



## **SUPPLY CHAIN MANAGEMENT - STANDARD OPERATING PROCEDURES (SOP)**


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## SOP Approval

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## 1. Document Version

Version	Revision Date	Prepared / Revised by	Business Unit / Process	Status
V1.0	01/04/2023	Nokwanda Shoba	Finance	Complete/Approved

## 2. Standard Operating Procedures: Change-Control Form

Revision	Date	Description of Change		Reason for Change
		Par: #	Description	

## 3. Document Reference Libraries

Document File Name	Context and Relevance
Supply Chain Management (SCM): Standard Operating Procedures	Outline procedures and process on procurement of goods and services i.e., the sourcing of goods and services from the value above R3 000 to R1 000 000 (Request for quotation), the sourcing of goods and services from the value above R1 000 000 (Request for proposal), for procuring utilizing other means (deviations) and contract management.

## 4. Business Areas Impacted by this SOP

Name of Divisions	Context and Relevance
<ul style="list-style-type: none"> <li>Office of the PEO</li> <li>Finance</li> <li>Human Resources</li> <li>Risk &amp; Audit</li> <li>Information and Communication Technology (ICT)</li> <li>Legal Services</li> <li>Investments</li> <li>Actuarial</li> <li>Secretariat</li> <li>GEPO</li> </ul>	The SOP is intended to guide all the GEPP employees and suppliers on procedures governing procurement of all goods, work, and services within the GEPP

## 5. Regulatory of SOP

Statute / Policy / Regulation	Applicability
The Constitution of Republic of South Africa 108 of 1996, Chapter 2	Just administrative action Everyone has the right to an administrative act that is lawful reasonable and procedural under law
The GEPP Supply Chain Management policy	To give guidance to both internal and external stakeholders on procurement processes thus ensuring compliance and promoting transparency, accountability, openness, and fairness

## 6. Descriptions of Abbreviations and Concepts

Term	Description
PEO	Principal Executive Officer of GEPP
ASD	Approved Supplier Database
BAC	Bid Adjudication Committee
BEC	Bid Evaluation Committee
BSC	Bid Specification Committee
CSD	Central Supplier Database
GEPP	Government Employees Pension Fund
SOPs	Standard Operating Procedures
ICT	Information Communication Technology
SCM	Supply Chain Management
SCC	Special Conditions of Contract
BIDCOM	Bid Adjudication Committee
VAT	Value Added Tax
PQC	Price Quotation Committee
TOR	Terms of Reference
SOW	Scope of Work
RFP	Request for Proposal
RPQ	Request for Quotation
GCC	General Conditions of Contract
Opex	Operational Expenditure
SBD	Standard Bidding Document
SARS	South African Revenue Services
HDI	Historically Disadvantaged Individual
DRN	Document Reference Number

Concepts	Description
Abnormally low bid	A bid in which the Bid price, in combination with other elements of the Bid, appears so low that it raises material concerns with the GEPP as to the capability of the Bidder to perform the contract for the offered price
Bid	A procurement process where a company makes a written offer on the official tender/bid documents forming part of an invitation to tender
Bid Evaluation Committee	Refers to a committee that evaluates bids received and submit a report and recommendations to Bid Adjudication Committee
Bid Specification Committee	Refers to a committee that does an investigation into the need that was identified and compiles the specification for the planned procurement
Bid Adjudication Committee	Refers to a committee delegated to adjudicate tenders and perform other SCM related responsibilities
Bribery	A promise, offering or giving of a benefit that improperly affects the actions or decisions of the GEPP employee
Business risk	The threat that an event or action will adversely affect an organization's ability to maximize stakeholder value
Policy	The set of basic principles and associated guidelines, formulated and enforced by the governing body of an organization, to direct and limit its actions in pursuit of long-term goals.
Procedure	A fixed, step-by-step sequence of activities or course of action (with definite start and end points) that must be followed in the same order to correctly perform a task.
Quality Assurance	It is the set of activities needed to provide adequate confidence that processes are established and continuously improved to produce service that confirms to clients and organization requirement
Standard Operating Procedure	Established procedure to be followed in carrying out a given operation/process in a given situation.
Acquisition process	The process of appointing service provider to render a service on the Funds behalf
Local Supplier	A supplier registered and managed in South Africa
Verbal quotation	An unwritten quotation, presented verbally
Written quotation	A quotation presented in writing
Tax clearance certificate/Tax pin	Confirmation of good tax standing matters issued by SARS
State organisation	A government entity
Standard Bidding Document	Standard forms issued to source suppliers
Bidding process	Process where your need is advertised for suppliers to submit proposals
Finance and Audit Committee	Recommends to the Board for further approval
Cost Centre Manager	The budget manager for the unit
Capital expenditure requirements	Expenditure as defined in the Fixed Asset Management Policy

Financial proposal	The price proposal
Technical proposal	Document displaying what the company is offering
Pro rata basis	To settle the payment that is outstanding
Conflict of interest	To have interest or another person or entity that has some form of relationship with the GEPP employee has an interest
Control	Any action, procedure or operation undertaken to increase the likelihood that activities and procedures achieve their objectives. Control is a response to risk and is intended to contain uncertainty of outcome
Compliance	The meeting of obligations under laws, policy, procedure, code of conduct and departmental standards
Closed bidding	Refers to only one a few identified companies are offered the opportunity to bid
Closing time	The date and hour specified in the bidding documents for the receipt of bids
Competitive bid	A bid in terms of open competitive bidding process
Contract	The written agreement entered between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto an all documents incorporated by reference therein
Contractor	Is any natural or legal person whose bid has been accepted by the GEPP
Contract price	The price payable to the supplier under the contract for the full and proper performance of his contractual obligations
Contract management	Is the maintaining control or influence over the contractual arrangement between the GEPP and the contractor or service provider, including administering and regulating such agreements
Corrupt practice	The offering, giving, receiving, or soliciting of anything of value to influence the action of public employee in the procurement process or in contract execution
Country of origin	The place where the goods were mined, grown, or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing, or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components
Day	A calendar day
Delivery into consignee's store or to his site	Delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained
Dumping	Occurs when a private enterprise abroad markets its goods on own initiative in South Africa at lower prices than that of the country of origin and which have the potential to harm local industries in South Africa
Emergency	A situation where immediate action is necessary to avoid a dangerous or risky situation or misery. An emergency procurement may occur when there is a serious and unexpected situation that poses an immediate risk to health, life property or



	environment which calls an urgency to action and there is insufficient time to follow a competitive bidding process
Force majeure	An event beyond the control of the supplier and not involving the suppliers' fault or negligence and not foreseeable. Such events may include, but not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes
Fraudulent practice	A misrepresentation of facts to influence a procurement process or execution of contract to the detriment of any bidder, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition
Goods	All the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract
Imported content	That portion of the bidding price represented by the cost of the component, parts or materials which have been or are still to be imported (whether by the supplier or subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the supplies covered by the bid will be manufactured
Limited Bid	Is any bid that is not obtained through an open and competitive process
Limited Bidding	The process whereby bidding is reserved for a specific group or category of possible suppliers/service providers/contracts
Local content	That portion of the bidding price which is not included in the imported content provided that local manufacture does take place
Manufacture	The production of products in a factory using labour, materials, components, and machinery and includes other related value-adding activities
Order	An employee written order issued for supply of goods for works or the rendering of services
Petty Cash	Sourcing goods and services by means of cash
Project site	Where applicable, the place indicated in bidding documents
Purchaser	The organisation buying the goods
Republic	The Republic of South Africa
Risk Management	Risk management may be defined as the identification, measurement and control of risks that threaten the assets and earnings of a business or enterprise.
SCM Practitioner	A person who practises SCM as a profession or any other official practising or involved with supply chain management.
Services	Those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening,

	security, maintenance, and other such obligations of the supplier covered under the contract
Sole Sourcing	There is no competition in the market and only one supplier is able to provide the goods or services
Single Source Bidding	Where a thorough analysis of the market, a transparent and equitable pre-selection process is used to decide on one supplier among a few prospective bidders to make a proposal
Written or in writing	Handwritten in ink or any form of 96 electronic or mechanical writing

## 7. Background

The Supply Chain Management (SCM) oversees the procurement of all goods and services within the Fund and this SOP shall be implemented in line with the SCM Policy.

The SCM unit does not function independently; it serves as a procurement channel for all the Departments within the Fund. The Functions of SCM consist of the demand, acquisition, logistics and risk management. The SCM unit is responsible for the following operational functions:

- i. Ensure adherence to the Funds SCM strategies.
- ii. Administer demand management in respect of procurement demand plans.
- iii. Ensure good procurement and supply chain governance is in place.
- iv. Manage the administration of quotations and bids.
- v. Provide advice to bid specification committees.
- vi. Provide advice to bid evaluation committees.
- vii. Provide advice to bid adjudication committee (BidCom).
- viii. Monitor the progress of purchase orders.
- ix. Monthly receipting of goods received.
- x. Manage compliance with demand and acquisition procedures.
- xi. Develop a supplier database.
- xii. Conduct market analysis.

## **8. Purpose**

The purpose of this SCM Standard Operations Procedure (SOP) is to ensure that the unit functions effectively and efficiently follow operational procedures. The intention of this SOP is to document business processes for the SCM unit.

This SOP is supported by the SCM operational objective “to improve the overall organization performance and customer satisfaction by improving service delivery to consumer”. The procedure has been outlined in terms of unit functions, process, and procedures/steps of the process. This will determine the primary output of the process, responsible persons assigned and the tools relevant to execute a process. This SOP shall describe both technical and functional elements of the unit.

## **9. Scope and Application**

The SCM SOP describes the process, which the SCM unit will use to manage procurement of goods and services from Departmental demand plans, acquisition, procurement, and consumption/utilization.

The SCM SOP shall apply to all departments within the Fund for matters that relate to the procurement of goods and services.

