

The 5 Pillars of Procurement and Supply Chain Management

By Werner van Rooyen, Director of HowToTender (Pty) Ltd which specializes in tender consulting and tender training.

The South African Government introduced the Five Pillars of Procurement. These five pillars were introduced to stimulate and grow Small, Medium and Micro Enterprises. Every State Department's Procurement Policy should include these five pillars. All Bid Evaluation Committees are to follow and apply these five pillars.

The Five Pillars are:

1. Value for Money

In short this means that it is not necessarily the tender with the lowest price that is going to win the bid. If the lowest price means an inferior product then the Evaluation Committee will seek for a better product. Ensure that, when you respond to a tender, your product is good value for money.

2. Open and Effective Competition

Government departments must take care that everybody has a reasonable chance to compete for tenders. They must ensure that their procurement process is transparent and fully understandable. They must make sure that there is no favouritism towards any bidder.

3. Ethics and Fair Dealing

Government officials must conduct themselves properly without compromising their integrity. When conducting their tender evaluation, they must not accept bribes or gifts from potential suppliers. In fact, they must not accept anything of sorts from anybody.

4. Accountability and Reporting

This is a two-way street. You, as potential supplier, must be able to account for your actions and plans. You must ensure that you have good reporting methods build into your bid. Government departments must report to their superiors and must be held accountable for their procurement actions.

5. Equity

The purpose of the fifth pillar is to promote business with Previously Disadvantaged Individuals (PDI's). Small, Medium and Micro Enterprises together with PDI's must play a bigger part in the development of the larger South African Economy. Any good Procurement Policy will address Equity as a main feature in the procurement process.

In responding to a tender or request for proposal it is always good to keep these five pillars in mind. Try to address these five pillars in your tender response and you might just be lucky and win a tender.

To learn more about this and many other tender conditions attend our "Become a Tender Expert" 2-Day workshops presented in Johannesburg, Pretoria, Durban, Port Elizabeth, and Cape Town. Book and pay online at <https://howtotender.co.za/tender-expert-form/>

Contact us at estelle@howtotender.co.za should you require more information.

You can also purchase a Tender Manual (Handbook) on our website <https://howtotender.co.za/> which is a step by step guide how to respond to a South African Tender. It includes examples of completed SBD forms.