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1. INTRODUCTION

In this unit you will be dealing with the fundamentals of supply chain management (SCM), namely: the definition of SCM, its different elements and how the elements relate to each other. This is essential basic insights before we deal with how the bid committees system functions in the public service in South Africa.

1.1 Supply Chain Management: The New Policy

The Public Finance Management Act, 1999 (PFMA), Act 1 of 1999 as amended by Act 29 of 1999 was approved by Parliament and promulgated in March 1999 “to regulate financial management in the national Government and provincial Governments, to ensure that all revenue, expenditure, assets and liabilities of those Governments are managed efficiently and effectively and to provide for the responsibilities of persons entrusted with financial management in those Governments.” The PFMA requires the introduction of supply chain management in every department / institution. The express provisions on supply chain management relate to the implementation of policies within the prescribed framework that must be fair, equitable, transparent, competitive and cost-effective.

1.2 Concepts of Supply Chain Management (SCM)

Although there is no singular definition of SCM, the following concepts are generally applicable to public sector SCM:

SCM includes "the acquiring and disposing of all goods, services, construction and road works and immovable property of all constitutional institutions, public entities as defined in schedule 3A and 3C of the PFMA, national and provincial departments, trading entities, municipalities and municipal entities as defined in the MFMA and all school governing bodies whether or not they have been assigned additional responsibilities in terms of section 21 of the South African Schools Act, 1996", (National Treasury — Policy Strategy To Guide Uniformity in Procurement Reform Processes in Government — 10/09/2003).

SCM is an integral part of prudent financial management. It introduces internationally accepted best practice principles, while at the same time addressing Government's preferential procurement policy objectives. Integrated supply chain management aims to add value at each stage of the process — from demand of goods or services to their acquisition, managing the logistics process and finally, after use, to their disposal. In doing so, it addresses deficiencies in current practice related to procurement, contract management, inventory and asset control and obsolescence planning.

Furthermore, it involves "the management of working capital that is invested in goods, stores and services with the objective of optimising the economic return on such investment. It entails proper planning at budgeting phase, careful product/service selection, supplier selection and management, bidding, requisitions, catalogue management, ordering, invoicing and payment, customer service and asset and inventory management. The process begins when the needs are identified during the strategic planning phase of the organisation when service delivery targets are identified, to the point of finally disposing of an asset. Uniformity in bid and contract documentation and options as well as bid and procedure standards, among others, will promote standardisation of supply chain management practices. As such, the supply chain encompasses all activities associated with the flow and transformation of goods from the raw material stage (extraction), through to the end user, as well as the associated information flows. Material and information flow both up and down the supply chain.

SCM is also defined as the systems approach to managing the entire flow of information, materials and services from raw materials suppliers through factories and warehouses to the end customer. As you can gather from the multiple definitions and interpretations of Supply Chain Management, it is a very complex and multi-faceted field of endeavour.
1.3 SCM Model

The following is a model of Supply Chain Management that depicts the flow of information/material/resources between the different elements:

![Supply Chain Management Framework]

Figure 1: Supply Chain Management Framework

1.4 Objectives of SCM

The objectives of Supply Chain Management SCM are to:

(a) Give effect to the provisions of The Constitution, 1996;
(b) Give effect to the provisions of the PFMA and MFMA;
(c) Transform the procurement and provisioning functions in Government into an integrated SCM function;
(d) Introduce a systematic approach for the appointment of consultants;
(e) Create a common understanding and interpretation of Government's preferential procurement policy objectives;
(f) Make a significant improvement to financial management in the broader public sector;
(g) Promote consistency in respect of supply chain policy and other related policy initiatives in Government; and
(h) Align with global trends and transformation and ensure that South Africa adheres to international best practices.
1.5 Elements of SCM Model

The diagram below, as well as the discussion that follows, capture the main elements of SCM.

