



MOHOKARE
LOCAL MUNICIPALITY



2016

SMALL MEDIUM AND MICRO ENTREPRISE DEVELOPMENT POLICY

MOHOKARE LOCAL MUNICIPALITY

POLICY NAME : MOHOKARE LM SMMEs DEVELOPMENT POLICY

DEPARTMENT : LED Unit in the office of the municipal manager

PURPOSE OF THE POLICY: The purpose of the policy is to ensure that municipality gives priority to locally based SMMEs when the institution:

- a) Procures goods and services
- b) Dispose goods no longer needed
- c) Selects contractors to provide assistance in the provision of municipal services

SCOPE OF POLICY : This policy applies to the Supply Chain Management Unit of Municipality as well as registered local SMMEs

IMPLEMENTATION OF THE SMMEs DEVELOPMENT POLICY

All officials and other role players in the supply chain management system of the municipality must implement this policy in a way that:

- Gives effect to section 217 of the constitution
- Gives effect to Part 1 of chapter 11 and other applicable provisions of the Act
- Is fair, equitable, transparent, competitive and cost effective
- Complies with the regulations and minimum norms and standards that may be prescribed in terms of section 168 of the Act
- Is consistent with other applicable legislation
- Does not undermine the objective for uniformity in supply chain management systems between organs of state in all spheres
- Is consistent with national economic policy concerning the promotion of investments and doing business with the public

RANGE OF PROCUREMENT

This policy shall be applicable on:

- Written or verbal quotations for procurements of a transaction value over R 2000 up to R 10 000 (VAT included)
- Formal written price quotations for procurement of a transaction value over R 10 000 up to R 200 000 (VAT included) and

A competitive bidding process for

- Procurements above a transaction value of R 200 000 (VAT included) shall be followed as stipulated in the SCM policy of the municipality.

BENEFICIATION

This SMMEs policy is intended to beneficiate local entrepreneurs whose companies and businesses are:

- Formally registered with Company Registration Office
- Registered and captured into municipal database
- Have updated tax clearance certificates
- Registered address is up to date with payment of municipal services

SUB CONTRACTING

In cases of competitive bidding where contracts are allocated to deserving companies from outside the municipal jurisdiction, it must be compulsory for successful contractors to sub contract 20% of the work to local contractors for purpose of skills empowerment, local economic development and direct job creation that will culminate into upgrading of local company's grades. Partnering must also be explored as an option where such arrangements can be accommodated. Where partnership and subcontracting arrangements is effective, local contractors must be issued with certificates of competence and skill empowerment upon the completion of the project.

SOCIAL RESPONSIBILITY PROGRAM

All contractors that get appointed to do work or provide certain services within the jurisdiction of the municipality must present their social responsibility plans in line to ploughing back into the local communities. This kind of plans must be presented prior to the completion of the work in hand.

ADOPTION OF THE POLICY

This policy shall be referred to management committee of the municipality, section 79 committee for Planning and LED and finally to council for adoption.

AMMENDMENT OF THE POLICY

The accounting officer must at least annually review the implementation of this policy; when the accounting officer considers it necessary; submit proposals for the amendment of this Policy to council.



ACCOUNTABILITY

The municipal manager as the accounting officer of the municipality, the chief finance officer, the LED manager shall be accountable for the implementation of this Policy

NAME OF THE POLICY

Upon its adoption by council this policy shall be called:

MOHOKARE LOCAL MUNICIPAL SMMEs DEVELOPMENT POLICY

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