

ANNEXURE A



**SUPPLY CHAIN MANAGEMENT
DELEGATIONS AND GUIDELINES FOR THE
GOVERNMENT EMPLOYEES PENSION
FUND**

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DELEGATIONS OF POWERS IN SUPPLY CHAIN MANAGEMENT FOR THE PROCUREMENT OF GOODS AND SERVICES IN THE GOVERNMENT EMPLOYEES PENSION FUND

By virtue of the powers delegated to me by the Board of Trustees in terms of Section 6 (6) of the Government Employees Pension Law, I, **Mr Musa Mabesa**, in my capacity as Principal Executive Officer (PEO) for the Government Employees Pension Fund (GEPF), hereby delegate the following powers to designated officials as contained in the delegations set out hereafter. These delegated powers are subject to all the rules and conditions as contained within this document.

GENERAL STIPULATIONS

All matters delegated must be exercised and performed in accordance with accepted policy and prescripts.

The ranks, to which the powers, activities and duties are delegated to, are the lowest to which the delegations apply and incumbents of positions of a higher rank may also exercise or perform the powers, activities, or duties. Officers acting in a position may not exercise these powers unless appointed in writing in that position.

The Supply Chain Management delegations and guidelines must be read in conjunction with the GEPF Supply Chain Management (SCM) Policy and Delegations of Authority Policy.

Powers granted in terms of these delegations may be withdrawn at any time, or the condition under which they have been granted may be amended.

The PEO must ensure that all employees in the Government Employees Pension Fund are well aware of supply chain management procedures and those officials concerned with the procurement of goods and services and provisioning of supplies are well acquainted with the delegated powers and apply them correctly.

Reports must be submitted in a specific format, which distinguishes between business conducted with small, medium, and micro-enterprises (SMME's) and those enterprises having a majority shareholding by women, disabled and historically disadvantaged individuals.



MR M MABESA
PRINCIPAL EXECUTIVE OFFICER
GOVERNMENT EMPLOYEES PENSION FUND

DATE: 01/02/2023

Delegation number	Power delegated	Power vests in authority for delegation	Management approval level	Notes
1. BID AWARD APPROVAL				
1.1.	Approval of bid awards above R10 000 000	Board of Trustees (BoT)	Not delegated	The BoT must approve the award of all bids above R10 000 000, based on a recommendation from the (Finance and Audit Committee) FA-C, (Principal Executive Officer) PEO, Bid Adjudication Committee (BAC) and Bid Evaluation Committee (BEC).
1.2.	Approval of bid awards or procurement above R5 000 000 up to R10 000 000	BoT	PEO	The PEO must approve the award of all bids above R5 000 000 up to R10 000 000, based on a recommendation from the BAC and BEC.
1.3.	Approval of bid awards or procurement above R1 000 000 up to R5 000 000	PEO	BAC	BAC must approve the award of all bids above R1 000 000 up to R5 000 000, based on a recommendation from the BEC.
1.4.	Approval of bid awards or procurement above R500 000 up to R1 000 000	PEO	Department Manager	The Department Manager must approve the award of all bids above R500 000 up to R1 000 000 for all technical bids where functionality needs to be assessed based on the recommendation of the BEC. The Price Quotation Committee (PQC) recommends bids that do not require functional evaluation to the Department Manager for approval
1.5.	Approval of bid awards or procurement below R500 000	PEO	Unit Manager	A Unit Manager must approve the award of all bids below R500 000
1.6.	Recommendation for approval of bids above R10 000 000.	BoT	FA-C	The BAC will consider the recommendation of the BEC and make a recommendation for approval, to FA-C via the PEO. The FA-C in turn will make a recommendation for approval to the GEPP BoT.
1.7.	Recommendation for approval of bids above R5 000 000 up to R10 000 000.	PEO	BAC	The PEO will consider and approve the recommendation of the BAC.