**Figure 2 Elements of Supply Chain Management**

1.5.1 Demand Management

This is the beginning of the supply chain, and must begin with a needs assessment, to ensure that goods or services are acquired in order to deliver the agreed service; that specifications are precisely determined; that requirements are linked to the budget; and that the supplying industry has been analysed. It also involves deciding on the manner in which the market will be approached, to establish the total cost of ownership of a particular type of asset. This phase will bring the supply chain practitioner closer to the end user, to ensure that value for money is achieved. A supply chain policy must provide for an effective system of demand management in order to ensure that the resources required for supporting the strategic and operational commitments of the department / institution are delivered at the correct time, at the right price and at the right location, and that the quantity and quality satisfy the needs of the department / institution.

1.5.2 Acquisition Management

Traditionally, almost all the focus of procurement activity has been given to this stage (to the almost total exclusion of the other aspects of SCM). In this phase the following takes place: Preferential procurement policy objectives which were identified and that could be met through the specific contract; the strategy of how the market is to be approached is implemented; the bid document would be compiled, attaching all necessary required documents and giving conditions etc; bids are evaluated and recommendations made to the relevant committees; contract documents are compiled and signed; contract administration is done; and contract information is used to kick-start the logistics management process.
1.5.3 Logistics Management

This aspect addresses the setting of inventory levels: placing of orders, receiving and distribution of material, stores, warehouse and transport management, expediting orders, the review of vendor performance, maintenance and contract administration. From these processes, the financial system is activated to generate payments.

1.5.4 Disposal Management

A supply chain management policy must provide for an effective system of disposal management for the disposal or letting of assets no longer needed, including unserviceable, redundant or obsolete assets. At this stage, consideration must be given to: obsolescence planning; maintaining a data base of redundant material; inspecting material for potential re-use; determining a disposal strategy; and executing the physical disposal process.

1.5.5 Risk Management

1.5.6 Performance Management

This is a monitoring process, undertaking a retrospective analysis to determine whether the proper processes have been followed and whether the desired objectives were achieved. Some of the issues that may be reviewed are: compliance to norms and standards; cost efficiency of procurement process (i.e. the cost of the process itself); and whether supply chain practices are consistent with Government's broader policy focus.

A supply chain policy must provide for an effective system of risk management for the identification, consideration and avoidance of potential risks in the supply chain management system. Risk management must include:

(a) The identification of risks on a case-by-case basis;
(b) Acceptance of the cost of the risk where the cost of transferring the risk is greater than that of retaining it;
(c) The management of risks in a pro-active manner and the provision of adequate cover for residual risks; and
(d) The assignment of relative risks to the contracting parties through clear and unambiguous contract documentation.
**ACTIVITY 1: The Supply Chain Management Model**

**Purpose:** Apply the SCM Model in a Personal Context.

**Time:** 45 Minutes

1. Work in groups of three. In your groups explore how the SCM model is applied within your personal context e.g. building a house. Present your answer on a flip chart.

2. In the same groups, explain the relationships between the different elements of the SCM as it applies to building a house.

**FEEDBACK:**
This activity highlighted how the concepts of SCM are applied in our daily lives. The activity further highlighted the interaction of the different role-players in creating value in producing a solution to the requirements of the end-user.

**1.6 Role Players in the Bid Committee System**

There are different role players that make the bid committees system function optimally. These are:

**1.6.1 National Treasury**

The National Treasury established in terms of section 5 of the PFMA must inter alia promote and enforce transparency and effective management in respect of revenue, expenditure, assets and liabilities of departments, public entities and constitutional institutions [Section 6 (1) (g)], and to the extent necessary to perform its functions the National Treasury inter alia [Section 6 (2) (a) — (d)]:

(a) Must prescribe uniform treasury norms and standards:

(b) Must prescribe standards of generally recognised accounting practice and uniform classification systems, in national departments;

(c) Must monitor and assess the implementation of this Act, including any prescribed norms and standards, in provincial departments, in public entities and in constitutional institutions;

(d) May assist departments and constitutional institutions in building their capacity for efficient, effective and transparent financial management.

It is the responsibility of the National Treasury to foster coherent financial management in all organs of state, across all three spheres of Government.