### **9.1. Logistics**

9.1.1. Purchase requisition

9.1.2. Purchase order

9.1.3. Delivery note

### **9.2. Acquisition & Price Quotations**

9.2.1. Supplier database

9.2.2. Demand plan

9.2.3. Supplier quotation

9.2.4. Bid checklist template.

9.2.5. BidCom memo template

9.2.6. Global checklist requisitions projects

9.2.7. SBD4 – Declaration of interest

9.2.8. Specifications

9.2.9. SCM policy – approved.

9.2.10. SBD1 – Invitation to Bid

9.2.11. SBD3.1 – Pricing Schedule

9.2.12. SBD6.1 – Preference claim form in terms the GEPF preferential pointing system

9.2.13. SBD8 – Declaration of Bidders past SCM practices

9.2.14. SBD9 – Certificate of Independent Bid Determination

9.2.15. GEPF Bid Pre-Approval Checklist

9.2.16. Declaration of Confidentiality and impartial or interest

9.2.17. Bid Evaluation Criteria: Professional Services 70/30 for all goods and services required.

9.2.18. Valid Tax compliance status/PIN from Supplier

9.2.19. General Conditions of Contract (GCC)

9.2.20. Special Conditions of contract (SCC)

### 9.3. Vendor Maintenance

- 9.3.1.Database application form
- 9.3.2.Bank Details form (stamped by the bank) or confirmation letter from the bank.
- 9.3.3.Valid Tax compliance status/PIN/CSD report and VAT registration
- 9.3.4.Copy of Company Registration Certificate
- 9.3.5.Company profile (max 3 pages)
- 9.3.6.Copies of Company Directors IDs
- 9.3.7.Copies of Accreditation Certificates and affidavit
- 9.3.8.Confirmation letter from the bank (also applicable when changing bank details)
- 9.3.9.Declaration of Interest form

## 10.Responsibilities

Role	Responsibility
SCM unit	Exercise all SCM procedures
Data Capturer	Captures all requests and applications as a need arises
SCM Specialist	Checks SCM Compliance and ensures all SCM procedures are followed
Head of Finance	Ensure that all SCM procedures are followed and carries responsibility and accountability

## 11.Institutionalization

### 11.1. Delegations of Authority (DOA)

- 11.1.1. The GEPF has a DOA document that outlines the powers of different levels within the organization. The GEPF delegates must ensure that they do not act on behalf of the organization where such delegation is not allocated to them in the DOA refer to Annexure A- Supply Chain Management Delegations and guidelines.

### 11.2. Bid Specification Committee (BSC)

- 11.2.1. The BSC is responsible to assist in compiling the specification or terms of reference for all competitive bids and ensuring that it complies with all the processes and procedures. The BSC members are appointed in writing by the PEO. Refer to Annexure B – Bid Committees document for further details on the mandate, roles, and functions of the BSC.

### 11.3. Bid Evaluation Committee (BEC)

- 11.3.1. The key roles of the BEC are to evaluate competitive bid responses from bidders and recommend the preferred bidder to the Bid Adjudication Committee. The BEC members are appointed in writing by the PEO. Refer to Annexure B – Bid Committees document for further details on the mandate, roles, and functions of the BEC.

### 11.4. Bid Adjudication Committee (BAC)

- 11.4.1. The key roles of the BAC are to approve the bid specification document prior to bid publication, to adjudicate the recommendation from BEC and to rule on contract changes, amendments and variations that originated through a competitive bidding process within the BAC's delegation. The BAC members are stated in the GEPP SCM policy refer to Annexure B – Bid Committees document for further details on the mandate, roles, and functions of the BAC.

## 11.5. Price Quotations Committee (PQC)

- 11.5.1. This committee is responsible for the adjudication of price quotations above R100 000 including VAT. Price quotations equal to or below R100 000 are adjudicated by the delegated authority as per the SCM DoA.

## 11.6. Code of conduct/ethics

- 11.6.1. The GEPP commits itself to a policy of fair dealing and integrity in the conducting of its SCM activities. Delegates and other role players involved in any GEPP SCM activities must be familiar with and comply with the SCM Code of Conduct as stated in the GEPP SCM policy. All SCM practitioners must sign the SCM code of Conduct on an annual basis.

# 12.Demand Management

## 12.1. Introduction

- 12.1.1. The GEPP must treat the demand management function as a cross-functional exercise that involves SCM practitioners and end-users from the relevant department. At a high-level demand management comprise of the following:
- 12.1.1.1. Compiling, monitoring, and managing the procurement plan.
  - 12.1.1.2. Compiling specifications; and
  - 12.1.1.3. Approval of specifications

## 12.2. Compiling the Procurement Plan

- 12.2.1. The Departments have the primary responsibility for compiling their individual procurement plans. The SCM unit has the responsibility to initiate the procurement planning process, consolidating the procurement plans and to provide support to the Departments, where required. The following table outlines the procedure for compiling the procurement plan. The approved procurement plans for the new financial year must be submitted to SCM unit by the 30 May of the new financial year.

Activity	Responsibility
Distribute procurement plan template to the GEPP Departments: <ul style="list-style-type: none"> <li>• Prepare relevant communication (e.g., deadline for return of procurement plans)</li> <li>• Distribute procurement plan template and other related communication to the GEPP Departments.</li> </ul>	SCM
Populate procurement plan: <ul style="list-style-type: none"> <li>• Review strategic plan, Department goals and plan and other documents to identify projects and other products or services to be included on the procurement plan.</li> <li>• Review services contracts that expire in the next year and/or in the first quarter of the following financial year.</li> <li>• Review budget</li> <li>• Populate plan based on all the inputs above.</li> </ul>	Department

Submit populated and approved plan to SCM before communicated deadline	Department
Consolidate submissions from the Departments into one procurement plan	SCM
Approval of consolidated procurement plan	Head of Finance (Reviews), Exco (Supports) and PEO (approves)
Maintenance and monitoring of the consolidated procurement plan	SCM

### 12.3. Management of the Procurement Plan

#### 12.3.1. Monitoring and reporting on the procurement plan:

12.3.1.1. SCM must monitor the procurement plan and report progress on a quarterly basis.

Activity	Responsible
Analyse the procurement plan working document to identify any tenders that have not been initiated with an approved business case for advertising as planned	SCM
Send an e-mail to Department that have not complied with the deadline requesting them to provide alternative dates for advertising tenders, reasons, and the signature of the Department Manager (Head of Department)	SCM
Upon receipt of the working documents with reasons, ensure that the Department Manager has signed	SCM
Route the report via Head of Finance for approval	SCM
Submit the report to be part of the Finance Report to be submitted to Exco and the Board via FA-C	SCM

#### 12.3.2. Managing changes to the procurement plan

12.3.2.1. The Head of Finance must support and PEO must approve amendments to the procurement plan. The SCM unit must ensure that the changed procurement plan is submitted for approval within 10 days from the Department submission of the changes.

### 12.4. Compiling Specifications or Terms of Reference

12.4.1. The following activities must be executed or considered before compiling the specification:

- 12.4.1.1. Determine the user requirements.
- 12.4.1.2. Understand the current as well as the future needs.
- 12.4.1.3. Confirm that the need forms part of the strategic plans of the institution.
- 12.4.1.4. Determine the frequency of the need.
- 12.4.1.5. Analyse past expenditure if product or service was previously used by the GEPP.
- 12.4.1.6. Confirm that the requirements are linked to the budget.
- 12.4.1.7. Do market research.
- 12.4.1.8. Determine the sourcing strategy; and
- 12.4.1.9. Develop business case.

12.4.2. It should be noted that the level of detail and amount of preparatory work, listed above will vary, based on several factors, including the estimated value of the procurement transaction; the relative importance to the business of the products or services; the stability and maturity of the supply market and the business rule on a required business case; etc.

12.4.3. The completion of the RFQ (for price quotations) or RFP (for competitive bids and limited bids) will be dealt with later.

## 12.5. Market Research and Analysis

- 12.5.1. It is imperative that the person(s) compiling the specification understand the supplier market or has access to supplier market information. This will inform us of the options available to the Department and assist in developing the sourcing strategy.

## 12.6. Sourcing Strategy Options

- 12.6.1. Sourcing strategy is a structured process to determine what to source and how to source the goods and services needed by the GEPP. It optimizes the GEPP expenditure in a manner that also considers the capability of the supplier market.
- 12.6.2. The following table outlines the activities to develop a sourcing strategy:

Activity	Responsibility
Market research and analysis: <ul style="list-style-type: none"><li>• Determine the objective (what questions do you need to answer?)</li><li>• Determine the data sources and data collection techniques.</li><li>• Assess the market using one established technique.</li></ul>	Department (with support from SCM where required)
Determine the sourcing strategy – WHAT to source: <ul style="list-style-type: none"><li>• Need/requirements.</li><li>• Buy, lease, contract, outsource or co-source.</li><li>• Determine the optimal scope.</li><li>• Determine the optimal timeframe; and</li><li>• Determine the nature of the relationship with the supplier.</li></ul>	Department (with support from SCM where required)
Determine the sourcing strategy – HOW to source: <ul style="list-style-type: none"><li>• Sourcing method (Quotations (RFQ), open competitive bidding (RFP), deviations (exceptions), closed bidding, limited bidding (panels), multi-stage bidding (RFI and or Two stage Panels), participation agreements, joint sourcing, and procurement agents (Travel agencies)</li></ul>	Department/BSC (with support and advise from SCM where required)

## 12.7. Procurement Methods

### 12.7.1. Request for Information (RFI)

- 12.7.1.1. The primary purpose of an RFI is as a market research tool. The GEPP may not fully understand the goods and services available in the market and hence request information from the market to inform the specification that may be issued at a later stage.

- 12.7.1.2. The GEPP may use this method if:

- It is not feasible for the GEPP to formulate detailed specifications for goods or services; or
- There are different options that can be used to meet a need (such as generator, solar and /or power inverters)

- 12.7.1.3. The GEPP may decide, after approval from the BAC, to either make the RFO a qualification stage or an optional stage:

- RFI as a qualification – the GEPP uses this method where sourcing of the goods and services will be done only from the bidders that responded to the RFI. Under these circumstances, bidders that do not respond to the original RFI are excluded from bidding for the next stage. This method favours larger and more established companies. It is

critical, where the RFI is envisaged to be used as a qualification stage for the RFI to clearly stipulate that, and the qualification criteria is also stipulated in the RFI.

