



PROCUREMENT POLICY FOR GOODS AND SERVICES

Version Number	July 2022 Review
Type of Policy	Strategic
Compiled by	CFO: Procurement
Reviewed by	Executive Committee
Recommended by	Board Finance Committee
Approved by	Board of Directors
Signed by	Board Chairperson
	Signature:
Effective Date	1 August 2022

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1. DEFINITIONS, ACRONYMS AND ABBREVIATIONS

B-BBEE	The Policy of Broad-Based Black Economic Empowerment governed by the Broad-Based Black Economic Empowerment Act 53 of 2003 (B-BBEE Act).
B-BBEE STATUS LEVEL OF CONTRIBUTOR	B-BBEE status received by a measured entity and issued under the terms of section 9(1) of the B-BBEE Act.
BID EVALUATION COMMITTEE (BEC)	Committee appointed to evaluate bid submissions and recommend awards.
BID ADJUDICATION COMMITTEE (BAC)	Committee appointed to consider the BEC's recommendations and adjudicate whether to make a final award.
BID SPECIFICATION COMMITTEE (BSC)	Committee appointed to review and finalise bid documents.
BID SUBMISSION	Bidder's written proposal in response to an Invitation for Bids (Request for Proposals/Request for Quotations/Request for Information, etc.)
BLACK PEOPLE	African, Coloureds and Indians as defined in the B-BBEE Act and its amendments from time to time
BOARD	TCTA's Board of Directors
CONSULTANT	A professional person who is appointed to assist technical and specialist advice for general goods or services or appointed assist with project design and implementation. The legal status of this person can be an individual, a partnership, a corporation or a company.
CONTRACT	A legal agreement signed between two parties, including a service level agreement. This term does not refer to the actual or successful bid.
CONTRACT MANAGER	A representative from each requesting department who will manage the day-to-day activities related to a contract. Any employee can assume this ad hoc role as and when a contract is allocated to them by their line manager.
EME	Exempted Micro Enterprise in terms of the Codes of Good Practice on Black Economic Empowerment issued in terms of section 9 (1) of the B-BBEE Act
ODOA	TCTA Operational Delegation of Authority, Matrix
PROCUREMENT SPECIALIST	A duly appointed person in the Procurement Department responsible for procurement-related transactions and processes, including RFQs.
RD	The requesting division is the section of the business requiring the goods or services.
LIMITED BIDDING	Bidding process reserved for a specific group or category of possible suppliers through procurement by:

	<p>(a) Sole source whether there is no competition in the market and only one supplier can provide the goods or services.</p> <p>(b) Single source where a thorough analysis of the market and a transparent and equitable pre-selection process is used to decide on one supplier among a few prospective bidders to make a proposal.</p> <p>Multiple sources where a thorough analysis of the market indicates that there is limited competition and only a few prospective bidders are requested to make a proposal</p>
SUPPLIER	A service provider or consultant is a private juristic person or legal entity that provides goods, services or works to TCTA.
QSE	Qualifying small business enterprise in terms of the Codes of Good Practice on Black Economic Empowerment issued under section 9 (1) of the B-BBEE Act

2. SCOPE OF APPLICATION

- 2.1. This Policy applies to TCTA procurement of all general goods and services, except those related to project funding and infrastructure development, as defined in the National Treasury Instruction Note No. 4 of 2015/16. The Note prescribes a policy for infrastructure procurement and delivery management.