To make sure that all treasuries are acting in unison, National Treasury, as with the implementation of the PFMA, has drawn up a checklist to make sure that all relevant aspects are addressed and monitors the process of phased implementation to ensure success. The National Treasury will issue a limited number of practice notes in terms of the framework to guide uniformity in practices and procedures in the different spheres of Government (for example, depreciation rates) whilst provincial treasuries and municipal managers will issue further practice notes in a cascading fashion to guide the more detailed implementation of SCM functions.
1.6.2 SCM Office

A SCM Office has been established in the National Treasury to oversee the implementation of the SCM policy, in conjunction with provincial treasuries. Its main functions are to:

(a) Formulate and advise on supply chain management policy;
(b) Administer national procurement legislation and regulations;
(c) Promote communications and liaison between different SCM units located in institutions;
(d) Monitor the performance of SCM units at national, provincial and local government level;
(e) Serve as a linkage between central government, National Treasury and the different supply chain management units located in organs of State;
(f) Issue regulations to ensure uniform application of the national SCM policy, ensuring the requirement for consistency with other policy initiatives in government;
(g) Ensuring that material construction standards become increasingly aligned with those standards that support international best practice;
(h) Establishing selection standards for the appointment of consultants;
(i) Observing the principles of co-operative governance as expounded in the Constitution
(j) Promote the policy objectives outlined in the PPPFA, BBBEE Act and their accompanying Regulations:
(k) Establish minimum reporting requirements for accounting officers / authorities;
(l) Investigate complaints received from the public regarding bid procedures and irregularities;
(m) Maintain a Register for Tender Defaulters, containing the names of bid defaulters as instructed by a court of law and which is available for public scrutiny;
(n) Assist supply chain management units in executing the national procurement policy and instituting remedial steps in those units not adhering to or not implementing such policy;
(o) Maintain a database to support the monitoring of the extent to which government's procurement reform objectives are met;
(p) Monitor the manner in which policy is implemented in respect of government's procurement reform objectives, the manner in which targets are set and attained, value for money obtained and delivery mechanisms; and
(q) Facilitate the arrangement of transversal contracts provided that it is cost-effective.

1.6.3 Provincial Treasury

Provincial Treasuries have similar SCM Offices to deal with SCM responsibilities as provided for in the Policy Strategy and in the PFMA ancillary to the efforts of the National Treasury and their responsibilities. Where applicable, Provincial Treasuries may issue complementary guidelines within the parameters as set by National Treasury. These standards may not jeopardise national objectives.

1.6.4 Supply Chain Management Units (SCMUs)

Capacity building in departments includes the establishment of SCMUs under the responsibility and management of departmental CFO's, ensuring that clear lines of authority and accountability, as well as performance criteria contribute towards minimising risk, improving sourcing procedures and processes, and enhancing asset and inventory management.
1.6.5 End users
Initiate the procurement process by setting the requirements for the goods or service to be procured. The end-user will also accept the acquired good or service into their operational environment and be responsible for their disposal at the end of their use-full life. The role of the end-user is critical since the procurement of goods/services must satisfy their requirement which has to be according to the strategic objectives of the organisation concerned.

1.6.6 Technical Experts
The role of technical experts is to translate the functional requirements of the end-users into technical specifications that define the good or service to be procured in a manner that will elicit responses from potential suppliers. Technical experts are thus intimately involved in the bid specifications committee. The evaluation committee cannot ensure the compliance of a solution proposed by a supplier to the specifications/terms of reference without the input of the technical experts.

1.6.7 Legal Experts
The decisions of all bid committees may have legal consequences for a government entity. Legal experts give advice to accounting officer as members of bid adjudication committees or any other committee that the accounting officer may see fit. Legal experts also advise supply chain management practitioners in the drafting of contracts.

1.6.8 Auditors
Auditors’ role in supply chain management is to ensure that the supply chain management system of an institution complies with the relevant legislation and the institution’s own policies. They do not participate directly in the execution of any of the SCM processes because of the need for them to maintain objectivity by being independent. It is important to note that Auditors will occasionally be required to provide an opinion at any stage of the supply chain management process.