- RFI as an optional stage – Use this method where it may be possible for bidders that didn't have the original information requested, to also bid for the work in the next stage. This is more an equitable approach. Some suppliers may not have the information as readily available as established larger companies, although they may be fully capable to provide a good service.

#### 12.7.2. Two-stage panel

12.7.2.1. A two-stage panel is best used where:

- The GEPP may need the supplier on short notice and there is often insufficient time to follow and advertise via the competitive bidding process. E.g., Legal services, facilities maintenance, recruiting, catering and events management; and
- It is difficult to establish a unit price for the goods and services and the cost of work can only be determined by the bidder at the time the project arises.

12.7.2.2. A two-stage panel must be initiated by an open competitive bidding process and the criteria for shortlisting (who will be placed in the panel) must be defined in the RFP document. The difference between this competitive bidding process is that the Price and Preference evaluation will not be done in deciding who will be in the panel.

12.7.2.3. When there is a need for the specific services covered by the panel, the GEPP must compile a specification for the services required and the GEPP will then invite at least five (5) panel members to quote through the RFQ process. After bid closing, the panel members that submitted responses will then also be evaluated on price and preference and the bidder with the highest total points will be recommended.

#### 12.7.3. Participation Agreement

12.7.3.1. The GEPP may also participate in a contract established by another organ of state provided the following conditions are met:

- The original procuring entity agrees for the GEPP to participate in the contract.
- The supplier agrees for GEPP to participate in the contract.
- The procurement transaction complied with all GEPP policies and processes (participating will not result in a deviation/exception).
- There can be no changes to the scope of services.

12.7.3.2. Care should be taken that the participation of the GEPP does not result in the original contract value being exceeded.

12.7.3.3. Before the GEPP commits to participate in a contract, the GEPP should conduct and audit process/investigation to ascertain that the original procurement transaction complied with all GEPP policies and procedures.

#### 12.7.4. Joint Sourcing

12.7.4.1. This is where the GEPP decides to collectively go to market with one (1) or more organisations to source common goods and/or services.

12.7.4.2. It is important that the partnering organisations establish up front how this relationship will work.

- E.g., Where the one organization is the lead agency and that agency will obtain input from the other agencies in compiling the specification, but the lead agency will have overall responsibility for the overall process (i.e., compiling the specification and evaluating tenders)

#### 12.7.5. Procurement Agents

The GEPP may also opt to make use of procurement agents to procure certain goods or services. An example of a procurement agent is a travel agent where the travel agent will procure travel services on behalf of the GEPP. Another example might be where the GEPP appoints an events management company to procure all products and services related to an event on behalf of the GEPP.

#### 12.7.6. Deviations/Exceptions

12.7.6.1. **Quotations** (exceeding the price quotations threshold, where there are Limited multiple instances); and

12.7.6.2. **Direct Negotiations**, where there are limited single, sole, urgent, emergency, or other impractical circumstances.



12.7.7. Circumstances to deviate from open competitive bidding process:

Circumstances	Description and other considerations
<b>Sole Source Circumstances</b>	
Technical – Matching or Standardization	<p><b>The Sole Supplier</b> technical reason may be the need to match or comply with the standards, with existing equipment, software, or services. Supplier to be the sole provider must produce a sole proprietorship letter or an Original Equipment Manufacturer (OEM) letter. The deviation should also consider the effectiveness of the original procurement in meeting proposed procurement in relation to the original procurement, the reasonableness of the price the unsuitability of alternatives to the goods or services in question.</p> <p><b>Restrictions:</b></p> <ul style="list-style-type: none"> <li>• Care should be exercised where the original procurement decision was not based on an open competitive process. Where an open tender process was not originally followed, consideration should be given to rectify the original process by formally testing the market.</li> <li>• This is not a valid reason for a deviation if the additional equipment, software, or services were known at the time the original bid was advertised and hence could have been included in an original framework agreement or a turkey agreement.</li> <li>• Care should be exercised where the supplier was involved in the original design decision. Where an organization is involved in original design activities and there is a possibility that they could later become the supplier or the equipment, then their initial appointment should be on a basis of a turnkey decision.</li> </ul>
Technical – Spare Part or component	<p>This is like matching/standardization but applies specifically to an interchangeable or spare part or component within a larger device or piece of equipment. E.g., Sourcing of a specific branded printer cartridge as the use of other compatible cartridges will invalidate the warrantee on the printer.</p> <p><b>Restrictions:</b></p> <ul style="list-style-type: none"> <li>• This is not a valid reason if the procurement of the spares or components could have been anticipated at the time of the original transaction and hence could have been included in the scope of framework agreement.</li> <li>• This may not be a valid reason where there is no guarantee or warranty constraint or condition.</li> <li>• This is also not valid where the supplier was involved in or responsible for making the design decision and established themselves as the OEM</li> </ul>

Intellectual Property - Licenses	<p>Use for the procurement of products such as software which are available under license. When the license renewal and maintenance can be obtained from only a single source, normally the developer of the software.</p> <p><b>Restrictions:</b></p> <ul style="list-style-type: none"> <li>• This cannot be used if the license can be obtained from multiple agents</li> </ul>
Intellectual Property – Innovation Rightsholder	<p>The GEPF may procure from a sole supplier who holds the Intellectual Property Rights (IPR) associated with the product or service needed by the GEPF. This can also be applied where the GEPF intends to acquire the rights to intellectual property.</p> <p><b>Restrictions:</b></p> <ul style="list-style-type: none"> <li>• This procurement of the product or service attached to the IPR must have relevance to the technology area of interest to the GEPF and have significant commercial value to the GEPF.</li> <li>• This is not applicable if the procurement of goods, services or works by the GEPF involves the supplier creating new intellectual Property. The GEPF should set out, in an invitation to bid, its intentions regarding ownership, licensing, and future commercialization of that Intellectual Property.</li> <li>• The sole-source must recognize the need for a sourcing strategy that avoids “vendor lock” and permits the GEPF to competitively procure future requirements.</li> </ul>
<b>Single Source Circumstances</b>	
Downstream	<p>Where a supplier completed an earlier phase of a project and there are cost benefits to them continuing. e.g., Where the service provider was appointed to execute a project thereafter another project arises which is not related to the initial project, but initial projects output will assist in the execution of the latter project which will results in cost savings and eliminate duplication of efforts.</p> <p><b>Restrictions:</b></p> <ul style="list-style-type: none"> <li>• This is not a valid reason when continuity for downstream work was known to have been essential. The initial RFP/RFQ should outline this prospect and if practical, the factors used for the selection of the service provider should take the likelihood of continuation into account: <ul style="list-style-type: none"> <li>▪ A lack of proper planning cannot be used as a reason for not following an open competitive bidding process.</li> <li>▪ Techniques such as Total Cost of Ownership (TCO) typically assist in understanding the likelihood that costs will</li> </ul> </li> </ul>

	<p>continue to be incurred and there is a likelihood that the same supplier will be optimal.</p> <ul style="list-style-type: none"> <li>• This is not a valid reason where the initial appointment of suppliers or consultants was not done on an open competitive sourcing basis.</li> <li>• Downstream deviations are not applicable where the original supplier was involved in the development of the specifications, where this was not initially specified as a <b>Turnkey</b> project or a <b>Design-Built</b> project.</li> </ul>
Location/Region (only one supplier in that location)	When extensive market research was done and documented, the result showed that only one supplier can uniquely offer the product or services in that location. E.g., Running a marketing campaign in a specific region to a specific target market and there is only one publication firm that suit the profile.
As required by an international obligation, agreement, or treaty	<p>For supplies or service procured by the GEPF in context of international agreements entered by the GEPF, if expressly foreseen in the said agreements.</p> <p><b>Restrictions:</b></p> <ul style="list-style-type: none"> <li>• The requirement must be explicitly stated in the international agreement.</li> </ul>
For legal reasons or a lawful directive	<p>This is where there is a legal instruction or directive that requires GEPF to procure from sole supplier.</p> <p>E.g., An instruction from the Board of Trustees</p>
Due to Classified Information or for Essential Interest	For supplies or services involving classified information or whose performance must be accompanied by special security measures in accordance with the GEPF policies in force or when the protection of essential interests of the GEPF is required. The level of classification should be described as either confidential, secret, or top secret.
Where there are Exceptionally Advantageous Conditions	<p>For purchases made in exceptionally advantageous conditions that only arise in the very short term. This exemption does not cover routine purchases from regular suppliers. E.g., A sale by public auction or a sale resulting from liquidation or bankruptcy. <b>Bargaining purchases</b> – where it is possible to obtain goods by taking advantage of a particularly beneficial opportunity available for a very short period of time at a price <b>significantly</b> lower than ordinary market prices.</p> <p><b>Restrictions:</b></p> <p>The GEPF must have a solid basis on which to defend the “bargain prices”</p>
<b>Multiple (Closed) Source Circumstances</b>	
Failure of at least two prior open competitive bids where more than one response was received	<p>For description and restrictions, refer to single source above.</p> <p>In this circumstance, however, there was more than one response that was received. Therefore, all bidders that responded to the prior open competitive bids must be invited.</p>
Where an RFI resulted in more than one acceptable bidder	Refer to single source above

