAGEMENT

- 24.1 The risk management strategy, which includes a fraud prevention and the business continuity plans, must be used to direct priority and to determine the skills requirement of managers and staff to improve controls and to manage these risks.
- 24.2 The risk management strategy must be clearly communicated to all employees to ensure that it is incorporated into the language and culture of the Department and is embedded in the behavior and mindset of the employees.
- 24.3 The Chief Risk Officer (C.R.O) must ensure that a risk assessment is conducted annually within each component to identify emerging risk, design control measures, to mitigate against such risks. The end results of this process is the risk register which will be periodically reviewed and updated to ensure that all existing and emerging risk are covered. The deadline for reviews shall be agreed upon between the CRO and the risk owners (Programme Managers)

24.4 The Agenda of the Departmental Management Committee will have risk management as the standing item where the Chief Risk Officer will table a report on progress against the risk management strategy (Risk Register

24.5 Risk Management will be part of the Key Performance Areas included within the Performance Agreements of Senior Managers.

25. CONTIGENCY PLAN IN CASE OF DISASTER

25.1 South African Police Services may be approached to assist us with manpower and transport.

25.2 Suppliers from the approved Database of suppliers may be approached with permission from the Accounting Officer to supply the Department with non-stock items and render any emergency service.

NB: A submission and attached Ex-post Facto application must be completed for the recommendation of the Departmental Bid Adjudication Committee for approval by the Head of Department.

All members of the Departmental Management Committee are requested to circulate to all staff members within their components.

**MR S MADUMA
DIRECTOR: SUPPLY CHAIN MANAGEMET**

RECOMMENDED / NOT RECOMMENDED

**MS D THABALALA
CHIEF FINANCIAL OFFICER**

APPROVED/NOT APPROVED

**MR O MONGALE
HEAD OF DEPARTMENT**

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ANNEXURE A

APPLICATION: CASES OF EMERGENCY

NB: This form must be completed and submitted in the case of emergency

1. Full particulars of the circumstance(s) which was unforeseen.

2. Outline the dangerous, perilous condition, misery, and or defect that could have occurred as the result of the State of emergency or the damages that could have been incurred as a result there of

3. Indicate the aim / goal of action taken in order to relieve, stem or prevent the state of emergency.

4. What was the actual result of the action taken? (Refer to paragraph 3 above)

5. Furnish exact details of timescale applicable at the time of action.

Date on which requirement became known: _____

Date on which the supply or service had to be available: _____

Date on which supplier was requested or contract awarded or order was placed: _____

Period required by supplier for performance: _____

Date of commencement _____

Date of completion: _____

6. What attempts were made to obtain prior authorization from the Head of Department or Director: Supply Chain Management?

7. Describe the manner in which quotations, Tenders, issuing of orders as well as payments were handled.

8. Which tender / contract conditions was applicable?

9. Furnish a price analysis and comparison there of with normal prices.

10. Indicate whether the application is arising from an Audit inquiry or not.

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