1.6.9 Accounting Officers
Every department and every constitutional institution must have an accounting officer - the civil servant in a department who is accountable to Parliament for financial management, usually the Director-General or head of the department. The chief executive officer of a constitutional institution must be the accounting officer for that institution.

1.6.10 General responsibilities of the accounting officer
The accounting officer or administrative head of the department has the following general supply chain management responsibilities in terms of section 38(1) of the PFMA for which he/she can be held accountable by the political head of the department, namely the relevant minister or MEC (Member of the Provincial Executive Council):

(a) Ensure that the department has and maintains effective, efficient and transparent systems of financial and risk management and internal control;
(b) Maintain a system of internal audit under the control and direction of an audit committee complying with and operating in accordance with regulations and instructions prescribed in terms of section 76 and 77;
(c) Maintain an appropriate procurement and supply system which is fair, equitable, transparent, competitive and cost-effective;
(d) Ensure the effective, efficient, economical and transparent use of the resources of the department;
(e) Take effective and appropriate steps to collect all money due to the department;
(f) Take effective and appropriate steps to prevent unauthorised, irregular, fruitless and wasteful expenditure;
(g) Take effective and appropriate steps to manage available working capital efficiently and economically;

(h) Responsible for the management, including the safeguarding and the maintenance of the assets, and for the management of the liabilities of the department;

(i) Comply with any tax or audit commitments as may be required by legislation;

(j) Settle all contractual obligations and pay all money owing, including intergovernmental claims, within the prescribed or agreed period; and

(k) Ensure compliance by the department/municipality with the provisions of the PFMA/MFMA.

It is also important to take note that the accounting officer may, in terms of section 38(2), not commit a department to any liability for which money has not been appropriated.

1.6.11 Information to be submitted by the accounting officer

In terms of section 41 of the PFMA an accounting officer of a department must submit to the relevant treasury or the Auditor-General, such information, returns, documents, explanations and motivations as may be prescribed or as the relevant treasury or the Auditor-General may require. This includes information and documentation regarding SCM.

1.6.12 Delegation of the powers of the accounting officer

In terms of section 44(1) of the PFMA the accounting officer for a department may delegate any of the powers entrusted or delegated to him/her in terms of the PFMA, in writing, to an official in that department. The accounting officer may also instruct any official in that department to perform any of the duties assigned to him/her in terms of the Act. Such a delegation or instruction to an official is subject to the following:

(a) Any limitations and conditions prescribed in terms of the Act or as the relevant treasury may impose;

(b) Any limitations and conditions the accounting officer may impose;

(c) May either be to a specific individual or to the holder of a specific post in the relevant department and

(d) It does not divest the accounting officer authority of the responsibility concerning the exercise of the delegated power or the performance of the assigned duty.

It is, however, important to bear in mind that the accounting officer may confirm, vary or revoke any decision taken by an official as a result of a delegation or instruction, subject to any rights that may have become vested as a consequence of the decision.

The accounting officer's responsibility (not accountability) for the efficient procurement and handling of stores is delegated to the relevant division that is directly responsible to the accounting officer. This responsibility, together with the applicable functions, is further delegated to heads of regional offices, where stores and equipment are held.

1.6.13 Accounting Authority (Public Entities)

Every constitutional institution must have an accounting officer. Public entities must have accounting authorities (PFMA, Section 49). If the public entity-

(a) Has a board or other controlling body, that board or controlling body is the accounting authority for that entity: or

(b) Does not have a controlling body, the chief executive officer or the other person in charge of the public entity is the accounting authority for that public entity unless specific legislation applicable to that public entity designates another person as the accounting authority. (Section 49 of the PFMA, Section 58 of the MFMA).

(c)
NOTES:

In terms of Section 38 of the PFMA, accounting officers / authorities are fully responsible and should be held accountable for any expenditures relating to SCM within their line of responsibility. Any expenditure incurred should be subject to appropriate regulation and accounting officers' / authorities' directives and procedures. However; to ensure uniformity within the SCM system, national policy guidelines issued by the SCMO will provide the necessary parameters.