Preferential Procurement Policy category	<p>This is appropriate if there is a need to improve the proportional spending on a specific designated enterprise (e.g., black women owned businesses) for a particular commodity, based on the GEPF commodity analysis and procurement targets.</p> <p>In this circumstance the GEPF may opt to only invite designated enterprises, previously disadvantaged by unfair discrimination (e.g., black women owned businesses) to submit bids.</p> <p><b>Restrictions:</b></p> <p>Categories of preference in the allocation of contracts that deviate from open competitive bidding must be identified during the annual procurement planning process and must:</p> <ul style="list-style-type: none"> <li>• Be supported by a business case justifying the deviation.</li> <li>• Include market analysis and the identification of targeted enterprises in the specific goal categories.</li> <li>• Only target enterprises that have been registered on CSD.</li> <li>• Only use the multiple limited sourcing deviation method; and</li> <li>• Continue to the award stage if bidder/s is/are acceptable.</li> </ul>
Locality/Region (Only two or three suppliers in that location)	Refer to single source above
Due to an international obligation, agreement, or treaty	Refer to single source above
For legal reasons or a lawful directive	Refer to single source above
Due to Classified Information or for Essential Interest	Refer to single source above
Where there are Exceptionally Advantageous Conditions	Refer to single source above
<b>Emergencies</b>	
<p>The emergency circumstances include:</p> <ul style="list-style-type: none"> <li>▪ The possibility of human injury or death</li> <li>▪ The prevalence of human suffering or the deprivation of rights</li> <li>▪ The possibility of damage to property or a resultant loss of property</li> <li>▪ The possibility that the security of the Fund or Country could be compromised.</li> <li>▪ The possibility that revenue collection may be seriously compromised and thus seriously impact the effective running of the Fund.</li> <li>▪ The possibility of serious damage occurring to the natural environment</li> <li>▪ The possibility that failure to take necessary action may result in the Fund or Country not being able to render an essential service.</li> </ul>	<p>Sudden unforeseen catastrophes that result in or could result in injury, loss of life or critical damage to property or infrastructure create conditions for Emergency Procurement.</p> <p>E.g.,</p> <ul style="list-style-type: none"> <li>• Natural disasters (e.g., earthquakes, cyclones, tsunamis or floodings)</li> <li>• Critical infrastructure failures (e.g., national, or regional power outage)</li> <li>• Critical health emergencies (e.g., unhygienic such as water outage at the office and lockdown due to pandemics)</li> <li>• Political emergencies (e.g., Taxi strikes and provincial or national strikes relating to service delivery); and</li> <li>• Security emergencies (e.g., Strikes conducted near the office premises and a terrorist attack)</li> </ul> <p>The prevailing situation or imminent danger should be of such a scale and nature that it could not readily be alleviated by interim measures, to allow time for normal procurement systems to be utilized.</p> <p><b>LACK OF PROPER PLANNING DOES NOT CONSTITUTE AN EMERGENCY</b></p>

	<p>Emergency procurement is not typically acceptable where the emergency can be classified as foreseeable.</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>• Running out of generator diesel when loading shedding schedule is available.</li> <li>• Office equipment is down due to preventative maintenance not done and repairs now have to be classified as reactive maintenance.</li> </ul>
<b>Urgent Circumstances</b>	<p>The following three conditions must be met for a situation to be classified as urgent:</p> <ul style="list-style-type: none"> <li>▪ The early delivery is the key requirement to decide the success or failure of the project and must be an integral component of the project.</li> <li>▪ The time period available for the acquisition makes it impractical or impossible to pursue a competitive bid process; and</li> <li>▪ The urgency was not foreseeable or as the result of dilatory conduct.</li> </ul> <p>A lack of proper planning should not be constituted as an urgent case.</p>
<b>Accommodation and/or facilities for conference</b>	<p>Accommodation and/or facilities for conferences, seminars, workshops, etc. should, whenever possible, be obtained by means of the normal competitive bidding process. However, should it not be possible or practical to follow the normal competitive bidding process, the accommodation and/or conference facilities should be obtained by means of a written quotation, provided that the reasons for deviating from inviting competitive bids are recorded and approved in line with the SCM delegations.</p>
<b>Other special requests</b>	<p>Are procurement transactions that deviate from following the appropriate procurement process in line with the sourcing strategy for the transaction value and competitive bidding process may be approved as per thresholds in the delegations. This should be an exception and not a norm.</p>

## 12.8. Determining the evaluation approach

### 12.8.1. Evaluation options (written submissions or presentations)

12.8.1.1. Depending on the product or service, one evaluation option might be more appropriate than the other. The BSC must decide which evaluation options are appropriate for the RFP/RFQ. The RFP/RFQ could have multiple evaluation options included and the specification must outline in which sequence they will be considered. The different evaluation options include:

- Written submissions – This is the most common option, and it is envisaged that this will be included in all RFPs/RFQs
- Presentations and or information system demonstrations – These types of options will be appropriate for specific services (e.g., a pitch for a communications/public relations service provider; a system demonstration for the acquisition/use of an information system etc.)
- Reference checks/Site visits – The RFP/RFQ needs to stipulate whether the site visits (if applicable), will be done as part of the evaluation process (all bidders that passed a particular evaluation stage) or as part of due diligence (only the preferred bidder).

## 12.8.2. The applicable selection methods

12.8.2.1. When using rated evaluation criteria there are different selection methods that may be used to shortlist acceptable bidders.

- Minimum qualifying score (threshold) – This is currently the most common selection method used in South Africa. A bidder must be disqualified if it fails to meet the minimum qualifying score (threshold) for functionality as per the bid invitation.
- Double threshold – In this case two (2) thresholds (minimum qualifying scores) are stipulated in the tender document. If any of bidders pass the higher threshold only those bidders that pass the higher threshold will be acceptable and go through to the next stage of evaluation and the bidders that failed to meet the higher threshold will be disqualified. However, if none of the bidders failed to meet the higher threshold, all bidders will be assessed against the second (lower) threshold and bidder will be disqualified if they fail to meet the second threshold. This selection method could be particularly useful if the GEPP did not do sufficient market research to assess the capabilities of the market.
- Top 5 – In this case there will be a minimum stipulated threshold and bidders must meet this threshold at a minimum, but only the bidders with the top 5 functional scores will be regarded as acceptable. The specification can also stipulate that the top 4 or top 6, for example, will be considered as acceptable.
- Top x percent (%) – In this case the bidders with the top x% (e.g., 10%) scores, in addition to reaching the minimum qualifying score, will be regarded as the acceptable bidders. For example, assume the tender selection criteria is advertised as top 10% and the bidders must receive a minimum score of 60 points. In this scenario if 50 bidders submitted bids only the top 5 bidders will be chosen, provided they all passed the 60-point mark.

### 12.8.2.2. Mandatory Criteria

- Another option is the use of eligibility criteria. If the bidder fails any of the mandatory criteria, they will be disqualified and not be considered for any follow-on stages in the evaluation process.

### 12.8.2.3. Combination of mandatory and rated criteria

- The specification may also have a combination of mandatory and rated criteria. In this case the mandatory criteria will be evaluated first and then the bidder will be evaluated on rated criteria.

## 12.9. Developing the evaluation/selection criteria

### 12.9.1. Types of criteria

12.9.1.1. There are two (2) types of evaluation criteria that could be included in an RFP/RFQ:

- Mandatory, functional criteria; and
- Rated Criteria

### 12.9.2. Mandatory criteria

12.9.2.1. Mandatory evaluation criteria identify the minimum requirements that are essential to the successful completion of work. These requirements are evaluated on a **compliant/non-compliant** basis. Bids that fail to meet the requirements are given no further consideration. Mandatory evaluation criteria must be designed so that a “meets” or “does not meet” response is easy to determine.

12.9.2.2. Below are examples of mandatory evaluation criteria:

Criteria	Comply	Does not comply
The bidder must have completed a minimum of 5 CRM implementation projects		
The printer must print at least 20 pages per minute		
Disk capacity – A minimum of 500GB SSD		

### 12.9.3. Rated criteria and options.

12.9.3.1. Rated criteria evaluate criteria based on merit and demonstrate the degree to which each proposal meets or exceeds the requirements. Rated criteria typically include a score which can be used to rank bids.

12.9.3.2. The most common options for rated criteria include:

- Continuous or liner scale – for example range for number of years' experience can be 1 year, 2 years, 10 years, or 2.53 years (equivalent to the measurement on a ruler or temperature gauge). Should the GEPF opt to use rated criteria, this is the method recommended for the GEPF to use.

Example:

<b>Evaluation Criteria</b>	<b>Max Points</b>
<b>Qualification of the Team Leader</b>	30
<b>Reference Letters</b>	20
<b>Number of experience (in years) for the Team</b>	30
<b>Number of experience (in years) for the Company</b>	20
<b>Total Points</b>	<b>100</b>

Rubric scale – rubrics are scales in which the criteria used for grading or assessment are clearly spelled out along a continuum, the following diagram is an example of a rubric – 5 scale points (evaluation model):

<b>Evaluation Criteria</b>	<b>Weighting</b>	<b>0 - Unacceptable</b>	<b>1- Poor</b>	<b>2 - Below average</b>	<b>3 - Average</b>	<b>4 - Good</b>	<b>5 - Very Good</b>
<b>Number of years' experience of law firm in the related specialist area</b>	<b>20</b>	No indication of years or less than 1 year	One to two years of experience	three to four years of experience	Five to nine years of experience	Ten to fifteen years' experience	More than fifteen years
<b>Number of years' experience of directors in the related specialist area</b>	<b>25</b>	No indication of years or less than 1 year	One to two years of experience	three to four years of experience	Five to nine	Ten to fifteen years' experience	More than fifteen years
<b>The category and the number of years' experience should be listed as well as a minimum of four relevant contactable reference letters</b>	<b>10</b>	No reference letter provided	One relevant to the required field contactable reference letter	Two relevant to the required field contactable reference letters	Three relevant to the required field contactable reference letters	Four relevant to the required field contactable reference letters	Five relevant to the required field contactable reference letters
<b>Knowledge: Proven ability and capacity to provide GEPF with the related legal and or compliance service</b>	<b>30</b>	No cases relating to the specialised field	Cases provided not relevant to the specialised field	Cases provided relevant to the specialised field projects they have handled to previous or current clients (projects below R300 000 per matter)	More detailed response relevant to the specialised field with a demonstration through numerous cases or projects they have handled for previous or current clients (projects from R300 000 to R500 000 per matter)	More detailed response relevant to the specialised field with a demonstration through submitting at least one high profile cases or projects they have handled for previous or current client (projects from R500 000 to R1million per matter)	More detailed response relevant to the specialised field with a demonstration through submitting at least one high profile cases or projects they have handled for previous or current client (projects more than R1million per matter)
<b>Qualification: Relevant qualification of the directors in the relevant category</b>	<b>15</b>	No qualification	Paralegal – Diploma in Law	BProc/LLB without admission as attorneys	BProc/LLB with admission as attorney	LLB with admission as attorney + LLM	LLB with admission as attorney + LLM in a relevant field (category A-D)
	<b>100</b>						



#### 12.9.4. Determining the weights

The weights assigned to the rated criteria are based on their relative importance to each other, with the sum of all the weights adding up to 100%. The weight may be determined through the following:

12.9.4.1. **Relative judgments** - This type of technique is currently the most practice and is typically consensus based. These will be appropriate where there are only a few evaluation criteria (e.g., less than 4 or 5). The BSC or the team compiling the criteria will discuss the relative importance and weight of each criterion. Should a team not be comfortable with the weight of one criterion and want to increase it, they will see against which another criterion to offset (reduce) it or might decrease against more than one criterion.