3. PURPOSE AND OBJECTIVE

- 3.1. In terms of section 51(1)(iii) of the Public Finance Management Act (PFMA), an Accounting Authority for a public entity must ensure that it has and maintains an appropriate procurement and provisioning system. The system must be fair, equitable, transparent, competitive and cost-effective. This Policy aims to effect this provision.
- 3.2. The primary objectives of the Policy are to:
 - 3.2.1. Give effect to the principles in sections 217(1) to 217(3) of the Constitution of the Republic of South Africa, Act No. 108 of 1996,
 - 3.2.2. Enhance the effectiveness and efficiency of procurement within TCTA;
 - 3.2.3. Align TCTA with the legislative framework as well as procurement practices and trends;
 - 3.2.4. Promote transformation in accordance with the laws and policies of the government of the Republic of South Africa;
 - 3.2.5. Create a common understanding and interpretation of procurement-related legislation within TCTA;
 - 3.2.6. Ensure the creation of social and environmental sustainability;
 - 3.2.7. Promote a consistent application of best practices;
 - 3.2.8. Enable the TCTA operations through the timeous and effective procurement of goods and services; and
 - 3.2.9. Ensure that TCTA's strategic objectives are achieved efficiently and effectively.

4. LEGISLATIVE FRAMEWORK

This Policy is aligned to the legislative frameworks mentioned above and their associated amendments, regulations, instructions and standards as at the effective date of this Policy.

Supply Chain Management (SCM) is governed by, among other prescripts, the following:

- 4.1 The Constitution of the Republic of South Africa, 1996 ("the Constitution");
- 4.2 Broad-Based Black Economic Empowerment Act 53 of 2003, as amended by Act 46 of 2013, regulations and codes ("B-BBEE");
- 4.3 Competition Act 89 of 1998 and its regulations;

- 4.4 Public Finance Management Act 1 of 1999 and its regulations, standards, instruction notes, practice notes and guidelines (“PFMA”);
- 4.5 Preferential Procurement Policy Framework Act 5 of 2000 and regulations (“PPPFA”);
- 4.6 Prevention and Combating of Corrupt Activities Act 12 of 2004;
- 4.7 Promotion of Administrative Justice Act 3 of 2000 (PAJA); and
- 4.8 Promotion of Access to Information Act 2 of 300 (PAIA).

5. EXCLUSIONS

The following transactions are excluded from the SCM process:

- 5.1. Professional and corporate memberships, excluding journal subscriptions;
- 5.2. Rates and taxes, water, electricity and other levies raised by local authorities and provincial administrations;
- 5.3. Sponsorships, donor funding (procurement process is specified by the donor) and bursaries extended by TCTA;
- 5.4. Revenue-generating transactions that do not have a procurement aspect to them in that TCTA does not incur expenditure in their conclusion;
- 5.5. Human resources-related claims, salaries, employees bursaries and the attendance of external conferences/workshops/seminars approved and paid for in terms of TCTA policies;
- 5.6. Investments and loans;
- 5.7. Goods and services procured as a result of an insurance claim governed by TCTA’s insurance policies;
- 5.8. Goods and services provided by a statutory body unless the use thereof is discretionary; and
- 5.9. Disbursements linked to a specific contract and not specified as part of the original bid/contract.

6. PROBLEM STATEMENT

- 6.1. In 2003, the Government of South Africa discontinued the procurement and provisioning system in favour of an integrated SCM system. The change in approach to the fulfilment of the constitutional requirements through the SCM system has since evolved over recent years to include the regulation of Schedule 2 entities listed in the PFMA.
- 6.2. The regulator for public procurement is the National Treasury of South Africa, which has been granted the power to issue instructions, standards and guidelines to strengthen the

implementation of SCM processes in the public sector. TCTA, therefore, needs to adapt its procurement policies in line with this new legislative framework and the impending Public Procurement Bill to modernise its processes to be agile for future legislative changes.

7. GUIDING PRINCIPLES

TCTA is committed to the principles set out in section 217 of the Constitution

7.1. Transparency

Promoting accountability and preventing maleficence. TCTA should strive to promote access to information and make it openly available where it is not protected by confidentiality. Changes to the SCM process must be made under the relevant legislation and not to the detriment of stakeholders.

7.2. Equity

7.2.1. Not discriminating against bidders and or other stakeholders (except where permitted by legislation for the advancement of previously disadvantaged individuals). In promoting equity, TCTA shall consider South Africa's unfair and discriminatory past.