The onus of responsibility for SCM is placed on the accounting officers / authorities and municipal managers, thereby giving effect to Section 38(1)(a)(iii) of the PFMA and section 62 (1) (f) (iv) of the MFMA. It is the responsibility of each accounting officer / authority to work out the detailed implementation of the principles contained in the SCM policy. The measurement of progress of implementation against the implementation plan should form an integral part of the performance agreements of accounting officers / authorities.

Accounting officers / authorities are required by the SCM framework to establish a separate SCM unit (SCMU) within the structure of the CFO in his / her institution to deal with the SCM process.

At the same time considerable powers are assigned to accounting officers, accounting authorities and municipal managers to enable them to manage their financial affairs within the parameters laid down by the prescribed norms and standards. Both the PFMA and the MFMA require National Treasury to monitor the compliance of these prescribed norms and standards.

Accounting officers of constitutional institutions, national and provincial departments, trading entities, and municipal managers, as well as accounting authorities of public entities, whilst setting standards and assigning responsibilities, should promote the development of a SCM system that conforms to the National Treasury’s policy framework/ guidelines and its relevant regulations, or directives as might be applicable.

1.6.14 Chief Financial Officers

SCM is an integral part of financial management and the responsibility of the CFO of an institution. It includes procurement or contracting for goods or services, systems constitution s 217 (1)], provisioning, and preferential procurement in the South African context, [s 217 (3)]. It addresses procurement-related matters that are of strategic importance. The scope of SCM incorporates the acquiring and disposing of goods, services, construction, roadwork and immovable property. The effective management of SCM requires policies procedures, internal controls, contracts, documents and accountability systems.

Adequate CFO capacity in the form of appropriate structures with fully skilled and professional SCM personnel are key success factors particularly as this function was either neglected or dealt with in a very fragmented or desultory manner, made worse by a lack of understanding of industry dynamics (which has an important bearing on the success or failure of preferential procurement).

1.6.15 Advisers

The accounting officer / authority may procure the services of advisors to assist in the execution of the supply chain management function. These services should be obtained through a competitive bidding process. No advisor may, however, form part of the final decision-making process regarding the award of bids, as this will counter the principle of vesting accountability with the accounting officer / authority. The accounting officer / authority cannot delegate decision-making authority to a person other than an official.
### ACTIVITY 2: Role Players in Bid Committees

**Purpose:** To gain insight into the impact and relevance of role players on Bid Committees.

**Time:** 60 Minutes

**Group work – Role Play**

The learners must divide into two. Each group must have a clean flip chart.

(a) Assign a SCM role to each person in the group and a khoki pen per role player (preferably in different colours).

(b) Ask the groups to draw a circle in the centre, depicting the SCM unit. The other role players must be depicted by smaller circles around the SCM unit.

(c) Each role player (facilitated by the SCM unit official) is required to draw a line to the SCM unit to represent a transaction / information flow with the SCM unit or through the SCM to another role player with explanations of the role of the person as well as where the information flows to next.

(d) Continue until the decision to award has been made.

### FEEDBACK:

This activity must have highlighted to you the multi-dimensional and complex nature of information flow in the bid committee system, and that high margin for error and manipulation. The activity further highlighted the need to regulate the bid committee system of government. Finally, the activity demonstrated how the SCM unit of the department/institution is at the centre of all transactions that take place.
1.7  Case studies for the procurement of goods and services

The following case studies will be used throughout the learner guide. Two requirements – one for goods and one for services, will be taken through the phases of their life cycle relevant to the course; namely, requirement statement, specification, bidding, evaluation and adjudication. The complete life cycle will extend to contracting, deployment (logistics management), and retirement (disposal) which fall outside the scope of this course.