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1.8.	Recommendation for approval of bids above R500 000 up to R1 000 000.	PEO	Department Manager on recommendation of PQC	The PQC will consider the recommendation of the BEC and or requester and make a recommendation for approval to a Department Manager.
1.9.	Recommendation for approval of bids above R100 000 up to R500 000.	PEO	Unit Manager on recommendation of PQC	The PQC will consider the recommendation of the BEC and or requester and make a recommendation for approval to a Unit Manager.
2. BID SPECIFICATION APPROVAL				
2.1.	Approval of all Bid Specifications for procurement for Request for Proposal (RFP) (Procurement above R1 000 000)	PEO	BAC	All bid specifications for RFP may be considered by a Bid Specification Committee (BSC), which will recommend for approval to the BAC otherwise BSC will recommend to the BAC.
2.2.	Approval of Bid Specifications for procurement above R500 000 up to R1 000 000 (Request for quotation –RFQ)	PEO	Department Manager	No BSC is required for procurement above R500 000 up to R1 000 000 however bid specifications need to be drafted. A BSC can be formed on request.
2.3.	Approval of Bid Specifications for procurement above R100 000 up to R500 000 (Request for quotation –RFQ)	PEO	Unit Manager	No BSC is required for procurement above R100 000 up to R500 000 however bid specifications need to be drafted. A BSC can be formed on request.
2.4.	Approval of Bid Specifications for procurement below R100 000 (Request for quotation –RFQ)	PEO	Unit Manager	No BSC is required for procurement below R100 000
3. ACQUISITION MANAGEMENT				
3.1. PURCHASE REQUISITION APPROVAL				
3.1.1.	Approval of requisition for goods and services above R10 000 000	BoT	PEO	To be supported by the BoT resolution to procure the goods and or services
3.1.2.	Approval of requisition for goods and services above R5 000 000 up to R10 000 000	BoT	PEO	
3.1.3.	Approval of requisition for goods and services above R1 000 000 up to R5 000 000	PEO	Department Manager	2 Department managers The Preferential Procurement Regulations are applicable for purchases above R100 000. This

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Delegation number	Power delegated	Power vests in authority for delegation	Management approval level	Notes
				implies that the prospective suppliers from which quotations are invited must complete and include the SBD 6.1 form (Preference points claim form for equity ownership in their quotations. A valid tax clearance certificate must be obtained from the recommended supplier. A valid BBBEE certificate must be obtained. In the case of a sole supplier, the supplier must be requested to indicate its status in writing.
3.1.4.	Approval of requisition for goods and services above R500 000 up to R1 000 000	PEO	Department Manager	The Preferential Procurement Regulations are applicable for purchases above R100 000. This implies that the prospective suppliers from which quotations are invited must complete and include the SBD 6.1 form (Preference points claim form for equity ownership in their quotations. A valid tax clearance certificate must be obtained from the recommended supplier. A valid BBBEE certificate must be obtained. In the case of a sole supplier, the supplier must be requested to indicate its status in writing.
3.1.5.	Approval of requisition for goods and services below R500 000	PEO	Unit Manager	The Preferential Procurement Regulations are applicable for purchases above R100 000. This implies that the prospective suppliers from which quotations are invited must complete and include the SBD 6.1 form (Preference points claim form for equity ownership in their quotations. A valid tax clearance certificate must be obtained from the recommended supplier. A valid BBBEE certificate must be obtained. In the case of a sole supplier, the supplier must be requested to indicate its status in writing.
3.2. OTHER AQUISITION APPROVAL				

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3.2.1.	Transactions up to R3000	PEO	Unit Manager	A single quotation must be obtained, and petty cash may be used. A petty cash requisition form to be completed. Depending on the requestor, the next senior level to approve transaction.
3.2.2.	Above R3 000 up to R10 000	PEO	Unit Manager	One (1) written quotation required sourced via SCM
3.2.3.	Above R10 000 up to R100 000	PEO	Unit Manager	Three (3) written quotations. Award to the supplier quoting the lowest price according to specifications, sourced via SCM. If it is not possible to obtain more than one written price quotation, the reasons therefore must be recorded on the procurement requisition form or a memorandum.
3.2.4.	Sourcing of continuous professional services without competitive quotations (to be applied with the notes).	PEO	PEO	If only one (1) price quotation is obtained reasonableness of price must be determined to ensure that a fair price was obtained. Reasons for deviating should be recorded in writing. Professional service can be sourced via preferred suppliers' lists where it is impossible to get competitive quotes based on the nature of the service. The list must be renewed continuously to remain competitive and must be utilised on rotation basis. However, special permission must be sought from the PEO to avoid unnecessary outsourcing of internal manager responsibilities.
4. MANAGEMENT OF BIDS				
4.1.	Approval that bids may be invited with a shortened closing period.	PEO	PEO	Written requests to invite bids with shortened closing periods must be submitted to the PEO for consideration and SCM unit to be aware of such a request

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4.2.	Receipt and opening of bids.	PEO	Supply Chain Management Function representative	An SCM official will be responsible to receive and open bids.
4.3.	Evaluation of bids.	PEO	BEC	Bids must be evaluated in terms of the criteria stipulated in the bid documents, hence, the amendment of the evaluation criteria after the closing date is not allowed. Bidders recommended for the acceptance may be assessed to eliminate possible risks involved such as the availability of adequate facilities, financial standing, capacity, and capability to deliver, previous performance in terms of quality and service delivery as well as the attainment of goals relating to Black Economic Empowerment and SMME claims. Communication with bidders must take place through SCM unit.
4.4.	Approval that communication with bidders may take place in cases where lack of clarity exists regarding any aspects of the offer.	PEO	Supply Chain Management Function	Communication with bidders must take place through the SCM unit.
4.5.	Approval to cancel a bid where it is deemed necessary to reject all bids received. Where: • No offer is received. • The items are no longer required. • There are errors in the bid documents. • The bid price is certified as being exorbitant.	PEO	BAC	The BAC must approve the cancellation of bids, on condition that the respective project manager has considered and investigated the causes justifying the cancellation, prior to invitation of new bids.

