

**BUFFALO CITY COUNCIL**  
**PROCUREMENT POLICY**  
**(as amended December 2001)**

**1.0**      **PREAMBLE**

The Constitution provides that an organ of state shall award contracts in accordance with a system which is fair, equitable, transparent, competitive and cost effective. It also provides that an organ of state may implement a process which gives preference to certain categories of persons or for the advancement of persons or categories of persons disadvantaged by unfair discrimination.

The Cabinet has approved guidelines (the 10 Point Plan) which set out various mechanisms which may be used to give effect to the provisions of the Constitution.

The principles set out in the Constitution are repeated in the Local Government Transition Act and are built upon in the Preferential Procurement Policy Framework Act and the Regulations in terms of the Act. The Municipal Systems Act provides that a municipality must select a service provider through processes which -

- a. are competitive, fair, transparent, equitable and cost-effective;
- b. allow all prospective service providers to have equal and simultaneous access to information relevant to the bidding process;
- c. minimize the possibility of fraud and corruption;
- d. make the municipality accountable to the local community and the reasons for any decision in this regard; and
- e. take into account the need to promote the empowerment of small and emerging enterprises.

Subject to the provisions of the Preferential Procurement Policy Framework Act, (Act No. 5 of 2000), a municipality may determine a preference for categories of service providers in order to advance the interests of persons disadvantaged by unfair discrimination, as long as the manner in which such preference is exercised does not compromise or limit the quality, coverage, cost and developmental impact of the service.

To give effect to the above the Council has approved the policy set out hereunder based on the principles of the 10 Point Plan approved by Cabinet to empower those persons disadvantaged by unfair discrimination and in so doing advance the process of economic and political transformation in the Country.