CASE STUDY 1:

1.7.1  The procurement of ration packs for security forces during the 2010 FIFA World Cup

Introduction

The Local Organizing Committee of the 2010 FIFA world cup has requested the South African government to provide security for the up-coming event in South Africa. The Security Cluster of Cabinet has made a recommendation to Cabinet for the South African Police Force and the South African Army to conduct joint operations in providing security for the event. Cabinet endorsed the recommendation and instructed that the Police Force provide the lead in urban areas and the Army in rural areas. The procurement will be conducted centrally on the Department of Defence budget.

One of the aspects of the security plan is to provide heightened border patrol. Officers deployed for this activity will normally be required to operate in remote locations away from their head quarters for the duration of the world cup. This has necessitated the procurement of ration packs for the officers during this deployment period. It was decided to procure South African Army specification rations since the Army has experience in the foreign deployment of its soldiers. They will provide the lead in the specification of the packs and their eventual procurement.

Combat Rations

There are numerous situations within the Army environment which require diverse catering. These situations vary from group feeding arrangements from a kitchen when soldiers are in barracks, to providing a soldier with a combat ration pack, which can be either individual, or group style, whilst in the field. The following are guidelines to be considered in specifying Army ration packs:

Menu Planning

Menus for the rations provided to soldiers are provided on a scientifically formulated basis to meet the nutritional needs of soldiers within the environment in which they are operating. Consideration is also given to providing variety in the soldier's diet. The bidders will be provided with a menu by the nutritionists from the Army.

Ration Specifications

(a) The rations are governed by the South African Defence Force Food Specifications. These detail a soldier's entitlement, or allowance for rations.

(b) Consideration of weight is given to combat ration packs to minimise the weight a soldier must carry. Normally a soldier will carry only up to three days of rations during exercises or operations; however, this requirement will increase or decrease depending upon circumstances.

(c) Combat ration packs have a minimum shelf life of two years.

(d) The quality of the soldier's diet is important in ensuring that nutritional status promotes optimal physical and cognitive performance.

(e) Carbohydrate is the preferred fuel for muscular work and thus soldiers’ rations should be high in carbohydrate and relatively low in fat. However, this must be balanced against the requirement to minimise weight. As a compromise between the conflicting requirements of nutrition and load carriage, it is recommend that carbohydrate in ration packs provide in the
range 56-59% of total energy, with no more than 29% of energy being derived from fat.

**Meal Preparation**

Soldiers in the field may eat their rations hot or cold. Each soldier is provided with a small solid fuel stove and cooking containers to heat meals.

**Water Allowance**

Soldiers are encouraged to drink sufficient water to remain hydrated. Thus the requirement for water varies according to environmental conditions. Generally, a minimum of three litres of water is required to sustain a soldier.

**Ration Pack Contents**

A typical combat ration used by a soldier in the field contains three meals for one day. This may include canned or freeze-dried meals, canned fruit, biscuits, coffee or tea making items, toilet paper, matches, and a small can opener. Food technology has changed the contents of these packs over the years. In particular freeze-dried foods and in the future, retort pouch technology.

**Preparation of Ration Packs (Post Contract Award)**

The typical chain of events in preparing the packs involves:

(a) placement of orders by the Army to the contracted supplier(s);
(b) assessment by contractor to determine the number of packs needed;
(c) evaluation of any changes to existing contents of different types of pack;
(d) inspection of the components;
(e) delivery to the ration packing plant;
(f) packaging;
(g) Distribution to meet Army/Police deployment requirements.

The Army does not have the capability to pack the different components into a completed ration pack, so the successful bidder will have to provide a complete pack.

**Industry/Market Analysis**

There are several companies in South Africa that have the ability to supply Army ration packs. There is not enough demand to warrant investment in pouch technology, so some of the items in the pack will be imported.

**Sourcing Strategy**

The Army requires one single pack for their soldiers for ease of storage and distribution. This will imply the sourcing of packs that contain breakfast, lunch and supper menus from the same supplier.

