



Procurement Process for the Fish Hoek BID

1. Transaction value: less than or equal to R5,000.00

Where the transaction value is less than or equal to R5,000.00, the board, the Fish Hoek BID Manager or any other delegated person may procure goods or services by way of direct negotiation.

2. Transaction value: R5,001.00 to R30,000.00

Where the transaction exceeds R5,000.00 and is less than or equal to R30,000.00, the Fish Hoek BID Manager or delegated person must obtain written quotations from at least three different suitably qualified and experienced providers.

The aforesaid written quotations may be obtained by way of direct negotiation and/or bid invitations.

If it is not possible to obtain at least three written quotations, the reason must be recorded and approved by the board.

The board or delegated person must consider the written quotations and may award the contract to the preferred bidder.

3. Transactions value: R30,001.00 to R200,000.00

Where the transaction value exceeds R30,000.00 and is less than or equal to R200,000.00, the Fish Hoek BID manager or delegated person must:

- 3.1 obtain written price quotations from at least three different suitably qualified and experienced providers
- 3.2 If it is not possible to obtain at least three written quotations, the reasons must be recorded and approved by the board.
- 3.3 The board must consider the bids considering the bid specifications, the objectives of this policy, as well as any other relevant considerations, and may award the contract to the preferred bidder.
- 3.4 The board may enter negotiations with the preferred bidder to finalise the terms of the contract, provided such negotiations do not allow the preferred bidder an unfair opportunity or result in a higher price than contained in the bid.

Fish Hoek Business Improvement District
(NPC Registration No 2000/031844/08)
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Directors: M. Reaper (Chairman), M. Mabin, H. Seymour, C. Van der Merwe



- 3.5 The board may cancel the bid prior to the award of the contract in appropriate circumstances, including but not limited to the change in the need for goods or services, unavailability of funds, the receipt of non-responsive bids or material irregularities in the process.
- 3.6 The successful bidder and unsuccessful bidders will be notified in writing once the board has determined the successful bidder.

4. Appointment of preferred suppliers

The board of the Fish Hoek BID may at its sole discretion appoint a preferred supplier for specific goods and services

- 4.1 The appointment may not last more than twelve months.
- 4.2 The goods and services for which the supplier is appointed must be specified.
- 4.3 All transactions of greater than R5,000.00 with a preferred vendor require board approval.

5. Contracts

Any contract entered with a service provider must include:

- 5.1 Clear performance indicators with appropriate targets and/or service levels.
- 5.2 Provision for regular meetings to review performance against these targets and/or service levels where problems which could impact performance are resolved.
- 5.3 Penalties which enable the Executive Officer to correct poor performance.
- 5.4 A termination clause that allows the contract to be terminated in the event of poor performance

6. Deviation from procurement processes

- 6.1 The board may dispense with the procurement processes stipulated in this policy and procure any required goods or services through any convenient process, which may include direct negotiation, but only in respect of:
 - 6.1.1 Any contract relating to an emergency where it would not be in the interest of the Fish Hoek BID NPC to invite bids or written quotations.
 - 6.1.2 Any goods or services which are available from a sole provider only.
 - 6.1.3 Any other exceptional circumstances where it is impractical or impossible to follow the official procurement process.

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- 6.2 The board may ratify any minor breaches of the procurement policy by a delegate person, provided the breach is of a technical nature.
- 6.3 The reasons for all deviations shall be recorded by the Fish Hoek BID Manager or delegated persons and reported by the board to the BID members in the annual report.

7. Contract Splitting

The provision of goods or services may not be deliberately split into parts, or items of lesser value, to avoid complying with the requirements of this policy.

City of Cape Town procurement rules – section 217 of the constitution

1. A procurement system which is fair, equitable, transparent, competitive and cost effective as contemplated in section 217 of the Constitution.
2. Denying any corrupt persons (e.g. persons who have a criminal or fraud convictions), access to contracts.
3. Denying persons who have been deemed unfit to be a company director access to contracts.
4. Enhancing oversight of decision-makers, which could be implemented by requiring multiple approvals before significant decisions are taken or service provider contracts are awarded; and
5. Requiring rotation of procurement decision-makers to prevent the formation of relationships that may lead to corruption.

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