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4.6.	- The bids were erroneously not advertised in proper media. - Bids received were below or exceeded the estimated rand value of the 70/30 principle. - Funds are not available to cover the total envisaged budget Consideration of the various bidding processes prior to requesting the invitation of bid. The various bidding sources are: - Competitive bidding - Sole source - Single source - Multiple source	PEO	BSC	Where only one service provider exists or there is a general continuation of an existing project, motivations must be drafted by the project manager requesting that a specific source selection being considered based on evidence such as ownership and distribution rights or project continuation which can only be performed by a particular service provider based on their qualification. Motivations based on continuation must be challenged especially if there are other service providers of the same calibre and qualification. The reasons for the urgency/emergency and the losses and consequences that will follow if action was not taken must be certified by the respective Unit Manager. The PEO must approve all urgent cases in consultation with the SCM unit. All cases above R10 000 000 must be approved by the BoT through the FA-C. The PEO must approve all deviations arising from special circumstances and deviations arising from special circumstances above R10 000 000 shall
4.7.	Approval of expectation/deviation from competitive bidding in emergency, urgent and other special requests. (Procurement above R5 000 000)	BoT	PEO	

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	Approval of expectation/deviation from competitive bidding in emergency, urgent and other special requests. (Procurement above R1 000 000 up to R5 000 000)	PEO	BAC	be approved by the BoT via FA-C. This should be an exception and not a norm. The reasons for the urgency/emergency and the losses and consequences that will follow if action was not taken must be certified by the respective Unit Manager. The BAC must approve all urgent cases in consultation with the SCM unit. The BAC must approve all deviations arising from special circumstances. This should be an exception and not a norm.
	Approval of expectation/deviation from competitive bidding in emergency, urgent and other special requests. (Procurement below R1 000 000)	PEO	Department Manager	The reasons for the urgency/emergency and the losses and consequences that will follow if action was not taken must be certified by the respective Unit Manager. The Department Manager must approve all urgent cases-in consultation with the SCM unit. The Department Manager must approve all deviations arising from special circumstances. This should be an exception and not a norm.
4.8.	Compiling of bid documents.	PEO	Supply Chain Management Function	SCM unit must invite bids by means of advertisement in the Newspapers. This process is also applicable to the establishment of a list of approved suppliers and two stage bidding. The bid packs must be compiled and distributed by members of the SCM unit.
4.9.	Approval that bids may be advertised in the Newspapers.	PEO	Lead Supply Chain Management	SCM unit must invite bids by means of advertisement in the local and national Newspapers. This process is also applicable to the establishment of a database of approved suppliers and two stage bidding.

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4.10.	The closing date and opening of bids.	PEO	Supply Chain Management Function	The SCM unit must receive and open bids on closing date and time as per bid documents. Bids received after closing time will be recorded and can only be considered if the received bids are not compliant to the specifications and cannot be considered. After the Public opening of bids, information relating to the evaluation, examination and clarification of bids and recommendations concerning the awards will not be disclosed to any bidder or other persons not officially concerned with the process, until the successful bidder is notified of the bid award.
4.11.	Approval for extension of the closing date of a bid.	PEO	Lead Supply Chain Management	Written requests to extend the closing date of a bid must be submitted at least two weeks prior to the closing date of the bid to the Lead Supply Chain Management.
5. CONTRACT MANAGEMENT				
5.1.	Ensure that neither the recommended bidder nor any of the directors are listed as companies/directors/persons restricted to do business with the public sector.	PEO	Supply Chain Management Function	SCM Practitioner must scrutinise all the recommended bids and ensure that they are not blacklisted.
5.2.	Signing off all formal contract/ Service Level Agreement (Procurement above R1 000 000).	PEO	PEO	The PEO and the bidder must sign formal contracts/ SLAs in liaison with the Legal and Finance Unit.
5.3.	Daily management of the contract.	PEO	Unit Manager	Although contracts are started with the assistance of many committees and units, it is the sole responsibility of the Unit Manager who initiated the project to manage the contract daily. The legal unit must perform all the contract administration duties that include the drafting and vetting of all contracts. The filing of all contracts
	Drafting and filing of contract documents.	PEO	Legal Unit / Legal Manager	