12.9.4.2. **Pairwise Comparison Technique** - In pairwise comparison technique the BSC or the team determining the weights compare the evaluation criteria in pairs (two evaluation criteria at a time) relative to each other. The final individual weights for all criteria are then determined using mathematical modelling. Each BSC member can independently determine the relative importance of each of the criteria and this will then be consolidated into a single weighting model. A spreadsheet for populating the pairwise comparisons can be found in the SCM shared drive. The pairwise comparisons can be found in the SCM shared drive. The pairwise comparison technique is a more scientific way to determine the weight and each member of the BSC works out their own weights, which can then be averaged across the team.

#### 12.10. Preferential Procurement Considerations

All transactions above R100 000.00 will be subjected to preferential procurement whereby the following will be applicable:

12.10.1. 70/30 for transaction above R100 000.00 whereby 70 points will be for price and 30 points will be for specific goals.

#### 12.11. Procurement Thresholds

The procurement thresholds are outlined below:

Estimated Transaction value (incl. VAT)	Procurement Method
R3 000.00 or less	Petty Cash – refer to Petty Cash policy
Above R3 000.00 up to R10 000.00	Quotations – at least one (1) written quotes is sourced
Above R10 000.00 up to R1 000 000.00	Quotations – at least three (3) quotes are sourced
Above R1 000 000.00	Open competitive bidding procedure

#### 12.12. Complete and Approved RFQ Documentation

The procedure for completing the RFQ documentation is outlined below:

Activity	Responsibility
Complete the specification and send it to SCM to source quotations: <ul style="list-style-type: none"><li>▪ Specification</li></ul>	Department
Determine the rated, weighted evaluation criteria (only where required) <ul style="list-style-type: none"><li>▪ Assess whether rated and weighted criteria are applicable for this RFQ.</li><li>▪ Identify a team to assist in determining the evaluation criteria.</li><li>▪ Determine and document the rated weighted evaluation criteria</li></ul>	Department
Receive and register the request in the Quotations Register. <ul style="list-style-type: none"><li>▪ Allocate a quotation reference number to the request.</li><li>▪ Register the request in the Quotations Register</li></ul> <p>*The register is an excel spreadsheet on the SCM shared drive and managed by the Quotations Section.</p>	SCM
Assess the requests: <ul style="list-style-type: none"><li>▪ Determine if a quotation specification committee is required.</li></ul>	SCM

<ul style="list-style-type: none"> <li>▪ Review the evaluation criteria.</li> <li>▪ Confirm that the specification is clear and unbiased and comply with other SCM policy:</li> <li>▪ If not, revert to the originator of the specification to update the specification.</li> <li>▪ Check for the possibility of splitting of transactions (e.g., check against the quotation register for similar request in the past three months)</li> </ul>	
<p>Complete formal RFQ documentation</p> <ul style="list-style-type: none"> <li>▪ Cover page (template)</li> <li>▪ Specification</li> <li>▪ Closing date and time (based on invitation date and days the quote must remain open)</li> <li>▪ Briefing session, if applicable (compulsory or not)</li> <li>▪ Evaluation criteria (if applicable)</li> <li>▪ SBD 3.1</li> <li>▪ SBD 4</li> <li>▪ SBD 6.1</li> <li>▪ SBD 8</li> <li>▪ SBD 9</li> </ul>	SCM

### 12.13. Complete the RFP Documentation

The procedure for compiling the RFP is outlined below:

Activity	Responsibility
<p>Establish BSC and BEC</p> <p>Appointed members to serve on the BSC and BEC. To improve turnaround time, the BSC and BEC members are selected concurrently.</p> <p>Approves the appointment of BSC and BEC members in writing.</p>	<p>Department</p> <p>PEO</p>
<p>Compile the draft specification/TOR and other supporting documentation.</p> <p>Business case, if applicable</p> <p>Specification/TOR</p> <p>Obtain relevant signatures (based on DOA)</p>	Department
<p>Convenes BSC meeting.</p> <p>Schedule meeting and arrange <b>venue</b>.</p> <p>Prepare meeting pack (including specification, business case, approved memo for appointed BSC members, BSC TOR and other relevant documentation)</p> <p>Distribute meeting pack to BSC members at least 3 days prior to the meeting</p>	Department
<p>Conduct BSC Meeting</p> <p>Ensure that all present sign the attendance <b>register</b>.</p> <p>Chairperson (Project Manager) facilitates discussion and manages the <b>meeting</b>.</p> <p>In addition to reviewing the specification the BSC must also verify that all the required activities have been done (confirm budget availability, etc.)</p> <p>Review the specification and suggest recommended <b>changes</b>.</p> <p>SCM provides support on various matters including:</p> <p>Compliance to SCM policy</p> <p>Evaluation model aligned to evaluation <b>criteria</b>.</p> <p>Functionality threshold</p> <p>Due diligence requirements, where applicable</p> <p>Special conditions of contract</p> <p>Share BSC TOR with members as part of the BSC pack</p>	<p>BSC</p> <p>SCM Representative</p>
<p>Sign-off on the RFP</p> <p>Ensures recommended changes to the RFP is applied using the “track changes” functionality in Word. This also provides a reflection of the review discussion.</p> <p>All BSC members sign-off on the changed document</p>	BSC
<p>Hand over signed-off RFP to SCM</p> <p>Handover to SCM so that SCM can facilitate the approval process with the BidCom</p>	Project Manager

## 12.14. Approval of RFP for competitive bidding process

This procedure is applicable to all transactions tabled and approved by the bid specifications committee. The GEPF SCM delegations' policy requires that the specifications/terms of reference be approved by BidCom prior to advertisement. The time frames on this procedure are as and when there is a specification that must be approved. The procedure for approval of the RFP is outlined below:

Activity	Responsibility
Schedule the BidCom meeting <ul style="list-style-type: none"><li>Schedule meeting and arrange suitable venue, if applicable (MS Teams is also an option for the meetings)</li></ul>	SCM
Prepare the review pack. <ul style="list-style-type: none"><li>BidCom submission template (including budget confirmation)</li><li>RFP</li><li>Business case, if applicable</li></ul>	BidCom Secretary
Submit the pack to BidCom members (BidCom document link)	BidCom Secretary
Conduct the BidCom meeting. <ul style="list-style-type: none"><li>Refer BidCom TOR for the roles and responsibilities of <b>BidCom</b>.</li><li>Confirm quorum (at least 50%)</li><li>Sign Attendance Register and Declaration of interest</li><li>Obtain clarification by BSC representative, if required</li><li>Approval RFP</li><li>Compile minutes of the meeting</li></ul>	BidCom  BidCom Secretary
Distribute minutes of the meeting to BidCom members for comments/corrections	BidCom Secretary
Submit the approved specifications with the completed BSC. Checklist for advertising	BidCom Secretary

## 13.Acquisition Management

### 13.1. Introduction

13.1.1. Acquisition Management is the process followed for procuring or acquiring any goods and service within the GEPF. Acquisition Management includes bid invitation, evaluation, adjudication, and award processes. The GEPF will execute different procurement methods, based on estimated value of the procurement transaction and the sourcing strategy identified in Demand Management.

13.1.2. The high-level acquisition management procedures are listed below:

### 13.2. Inviting bidders to quote

Activity	Responsibility
Select as many as possible companies from Central Supplier Database (CSD) using the following methodology: <ul style="list-style-type: none"><li>The methodology for selected suppliers from the CSD shall be to extract suppliers by <b>commodity; then location; then tax clearance, then EME entities with B-BBEE status Level 1 to 4, then QSE entities with B-BBEE status level 1 to 4</b></li></ul>	SCM
Verify the compliance status of each selected supplier by checking: <ul style="list-style-type: none"><li>Restricted supplier must be NO</li><li>Government employee must be NO</li></ul>	
Invite all suppliers via e-mail and ensure that the Outlook facility option to flag the delivery report and read report is selected	SCM

Should SCM be unable to extract suppliers from CSD using the above search option, SCM must undertake the following: <ul style="list-style-type: none"> <li>Conduct a market analysis to identify possible suppliers.</li> <li>Record the process and submit the list of prospective suppliers identified through market analysis to the person with the required DOA for approval.</li> <li>The identified supplier(s) must be registered on the CSD before the order is finalized.</li> </ul>	SCM
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### 13.3. Bid Advertisement – Competitive Bids

Activity	Responsibility
Submit the approved specifications pack with a completed specifications compliance check list to SCM	BidCom Secretary
Compile a request for proposal in accordance with the agreed sourcing strategy	SCM
Prepare tender advert as advised by Communications unit	SCM
Submit the tender advert to ICT unit for the advert to be uploaded on the GEPP website	SCM
Take note of December closing dates for tender adverts	SCM
Publish the tender advert on requested media platforms	SCM
Publish notification and details of any amendment to the specification on the GEPP website (if applicable) <ul style="list-style-type: none"> <li>Any amendment to the original RFP must be published at least 10 working days before the bid closes</li> </ul>	SCM

### 13.4. Briefing Sessions

- 13.4.1. This procedure is applicable for only tenders and quotation whereby a briefing session is required, be it compulsory or not. This is the meeting where potential service providers can engage the requesting Department, transparently, prior to the submission of a response on the published RFP to obtain clarity on the published requirements. Briefing sessions are facilitated by SCM and attended by representatives from the respective Department. The proceedings are recorded on voice recorder and saved on SCM shared folder. Potential bidders must be given an indication of the deadline for submission of questions. The deadline for submitting questions may not be earlier than ten (10) days before tender closure. The briefing session must be at least seven (7) days after the date of issue of the advertisement.