**Preference Goals**

The Department of Defense has been struggling to do significant business with HDI companies and HDIs and the procurement of the ration packs will provide an opportunity for these companies to participate since there is no complex manufacturing in packaging the rations. If this is not practical, there must be maximum sub-contracting to HDIs with the requisite technology transfer.
Budget

The requirement has been budgeted for and is in line with the strategic objectives of the South African National Defense Force. Funds totaling R30 million are available this year and cannot be rolled over.

Usage / Consumption

The estimated ration usage rate is:
(a) Soldiers and Police will be deployed for 7 days in a week.
(b) The mission, including training and exercises, will last for 3 months.
(c) 2000 soldiers and police officers will be involved during this period.

CASE STUDY 2:

1.7.2 Professional Services - Supply of Landscape Maintenance Services for the Union Building

Introduction

The Department of Public Works wishes to invite bids for the supply of Landscape Maintenance Services at the Union Building.

The historic Union Building is the administrative seat of government and has been an international icon for decades that attracts a large number of local and international tourists with its beautiful vast lawns. These landscapes must be kept in pristine condition at all times. A requirement exists for Landscaping/Maintenance Services for the grounds at the Union Building. The contract to service the site will be for a period of three years.

The site is 60 hectares and accommodates 11,000 m² of buildings. The grounds include; paved footpaths, car park areas, shrubbery beds, general grass areas and tree & woodland planting areas. Extent of services consists of grass cutting and fertilizing, shrub bed maintenance, weed and moss control and litter collection.

Functional Requirement

The Department of Public works manages the grounds and the facilities management has developed the following categories of services that must be rendered:

Scope of work:
(a) Lawn Maintenance
   - Cutting / no collection.
   - Fertilising.
   - Trim edges.
   - Tree Circles.
   - Weed control.
   - Pest control.
   - Watering.
(b) Shrub Maintenance
   - Pruning.
- Hedge cutting.
- Fertilising.
- Weed control.
- Pest control.
- Watering.

\[(c)\] Miscellaneous
- Tree tie adjustments.
- Leaf clearing.
- Litter collection.

**Schedule:**

The services above can be offered on any day of the week within a five day work period. The service provider must develop an implementation plan of how to look after the landscape within this period and cost the plan. The detail of the plan will be negotiated and finalise at contract award.

**Industry/Market Analysis**

There are a significant number of companies in the Tshwane metropolitan area that have the ability to supply landscape management services. These range from small one-man providers to large companies. Some companies only specialize in landscape design. The companies are mainly owned by men. An opportunity exists for management knowledge transfer from the big companies to the small.

**Preference Goals**

The presidency would like to empower HDIs, women and disabled providers, so preference points must be given to these categories of suppliers.

**Budget**

The requirement has been budgeted for and is in line with the strategic objectives of the presidency. The estimated spend over the required period of three years is over R3 million.

**Evaluation Criteria**

The Specifications Committee decided on the following evaluation criteria:

<table>
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<tr>
<th>Evaluation Criteria</th>
<th>Weight</th>
</tr>
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<tbody>
<tr>
<td>Customer History</td>
<td>5</td>
</tr>
<tr>
<td>Company Resources</td>
<td>5</td>
</tr>
<tr>
<td>Solution provided</td>
<td>40</td>
</tr>
<tr>
<td>Support infrastructure</td>
<td>10</td>
</tr>
</tbody>
</table>
Qualifications of management staff | 10
Health & Safety record | 5
Waste management | 20
Equipment & chemicals used | 5

Note: Bidders must score a minimum of 60% for functionality to be considered for further evaluation.

1.8 Conclusion

Planning the supply chain implies planning collaboratively with the internal and external environment consisting of customers, suppliers and other role players in the demand management stage. In a collaborative relationship the strategies, goals and objectives of these role players will have to be taken into consideration when planning supply chain strategies. A total needs assessment should be done at least annually, which should include amongst others an analysis of the needs, the frequency of need, linking the requirement with the medium term expenditure framework, an analysis of past expenditure as well as an analysis of the industry. Such a cross-functional exercise should bring the supply chain practitioner closer to the end user and ensure that value for money is achieved.

UNIT SUMMARY

Take a minute to summarise your major learning points here…