7.2.2. Implementing government policies for the advancement of persons or categories of persons disadvantaged by unfair discrimination.

7.3. Fairness

Creating a procedurally fair environment for suppliers to compete on equal terms in providing goods and services. Fair behaviour includes, but is not limited to:

7.3.1. Applying rules consistently;

7.3.2. Being impartial when making decisions;

7.3.3. Recognising conflict of interests and appropriately reporting it;

7.3.4. Treating all suppliers in the same manner; and

7.3.5. Not accepting illegitimate gifts and/or bribes.

7.4. Competitiveness

7.4.1. Promoting an open market to boost competitiveness;

7.4.2. Encouraging new entrants to the market to participate in bid processes; and

7.4.3. Discouraging anti-competitive behaviour among bidders and suppliers.

7.5. Cost-Effectiveness

- 7.5.1.** Taking into consideration the total cost of ownership of goods and services procured. This ensures a balance between the initial cost and the long-term value derived from the goods or services.
- 7.5.2.** Identifying the best outcome after considering all relevant costs over the full procurement cycle;
- 7.5.3.** Avoiding unnecessary costs;
- 7.5.4.** Monitoring the supply arrangements, making the necessary changes and ensuring continuous improvement in the efficiency of internal processes and systems.

8. POLICY STATEMENTS

TCTA is committed to the following in the execution of this Policy:

8.1. Accountability

Accountability shall be apportioned in line with TCTA's Strategic and Operational Delegation of Authority, as amended from time to time.

8.2. Procurement Thresholds

The Procurement Department shall apply a different threshold for different bid processes to ensure efficiency and compliance with the necessary prescripts. The applicable thresholds are set out in the Procedure Manual linked to this Policy.

8.3. Demand Management

- 8.3.1.** TCTA will treat the demand management (or planning) function as a cross-functional exercise that involves all its divisions.
- 8.3.2.** To promote proper planning, procurement plans shall state the expected procurement items for a particular financial year.
- 8.3.3.** Divisions requesting goods or services must determine clear specifications and terms of reference, where applicable.

8.4. Strategic and Transactional Procurement

- 8.4.1.** The following goods and services shall be classified as strategic:
 - 8.4.1.1.** The procurement of consultants for professional services as defined in National Treasury Instruction 3 of 2003 as amended from time to time;
 - 8.4.1.2.** Goods and services whose delivery has a direct impact on TCTA's mandates, as received from the Department of Water and Sanitation from time to time; and/or
 - 8.4.1.3.** Goods and services that are repetitive and warrant a strategic outlook.

- 8.4.2. All strategic procurement shall have a procurement strategy in place.
- 8.4.3. All other procurement shall be designated as transactional procurement and will accordingly not require a procurement strategy.

8.5. Competitive Bidding Processes

- 8.5.1. All bid processes must strictly adhere to the Procurement Policy and Procedure Manual for Goods and Services.
- 8.5.2. Any bid issued on a public platform or where over one bidder is invited shall be considered a competitive bidding process unless stated otherwise.

8.6. Deviations

- 8.6.1. Deviation from inviting competitive bids shall only apply in cases of emergency or sole-source bids.
- 8.6.2. Emergency procurement may occur when a serious and unexpected situation poses an immediate risk to health, life, property and the environment. The situation must be such that it calls for immediate action, and there is insufficient time to invite competitive bids.
- 8.6.3. Limited bidding may occur where there is evidence that only one supplier possesses the unique capacity to meet the requirements of TCTA.
- 8.6.4. Where National Treasury's Transversal Term Contracts are in place, the strategy must be to first procure using them.
- 8.6.5. When procuring IT services and goods, the State Information Technology Agency's transversal contracts may be utilised if they are valid.
- 8.6.6. Where desirable, procure goods or services under a contract secured by another organ of the state.