Activity	Responsibility
Book venue that will be used for briefing session. <ul style="list-style-type: none"> <li>Consider size of the venue as some tenders might draw large audiences (e.g., cleaning and security)</li> </ul> A briefing session can also take place virtually. MS Teams link to be shared to all interested potential bidders by a certain date to be stated on the advert.	SCM
Send an invite to the relevant department for the briefing session	SCM
For compulsory briefing sessions, prepare the attendance registers reflecting the following: <ul style="list-style-type: none"> <li>Company name</li> <li>Name and surname of the company representative</li> <li>Contact number.</li> <li>E-mail address</li> <li>Signature</li> </ul>	SCM

If it's a virtual meeting, MS Teams attendance register to be downloaded and any declarations made by attending companies to be recorded in the minutes of the meeting.	
On the day of the briefing session: <ul style="list-style-type: none"> <li>Distribute the attendance register to all present for the meeting (potential bidders and the GEPF representatives)</li> <li>Facilitate the session.</li> <li>Addressing of questions related to department requirements (technical/functionality)</li> </ul>	SCM  Department
Capture the minutes and record the meeting using a voice recorder for physical meetings. Capture the minutes and record the meeting using the MS Teams recording system for virtual meetings	SCM
Save the recording on the SCM shared folder	SCM
Distribute via e-mail, the minutes to the prospective bidders who attended the briefing within five (5) days post the date of briefing session and/or site inspection.	SCM
Publish notification and details of any amendment to the specification on the GEPF website (if applicable) *Any amendment to the original RFP must be published at least ten (10) working days before the bid closes.	SCM

### 13.5. Closing and Opening Tenders

Activity	Responsibility
Send an invite prior to the closing date to the following reminding them of the tender closure: <ul style="list-style-type: none"> <li>BEC members and the department (where applicable)</li> <li>Internal audit</li> </ul>	SCM
Prepare the venue for tender closure (table, chairs, tender register...)	SCM
<b>At closing time</b> , unlock the bid box in the presence of SCM, BEC members and Internal Audit. The bid box must be emptied of all contents.	SCM
Bids are sorted in terms of information reflected on envelope or package: <ul style="list-style-type: none"> <li>Bid number.</li> <li>Bid description.</li> <li>Envelope or package marked proposal.</li> <li>Envelope or package marked financial/pricing (where applicable)</li> </ul>	SCM
Bids received to be read out (name of the company) and captured on the bid register	SCM
Close off bid register. <ul style="list-style-type: none"> <li>The list of bids received is closed by crossing out the next used lines.</li> <li>Confirm that the number of completed lines on the register corresponds with the number of responses received</li> </ul>	SCM
Publish the list of bids received on the GEPF website within ten (10) days after bid closure.	SCM

### 13.6. Evaluating and Adjudicating Quotations

#### 13.6.1. Quotations R100 000.00 and under (Including VAT)

Activity	Responsibility
On closing date and time - save all quotations received	SCM
Ensure evidence to confirm that the quotation was received on or before the quotation closing date and time is included in the RFQ pack	SCM
Verify that SBD forms are signed, and a quotation is attached	SCM
Check the quotation to verify that it is in line with the specifications issued	Department



<p>Fulfills secretariat role during and after meeting that includes the following:</p> <ul style="list-style-type: none"> <li>▪ Take minutes of proceedings</li> <li>▪ Record proceedings on electronic device and save afterwards on shared drive.</li> <li>▪ Distribute minutes as soon as possible after meeting for review by BEC members</li> </ul>	SCM
<p>Open BEC meeting and ensure the housing proceedings are completed.</p> <ul style="list-style-type: none"> <li>▪ Open meeting and welcome BEC members</li> <li>▪ Apologies and attendance – members sign attendance register.</li> <li>▪ Confirms quorum (at least 50%)</li> <li>▪ Introduce rest of agenda/flow of activities</li> <li>▪ Confirm role of BEC</li> <li>▪ Reads out the names of bidders who submitted responses.</li> <li>▪ Review names of bidders and sign off non-disclosure-confidentiality and declaration forms</li> </ul>	<p>Chairperson – Project manager</p> <p>Chairperson – Project manager</p> <p>SCM</p> <p>SCM SCM</p> <p>All present</p>
<p>Conduct Phase 1 of evaluation - Mandatory Compliance</p> <ul style="list-style-type: none"> <li>▪ Verify that bidders comply with mandatory requirements.</li> <li>▪ The examples of what to check for include: <ul style="list-style-type: none"> <li>○ Did the bidder submit the bid response on or before the closing date and time?</li> <li>○ Is the bidder restricted from doing business with the state?</li> </ul> </li> <li>▪ Compiles mandatory compliance schedule reflecting compliant and non-compliant bidders.</li> </ul>	<p>BEC Members</p> <p>SCM</p>
<p>Conduct Phase 2 of Evaluation -Technical Evaluation</p> <ul style="list-style-type: none"> <li>▪ Agree on acceptable variance for scoring prior to commencing with technical/functional evaluation of all bidders. (Where applicable) It is advised that the acceptable variance is one (1)</li> <li>▪ Verify compliance with mandatory functional criteria (where applicable)</li> <li>▪ Score weighted, rated evaluation criteria (each BEC member scores independently). <ul style="list-style-type: none"> <li>○ SCM Practitioners does not participate in scoring.</li> </ul> </li> <li>▪ Hand score sheets to SCM Practitioner</li> <li>▪ Calculate percentage (%) functionality for each bidder/BEC Member.</li> <li>▪ Compiles Comparative Schedule.</li> </ul>	<p>BEC Members</p> <p>SCM</p> <p>SCM</p>

<ul style="list-style-type: none"> <li>▪ SCM, in consultation with the BEC members considers the variance in scores per element evaluated for each company (where applicable).</li> <li>▪ BEC members with scoring exceeding acceptable variance are afforded an opportunity to reconsider score given based on evidence in the submitted response of the company (where applicable). <ul style="list-style-type: none"> <li>○ If amendments are made, it is done on the original score sheet by the relevant BEC member and initiated. (Where applicable)</li> </ul> </li> <li>▪ Final respective% scores for bidders are transferred to Excel sheet to calculate the average score on functionality for respective companies (where applicable).</li> <li>▪ Comparative schedule is displayed on projector screen, if possible, reflecting which companies qualified in terms of qualifying functionality threshold (where applicable).</li> </ul>	
<p>Conduct Phase 3 of Evaluation - Administrative Compliance</p> <ul style="list-style-type: none"> <li>▪ Only service providers scoring minimum points on functionality will be requested to submit administrative compliance documents. If bidders failed to comply with submitting any of the admin compliance documents, SCM will communicate to the bidders a final date (2 days from date of communication) for submission of compliant document. This excludes tax compliant status evidence, which requires 7 days' notice.</li> <li>▪ Failure to submit within 2 days will render the bid unacceptable</li> </ul>	BEC Members
<p>Conduct Phase 4 - Price and Preference Evaluation</p> <ul style="list-style-type: none"> <li>▪ Agree on comparative price for acceptable bidders. <ul style="list-style-type: none"> <li>○ Verify Total comparative price for respective bidders through line by line checking of calculation errors on pricing schedule (where a protected excel sheet is not used).</li> <li>○ In the event of price confirmation, line-by-line checking is also required to confirm that prices were not amended.</li> </ul> </li> </ul>	BEC Members



<ul style="list-style-type: none"> <li>○ Agree on comparative prices.</li> <li>▪ Capture comparative price for each bidder in Excel sheet.</li> <li>▪ Calculate and agree preference points.</li> <li>▪ Final scores are presented to BEC by projecting the results, if possible.</li> </ul>	SCM
<p>Develop BAC Recommendation</p> <ul style="list-style-type: none"> <li>▪ Use BAC memo template to make a recommendation to the BAC excluding the comments on risk assessment and due diligence exercise at this point.</li> </ul>	BEC
<p>Reconvene BAC to consider Risk Report and/or Due Diligence Report and recommendation from BEC.</p> <ul style="list-style-type: none"> <li>▪ On receipt of the Risk Report and/or the Due Diligence report (see activities below), reconvene and consider the report and address any concerns in the BAC memo.</li> <li>▪ Sign off the memo (by all BEC members).</li> <li>▪ SCM compiles BAC pack with all supporting documents (checklist for BAC memo) attached to BAC memo for BAC consideration.</li> </ul>	<p>All BEC members</p> <p>SCM</p>
<p>Conduct due diligence.</p> <ul style="list-style-type: none"> <li>▪ Conduct a due diligence exercise on recommended company(ies).</li> <li>▪ Due diligence may be telephonic/desktop verification or site visit where applicable.</li> <li>▪ The purpose is to verify claims made by company(ies) in the proposal(s). <ul style="list-style-type: none"> <li>○ Could include, but is not limited to premises, systems, staff etc. - The nature of the tender will dictate.</li> </ul> </li> <li>▪ A due diligence report should be compiled and submitted for inclusion to the BAC pack.</li> <li>▪ If outcomes of due diligence affect the recommendation of the BEC, such must be included in the memo. <ul style="list-style-type: none"> <li>○ The reason must be clear and aligned to the evaluation criteria and objective risks identified, which relates to the company's capability to meet its obligations in terms of the bid requirements.</li> </ul> </li> </ul>	BEC Members (SCM included)
<p>Compile Risk Report (When applicable **)</p> <ul style="list-style-type: none"> <li>▪ Request the Vetting Unit to provide a risk report through appointed Service provider.</li> </ul>	SCM

<ul style="list-style-type: none"> <li>Compiles risk report.</li> <li>If outcomes of risk report affect the recommendations of the BEC, such must be included in the memo. The risk reports should be accompanied by the actual reports submitted by the service provider who conducted the risk assessment and <b>not just a report from the Vetting Unit.</b></li> </ul>	Vetting unit  BEC Members
Conduct compliance review of the procurement process	Internal Audit
Extend validity period of bids (only if applicable) <ul style="list-style-type: none"> <li>In cases where it is expected that the contract cannot be awarded prior to the expiry of the initial validity period, extension of the validity of bids may be requested from all the responding bidders. <ul style="list-style-type: none"> <li>In the event of an escalation of prices when the validity period is extended, the BEC must consider the impact and amend the recommendation if required.</li> </ul> </li> </ul>	SCM       BEC

### 13.8. Evaluating Limited Bids

13.8.1. Except for emergency cases, the procedure for evaluating, adjudicating and awarding limited bids will be like that of the procedure for competitive bids.