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	Informing the legal unit about concluded bids in order to facilitate the contract drafting.	PEO	Unit Manager	and related documents is the responsibility of the Legal Manager.
5.4.	Approval to extend a contract period. (Contractual value above R5 000 000)	BoT	PEO	The Unit Manager must inform the Legal unit when the bidding process is finalised in order to facilitate contract drafting process. BAC to recommend for approval the extension, variation of terms or the amendment of contracts in line with the approval thresholds.
5.5.	Approval to extend a contract period. (Contractual value above R1 000 000 up to R5 000 000)	PEO	BAC	BAC can approve the extension, variation of terms or the amendment of contracts in line with the approval thresholds.
5.6.	Management of contracts and monitoring of contract performance	PEO	Cost Center Manager	The project manager will be responsible for the management of an awarded contract. The SCM will be responsible for the co-ordination of the appointment. Legal unit will be responsible for the drafting of the contract and Service Level Agreement.
5.7.	Approval for the cancellation of a contract.	BoT	PEO	Legal unit must be engaged in case of disputes. The PEO must approve the cancellation of contracts on condition that it is in the best interest of the Government Employees Pension Fund on the recommendation of the BAC. The Department Managers must consult with the Legal Unit and the SCM unit prior to making a recommendation to the BAC and PEO to cancel a contract.
5.8.	Approval for all variation orders.	BoT	PEO (as per delegation threshold – R10 000 000)	In instances where project cost or estimated cost are exceeded by the service provider due to unforeseen circumstances, approval may be sought from the delegated authority before the additional amount is accepted by the project manager.

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			BAC (as per delegation threshold – R5 000 000) Department Managers (as per delegation threshold – R1 000 000) Unit Managers (as per delegation threshold - R500 000)	However, the variation order should not exceed 15% (for goods and services) and 20% (for construction related goods and services) of the original contract cost and it may not exceed procurement thresholds in terms of these delegations. All variations above 15% or 20% must be forwarded to the BoT for approval.
6. BID SPECIFICATION COMMITTEES				
6.1.	Preparation and compilation of the terms of reference or specifications (detailed task directives).	PEO	Cost Centre Manager	In consultation with the BSC that can comprise SCM advisors and relevant Business unit or relevant external specialist or as appointed by the PEO.
6.2.	Completion of score sheets based on the pre-determined evaluation criteria.	PEO	BEC	Members of the BEC should perform the evaluation by the preparation and completion of scoresheets based on the pre-determined evaluation criteria. The BEC should be chaired by at least a manager of the relevant Business unit.
7. PAYMENT OF GOODS AND SERVICES				
7.1.	Certification and payment for goods and services above R5 000 000	BoT	PEO	Settlement of invoices arising from contractual obligations can be done without obtaining the approval from the initial signatory i.e., procurement delegation's thresholds to be applied.
7.2.	Certification and payment of goods and services above R1 000 000 up to R5 000 000	PEO	BAC	
7.3.	Certification and payment for goods and services between R500 001 and R1 000 000	PEO	Department Manager	PEO to approve all invoices above R5 000 000 provided that the BoT resolution is supplied to

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7.4.	Certification and payment for goods and services below R500 000	PEO	Unit Manager	support the payment and if it a contractual obligation that was initially approved by the BoT BAC Chairperson to approve all invoices above R1 000 000 up to R5 000 000
8. ISSUING OF APPOINTMENT LETTERS				
8.1.	Issuing of letter(s) of bid appointment and bid regret letters to successful and unsuccessful bidders	PEO	Supply Chain Management Function	The appointment letter should indicate that all appointments are subject to the conclusion of formal contracts and Service Level Agreements in consultation with the Legal Services Unit. All appointment letters to be signed off by the PEO.
9. ACQUISITION OF ACCOMMODATION/ CONFERENCE FACILITIES, TRAINING, WORKSHOPS AND CONFERENCES				
9.1.	Acquisition of accommodation and/or conference facilities for conferences, seminars, workshops, etc. up to R1 000 000 without inviting competitive bids.	PEO	Department Manager	In consultation with the PEO. A memorandum with three quotations and tax clearance certificates must be submitted to SCM unit prior to an order being issued where it is impractical or impossible to invite competitive bids. Points must be calculated in line with the preference point system prior to the award. This delegation will only be applicable where there is no valid or existing travel services contract.
9.2.	Acquisition of training needs without acquiring competitive quotations by means of a single quotation from the desired supplier which include the following training: 1. Short courses with durations less than 12 months	PEO	Department Manager	All requests for training acquired via single quotation must be pre-approved by the relevant Cost Centre Manager by confirming that funds are available. A Memo addressed to Department Manager for approval must be recommended by the HR Unit inline with PDP; recommendation must be based on training needs identified. The Memo must indicate funds that will be utilised to allow the generation of an order.

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	2. Attending training workshops/seminars 3. Bursary studies that are approved in line with a Bursary Committee approval.		Department Manager Bursary Committee/ EXCO	

Note: The application of delegations is subject to initiating level