

MUNICIPAL TENDER AWARDS AND INTERNAL APPEALS BY UNSUCCESSFUL BIDDERS

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Summary

In recent years, bidders aggrieved by municipal tender awards are increasingly resorting to Section 62 of the *Local Government: Municipal Systems Act*¹ for relief. The application of this provision to tender processes is however strictly confined, and in most instances bidders find that they have no option but to approach the courts for the judicial review of tender awards. In this article, the application of Section 62 to a municipality's tender processes and decisions is critically analysed in the light of recent court judgments. Attention is also given to the relation between Section 62 and dispute resolution procedures in place under the Supply Chain Regulations,² enacted under the *Local Government: Municipal Finance Management Act*.³ It is argued that at present, internal appeal and dispute resolution processes do not afford unsuccessful bidders adequate protection.

Keywords

Appeals; bid committee system; competitive bidding; Constitution; dispute resolution; *Local Government: Municipal Systems Act*; procurement; South Africa; tender.

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1 32 of 2000.

2 GN 868 in GG 27636 of 30 May 2005.

3 56 of 2003.