13.8.2. SCM unit will keep records of all procurement done via deviations (Procurement by “Other Means”) for record keeping purposes.

13.8.3. The procedure for emergency cases is documented below. The sequence of the activities might vary depending on the scenario:

Activity	Responsibility
Identify a suitable service provider	Department/SCM
Engage with the service provider to request an initial quote (where possible) <ul style="list-style-type: none"> <li>Telephonically or via e-mail</li> <li>PEO approval on PR</li> </ul>	PEO
Obtain approval from delegated official to proceed: <ul style="list-style-type: none"> <li>This may be verbal or via e-mail but must be followed up in writing.</li> <li>Attach written quote if available and approval done via e-mail.</li> </ul>	Department/SCM  PEO
Request service provider to attend to emergency scenario: <ul style="list-style-type: none"> <li>In instances where is impractical to issue PO prior to services being rendered</li> </ul>	Department/SCM
Issue PO <ul style="list-style-type: none"> <li>Issue PO based on quote received</li> </ul>	SCM
Receive Invoice <ul style="list-style-type: none"> <li>Certified invoice and confirm services were delivered.</li> <li>Process claims for payment.</li> </ul>	Department

<p>Report on Emergency Cases:</p> <ul style="list-style-type: none"> <li>▪ Keep a register for cases of emergency as a form of deviation.</li> <li>▪ Publish the award on the GEPF website within 10 days of the award.</li> </ul>	SCM
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### 13.9. Dealing with omissions and errors

- 13.9.1. Should the BEC encounter calculation errors and omission in the bidder's price calculation, the BEC should through a formal process point these out to the bidder. The bidder may not change their total price as that would materially impact/change the competitiveness of the bidder. The bidder has two options.
- 13.9.1.1. They can either accept the (incorrect) total bid price or
- 13.9.1.2. They may be given the option to withdraw their bid.
- 13.9.2. The above provisions will not be applied where the GEPF has developed the protected spreadsheet that bidders had to complete, and the spreadsheet had errors in the formulae created by the GEPF.

### 13.10. Abnormally low bids

- 13.10.1. The GEPF may not disqualify a bidder that was acceptable (passed functionality), but their proposed bid price was abnormally low.
- 13.10.2. Should the BEC encounter a bid that is abnormally low, the BEC must first assess what could the reason be for such an abnormally low price. The BEC must then, through a formal process, obtain further detail from the bidder to establish the reason for such low price.
- 13.10.3. After further detailed analysis and if the BEC still believe that there is a significant risk that the bidder will be unable to deliver the product or service for the proposed price, and that will result in a risk of wasteful expenditure, the BEC may consider objective criteria referred to in the following section and recommend that the bid be awarded to the bidder that scored the second highest total points.
- 13.10.4. In essence, the contract (tender) must be awarded to the tenderer who scores the highest points, unless objective criteria justify the award to another tenderer. This implies the acceptable bidder with the highest total point (price plus preference points) must be awarded the contract unless other objective criteria justify the award to another tenderer.

### 13.11. Negotiations with bidders

- 13.11.1. The BEC, BAC or any other GEPF employee may not enter any negotiations with the preferred bidder(s) unless the PEO has considered the recommendations from both the BEC and BAC and has given approval that the negotiations may continue, and a conditional award letter issued, with a suspensive condition that the award is subject to the conclusion of successful negotiations.
- 13.11.2. In the case where the price offered by a tenderer that scores the highest total points (price and preference), is neither market-related nor price reasonable, the BEC must highlight this in their recommendation report and recommend a conditional award subject to negotiations.
- 13.11.3. The BEC should also consider the possibility of the preferred bidder not agreeing to a market related price and the possibility of negotiating a market related price with the bidder that scored the second highest total points and the third highest total points and cover that in their recommendation report to the BAC. This is to prevent multiple submissions to the BAC should the bidder with the highest total points not agree to a market related price.
- 13.11.4. The PEO must approve that GEPF representatives may enter negotiation with the preferred bidder. Should the PEO agree to negotiations, the PEO, or its delegated authority:
- 13.11.4.1. Must issue an award letter with suspensive condition(s). The letter must state that the award is conditional, subject to negotiations and agreeing a market-related price.
- 13.11.4.2. Must appoint a negotiation committee.
- The committee must be cross functional with one member being a team leader and one member being a Senior SCM Practitioner.
- 13.11.5. Subject to approval from the PEO, the negotiations committee must negotiate a market-related price with the tenderer scoring the highest total points.
- 13.11.6. Should the negotiations with the highest scoring tenderer fail, the negotiations committee may negotiate a market-related or reasonable price with the tenderer scoring the second highest total

- points provided that the tenderer submitted an acceptable tender. Before commencing negotiations with the bidder scoring the second highest points the PEO must first:
- 13.11.6.1. Formally inform the bidder scoring the highest total points that they could not reach an agreement and that negotiations have been terminated.
  - 13.11.6.2. Issue a conditional award letter to the bidder scoring the second highest points.
  - 13.11.7. Should the negotiations with the tenderer scoring the second highest points fail, the negotiations committee may negotiate a market-related or reasonable price with the tenderer scoring the third highest points provided the tenderer submitted an acceptable tender.
    - 13.11.7.1. Formally inform the bidder scoring the second highest total points that they could not reach an agreement and that negotiations have been terminated.
    - 13.11.7.2. Issue a conditional award letter to the bidder scoring the third highest points.
  - 13.11.8. Should the negotiations with the tenderer scoring the third highest points fail, the negotiations committee must recommend cancelling the tender.
  - 13.11.9. Negotiations shall not be conducted-
    - 13.11.9.1. To substantially change the specification or details of the requirement, including tasks or responsibilities of the tenderer; or
    - 13.11.9.2. To materially alter the terms and conditions of the contract stated in the tender document.
  - 13.11.10. Members of the negotiation committee shall be subject to the code of conduct for SCM practitioners and will be required to complete the registers for declaration of interest and confidentiality.
  - 13.11.11. The negotiations committee must ensure that negotiations are undertaken in an ethical manner and in accordance with the procurement principles of value for money, economy, integrity, efficiency, transparency, and fairness.
  - 13.11.12. In terms of conducting a negotiation, all bidders invited to the negotiation must be treated equally, and specifically:
    - 13.11.12.1. Information must not be provided in a discriminatory manner so as not to confer advantage to one bidder over another.
    - 13.11.12.2. Confidential information such as another tenderer's solution, any commercially confidential information and intellectual property of any tenderer must not be shared with another tenderer without their express agreement in writing; and
    - 13.11.12.3. Information from bidders must not be shared to enhance the tender/proposal of another to improve the technical solution or merge two or more technical solutions into a single optimum solution.

## 13.12. Cancellation of tenders and quotations

- 13.12.1. A tender may only be cancelled, **prior to award**, under the following circumstances:
  - 13.12.1.1. Due to changed circumstances, there is no longer a need for the goods or services specified in the invitation.
  - 13.12.1.2. Funds are no longer available to cover the total envisaged expenditure.
  - 13.12.1.3. No acceptable tender is received.
  - 13.12.1.4. Negotiating a fair market price has failed; or
  - 13.12.1.5. There is a risk of irregular expenditure finding down the line if the tender process continues.
  - 13.12.1.6. There are errors in the bid documents.
  - 13.12.1.7. The erroneously not advertised in approved media platforms.
  - 13.12.1.8. Bids received were below or exceeded the rand value of the 70/30 principle.
  - 13.12.1.9. There is no acceptance of the GEPP terms and conditions on consensus on the GEPP SLA/Agreement.
  - 13.12.1.10. Bid validity period has lapsed and no prior arrangements to formally extend the validity period of the bid with bidders in writing were executed.

## 13.13. Extending the validity period of bids

- 13.13.1. In cases where it is expected that contracts cannot be awarded prior to the expiry of the initial validity period, extension of the validity of bids may be requested from all the responding bidders.

Activity	Responsibility
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Prepare a request for extension of validity of bids. A standard Request for extension exists. The request should contain the following details at minimum: <ul style="list-style-type: none"> <li>▪ Bid no and bid description.</li> <li>▪ The period (number of days) the bidder will be requested to extend their bid (30/60 days)</li> <li>▪ Deadline for submission of extension</li> </ul>	SCM
Email letters to the bidders prior to the expiry date affording sufficient time to respond.	SCM
Receive letters from bidders and follow up when needed.	SCM
File the letters for record keeping	SCM

### 13.14. **Adjudicating and Awarding Competitive and Limited Bids**

13.14.1. The Bid Adjudication process is the process of awarding a bid to a recommended bidder after a prescribed procurement process was followed. It is the responsibility of the Bid Adjudication Committee to regulate these SCM procurement processes on behalf of the PEO in cases where the delegation to award is with the Committee and not the PEO. It is the responsibility of the BAC to provide comfort to the PEO that due process was followed if the delegation to award resides with the PEO.

