PROCUREMENT POLICY

1. Objectives
   The objectives of this procurement policy are to ensure that:
   • The correct goods or services are purchased in terms of quality and specification.
   • Preferential Procurement goals are achieved.
   • Best value for money is achieved.
   • The process is in line with internal control systems to avoid the risk of fraud.
   • The process is both ethical and efficient.
   • The code of conduct is followed.
   • Where possible, suppliers are BEE accredited.

2. Core Principles of the Procurement Process

2.1. Obtaining value for money
   Buyers should, at all times, strive for the best value for money when they procure the required goods or services.
   • Value for money involves comparing alternative goods / services available in the specific market prior to a specific order being placed. This means comparing the costs against the benefits to be obtained from that item / service required for a specific purpose. The benefits should compare favorably with the price the contract would be paying for those goods / services.
   • Value for money is an essential test against which the buyer must justify any purchase. It is, however, not the only factor to be considered when comparing the alternative solution.
   • Other factors should include: the goods or service offered in order to meet the requirements of the department; HDI representatives and BEE status of the company bidding; the capacity of the company to deliver the required product / service within the required period and any other factor that may be appropriate to the particular contract.

2.2. Open and effective competition
   Open and effective competition is the central operating principle behind the procurement process of WBHO.
   • Adequate and timely information is provided to all suppliers to enable them to bid/quote.
   • Content of information on the specifications/task directive should be standard to all the prospective suppliers.
• A fair process of evaluating the bids or quotations must be followed.

• Buyers must seek ways of providing new entrants/suppliers an opportunity to bid, especially the companies owned by HDIs; small, medium and micro-enterprises (SMMEs); or companies that are BEE compliant.

2.3. **Business Ethics, Integrity and Fair Dealing**

WBHO is committed to ensuring its employees adhere to ethical standards and fair dealing, as set out in the [Code of Conduct](#) in the procurement process.

In particular, employees must not use their official position to obtain private gifts or benefits for themselves during the performance of their duties nor accept any gift or benefit when offered, as these may be construed as bribes.

Also employees are not to use or disclose any inside information for personal gain or for the gain of others.

Employees are to recuse themselves from any action or decision-making process that may result in improper personal gain and this should be properly disclosed.

It is, therefore, the requirement of every employee of WBHO to ensure that:

- Purchases are conducted in accordance with high ethical and moral standards.
- Employees must observe recognised standards of fair dealing and personal integrity.
- Employees should neither condone nor approve any known illegal or unethical act for any reason willfully.
- Confidentiality of information must be adhered to at all times.
- All dealings must be fully compliant with all requirements of competition legislation.
- Officials involved in the procurement process should at all times disclose any possible conflict of interest and/or fraud to the CFO or Procurement Director, i.e. with regard to procurement relating to bids or quotations.
- There must be impartiality in the conduct of bid evaluations.

2.4. **Purchases from HDI/BEE suppliers**

To fulfill the objectives of WBHO in relation to Preferential Procurement, the following will be considered in terms of the Construction Charter when procuring goods/services:

- Preferential Procurement based on the BBBEE contributor level of the supplier.
- WBHO will strive to promote the usage of QSEs, EMEs and BWOs.
- Where possible, WBHO will seek to utilise companies local to the area of a particular contract.
- The buyers should strive to source quotations from the service-providers on the database. Where service-providers on the database are not able to provide the required service or item, the person requiring the service must ensure that the service-providers being approached complete the necessary database registration forms and supply valid BBBEE certificates.