The Adjudication and Award Procedure follows:

Activity	Responsibility
Prepare the BAC pack to be tabled at BAC. The pack consist of (refer to the checklist): <ul style="list-style-type: none"> <li>▪ BSC approval memo</li> <li>▪ Approved RFP</li> <li>▪ Bid advert.</li> <li>▪ Briefing session minutes</li> <li>▪ Briefing session attendance register</li> <li>▪ BEC approval memo</li> <li>▪ BEC minutes</li> <li>▪ Declarations of interest</li> <li>▪ Compliance schedule</li> <li>▪ Score sheets</li> <li>▪ Comparative schedule</li> <li>▪ Risk Report</li> <li>▪ Due diligence Report</li> <li>▪ Internal Audit Report</li> <li>▪ Bid documents of recommended bidder (Pricing schedule, TCC, BBBEE certificate, CSD Report)</li> <li>▪ BAC memo checked by SCM</li> </ul>	SCM
Complete the BAC pack checklist	SCM
Submit the BAC pack with the completed BAC checklist to the BAC Secretariat	SCM
Prepare and facilitate the sign-off of the BAC memo	BAC Secretariat
Post document pack, minutes of previous meeting and agenda on BAC Share Drive for access by member's minimum of <b>3 calendar days</b> prior to the meeting.	BAC Secretariat
Schedule the meeting by sending out invites with supporting documents in line with the bid committee schedule	BAC Secretariat

Facilitate the BAC meeting in line with the BAC terms of reference	Chairperson of BAC
Minute and record the proceedings in line with the terms of reference for BAC	BAC Secretariat
Sign of all recommendations and resolutions of the committee	BAC members
Prepare the BAC memo for the PEO	BAC Secretariat
Approve the recommendations in line with the DoA	DoA (PEO)
Retain document for filing within SCM-Relevant Bid file. ▪ BAC Approvals	BAC Secretariat

### 13.15. Reverting to reserve bidders

13.15.1. To streamline the adjudication process, it is recommended that the BEC, in their recommendation memo recommends the preferred bidder, but also recommends a second preferred bidder and third preferred bidder (if applicable) in the following circumstances:

13.15.1.1. There are some risks associated with the preferred bidder and the recommendation is to do a conditional award, subject to these issues or risk being investigated; or

13.15.1.2. The preferred bidder (the acceptable bidder scoring the highest total points) did not offer a market related price.

13.15.2. This approach streamlines the process if a conditional award with suspensive conditions is terminated and the BEC then does not have to go back to the BAC to recommend the second and third preferred bidder.

### 13.16. Challenges by bidders

13.16.1. The official receiving the challenge must forward it to the SCM unit within 2 working days, who in turn refer it to the PEO or the delegated official. The PEO/delegated official must initiate an investigation within 14 calendar days of receipt of complaint/challenge. The investigation must be completed within 30 calendar days from date of initiation unless an extension was approved by PEO. The PEO must inform FAR-C of the outcome of the investigation together with the proposed actions on the next quarterly scheduled FAR-C meeting. The PEO must also ensure that the investigation report is securely stored.

## 14.Contract Management

14.1. A Contract Management procedure is the process that describes the activities necessary to complete tasks in accordance with the rules and regulations. It helps institutions to ensure consistency and quality of service delivery and administrative processes. The procedures are also useful tools to simplify institutional policies, regulations, and best practices. The procedures provide the GEPF with a standard reference guide for contracting goods and services supporting. SCM is the contract administrator that interacts with different stakeholders who perform different functions within the contract management framework.

The following are the role players and their responsibility:

Role-player	Responsibility
Project Manager	- To facilitate the drafting of a formal contract/SLA through Legal Services for all Service Providers and Vendors appointed by means of a SCM procurement process.

	<ul style="list-style-type: none"> <li>- Verify that all contract documents are signed prior to the commencement of the work.</li> <li>- To escalate issues of non-performance to SCM and Legal in the event of possible litigation</li> <li>- To submit quarterly performance progress reports on contracts</li> <li>- To monitor the expiry dates for procurement contracts concluded</li> <li>- To participate and contribute in contract negotiation and finalization.</li> <li>- To monitor expenditure on contract</li> </ul>
Supply Chain Management	<ul style="list-style-type: none"> <li>- Overseas Contract Management processes within SCM environment and provides advice and support to the Business Units on the subject.</li> <li>- To monitor the submission of quarterly performance progress reports.</li> <li>- To monitor the expiry dates for procurement contracts concluded</li> <li>- Provides support in the event of non-performance of service provider/ supplier</li> </ul>

14.2. A purchase order is considered as a form of contract (in the event where another customized form of contract is not signed). After the PO is issued, the BU is responsible for managing the service. This entails monitoring the variations on, performance of and expiry dates of these agreements. The Contract Manager and reporting staff, in consultation with the BU and Legal Service, will address the unsatisfactory performance of service providers for services rendered or the supply of goods delivered to a value **below R1 000 000**. The relevant BU is responsible to report any unsatisfactory performance or goods delivered to SCM in writing. Contract management entails Contract initiation, Signing, Filing, Performance Monitoring. These statistics can also be used for future appointments of recurring service or sourcing of goods.

The following are considered forms of contract at the GEPF:

- Formal signed contract or SLA; or
- Purchase order.

14.3. Contracts for transactions above R1,000,000.00:

Activity	Responsibility
Compile the award letter using the template	SCM
Obtain signature of the award letter	Project manager
Send the award letter to appointed bidder	SCM
Receive acceptance of award	SCM
Share with the Business Unit the acceptance of award together with approved appointment memo, SBD, CSD, Pricing schedule and other relevant documents	SCM
Complete an SLA template where applicable /Consider proposed draft contract from successful bidder and alignment to RFP published and final approval of appointment	Project manager and Service provider
Sign the contracts and relevant documentation and submit to Legal, Finance and PEO	Project Manager
Record the contract on the contract register	SCM

Fill in a purchase requisition template to capture a PO where required	Project Manager
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#### 14.4. Manage Contract Administration Support

14.4.1. After signing of a contract, Supply Chain Management supports the relevant Business Unit in terms of the administration of the contract. This entails, monitoring variation orders, performance- and expiry dates of the contracts. SCM Contract Management should quarterly receive reports on performance of the contracts from the Project Manager. These reports can also be used in future appointments of service providers.

#### 14.5. Monitoring Progress Reports

14.5.1. The submission of a performance progress report will be once a quarter. Reports are due one month after the end of a quarter. The following due dates for the submission of performance progress reports on running contracts:

Financial Year-Quarters	Deadline for the submission of Progress
Q1- April to June	31 July
Q2- July to September	30 October
Q3-October to December	31 January
Q4- January to March	30 April

14.5.2. To determine the date of submission of the 1st report, the date of award will dictate. If an award was concluded within a particular Quarter, e.g., Q1, the 1st report will be due as per the dates above for the Q. In the case of the example, Q2, this is then 30 October. Thereafter the indicated dates above should be adhered to.

***Progress monitoring is applicable to all contracts for goods and services above the value of R1,000,000.00 except for software licenses maintenance and renewals.***

#### 14.6. Contract Variations

Activity	Responsibility
Complete a request for contract variation or scope of work with the valid contract attached	User department
Submit the request to SCM	User department
Review the variation and complete a submission to BAC	User department via SCM
Table the variation at BAC	User department via SCM
Approve the variation	DoA
Prepare and submit the variation of contract pack to the relevant official for approval	Delegated official
Submit the approval to legal to compile a contract addendum where required	SCM
Compile the contract addendum and submit to the DoA for signature	Legal services
Sign the addendum and return to legal services	Delegated Authority
Submit the signed addendum to the service provider for signature	User department
Inform the business unit about the signed addendum - provide a copy to user department	SCM
Update the contract register	SCM
Complete a purchase requisition for purchase order	User department



If the variation is above 20% for construction related services or 15% for non-construction related service, whichever is the greater, update the monthly report for variation	SCM
Prepare the variation report and submit to Delegated Authority for signature	SCM
File the documentation	SCM

**Note:** contract variations for contracts that were concluded on estimated values shall follow a process outside the contract variation form, where an internal memo is compiled by the project manager to present at BidCom for support and the final approval rests with the PEO. Thereafter an addendum is concluded between the two (2) parties.

#### 14.7. Contract Expiry notification

Activity	Responsibility
Draw monthly contracts validity report from contract register	SCM
Identify contracts that expire in 3 months	SCM
Inform each business unit about contracts expiring in 3 months and asking for their intention to renew.	SCM
Respond via email with the intention to renew	BU
Review the responses received and those who intend to renew must initiate the process with SCM.	BU and SCM

## 15. Disposal Management

15.1. Disposal Committee shall be used for the disposal of assets and goods disposal or letting of assets, including unserviceable, redundant, or obsolete assets no longer required.

15.2. The following disposal methods will be used by GEPF:

- 15.2.1. Auctions
- 15.2.2. Bidding
- 15.2.3. Donations
- 15.2.4. Destructions
- 15.2.5. Scrapping

15.3. Refer to Fixed Asset Management policy for more if formation on asset disposal.

## 16. Risk Management

16.1. The procurement of goods and services will be performed in line with the provisions of the GEPF Enterprise Risk Management policy to ensure the identification, consideration, and avoidance of potential risks in the procurement system. A representative from Risk Management may form part of the BEC for high value and high-profile bids.

16.2. Relevant stakeholders shall identify risk on a case-by-case basis, allocate risk to the party best able to manage such risk and ensure optimum risk mitigation on the part of the GEPF.

16.3. Bid and contract documentation shall endeavor to clearly state the responsibility of the different parties to allocate any risk associated with the procurement of goods and services appropriately.

## 17. Performance Measurement of SCM Activities

17.1. The Department Head responsible for the SCM function shall measure and monitor the implementation of the SCM policy and any SCM process regularly through a performance measurement system to ascertain whether governance objectives have been achieved.

## 18.Stakeholders

### 18.1. Internal Stakeholders

Stakeholder	Role
ICT Management	<ul style="list-style-type: none"><li>• Information Communication and Technology support both soft and hardware</li></ul>
All the GEPF Departments	<ul style="list-style-type: none"><li>• Provide demand plan and requisitions in terms of goods and services</li></ul>
Supply Chain Management Unit	<ul style="list-style-type: none"><li>• Assist with procurement processes and procedures</li></ul>
Legal	<ul style="list-style-type: none"><li>• Assist with interpretation of statutory regulations and requirements.</li><li>• Assist with drafting legal documents relating to the procurement process.</li><li>• Assist with reviewing legal documents relating to the procurement process</li></ul>
Finance	<ul style="list-style-type: none"><li>• Budgetary requirements to procure goods and services</li></ul>
The PEOs office	<ul style="list-style-type: none"><li>• Approval of procurements of goods and services</li><li>• Provide demand plan and requisitions approval in terms of goods and services</li></ul>

### 18.2. External Stakeholders

Stakeholder	Role
Service Provider/Supplier	<ul style="list-style-type: none"><li>• Provide with information in terms of goods and services.</li><li>• Execute procurements requests in terms of goods and services</li></ul>