8.7. Supplier Requirements

- 8.7.1. TCTA shall only conduct business with legal entities recognised by the law in South Africa.
- 8.7.2. TCTA shall only award contracts to suppliers registered on the National Treasury's Central Supplier Database.
- 8.7.3. TCTA reserves the right to request any information needed to verify supplier details and to vet all bidders before they become suppliers.
- 8.7.4. TCTA may visit supplier premises as part of either accreditation or tender evaluation.
- 8.7.5. Except for qualifying small and exempted micro-enterprises, all suppliers must furnish TCTA with a valid and current BBEE Verification Certificate and Scorecard from a South African National Accreditation System-accredited verification agency. Qualifying small and exempted micro enterprises must submit a certified, sworn affidavit in line with the National Treasury prescripts.

- 8.7.6.** It is compulsory for a business to register for VAT in line with the thresholds as prescribed by the South African Revenue Services.
- 8.7.7.** International companies must possess a similar certificate from the relevant authority in their countries.
- 8.7.8.** Suppliers of goods and/or services whose value exceeds the prescribed threshold must have a valid, current SARS tax clearance certificate.
- 8.7.9.** TCTA will not award a contract if a supplier is not in good standing with SARS.
- 8.7.10.** All service providers dealing in financial instruments must have a clearance of their registration with the Financial Sector Conduct Authority.
- 8.7.11.** TCTA may exclude a supplier from conducting further business and/or cancel all its existing contracts should it be found to have acted in bad faith or engaged in misconduct.
- 8.7.12.** TCTA shall conduct business in a manner that encourages good supplier relations in an environment that promotes competition and complies with the law. The organisation shall fulfil its contractual commitments to suppliers and require that they meet theirs.
- 8.7.13.** Contact with suppliers by any employee should not result in any expressed or implied commitment to do business without the prior written approval of the appropriate authority.
- 8.7.14.** Once the bid process has begun, no bid committee member or participant in the procurement, except relevant Procurement Department employees, shall contact bidders concerning the bid in process.
- 8.7.15.** If required, a verification process shall be conducted through an established agency.

8.8. Transformation

- 8.8.1.** This section establishes TCTA's transformation goals for procuring general goods and/or services.
- 8.8.2.** TCTA's transformation goals are:

8.8.2.1. Ownership

The ownership category goal is to substantially increase the number of black people who have ownership and control of existing and new enterprises within the commodities TCTA procures.

The ownership category shall promote the participation of Black Owned Entities in the core scope of goods, works, construction and services procured by TCTA and shall be implemented through Consortiums, Partnerships, Joint Ventures or contracting directly with BOEs. Targets to be met shall be stipulated in the procurement strategies and detailed in the procurement documents.

8.8.2.2. Enterprise and Supplier Development

8.8.2.3. The Enterprise and Supplier Development (ESD) category goal is to increase the number of new black enterprises. The ESD component shall promote the development and growth of EMEs or QSEs that are at least 51% owned by black people. The ESD shall be implemented by subcontracting EME or QSE by the supplier, service provider or contractor appointed by TCTA. The targets to be met shall be stipulated in the procurement strategies and documents.

8.8.2.3.1. The ESD shall be implemented in three main categories as follows:

8.8.2.3.1.1. Enterprise Development will include all EME and QSE that provide core goods, services/works by a supplier contracted by TCTA. The appointed service providers or contractors may be required to provide specific developmental assistance, which will encompass the following:

- Ø Providing advice and guidance and arranging training in areas such as quality, financial management, procurement, marketing, environmental and production management;
- Ø Rendering assistance with negotiating financing arrangements with financial institutions;
- Ø Assisting with negotiations to obtain materials, goods and services at competitive prices from suppliers;
- Ø Coordinating industrial/production engineering assistance to improve productivity;
- Ø Assisting with strategy-setting to ensure that the Supplier develops and does not depend on TCTA for survival;
- Ø Assistance and development to Suppliers will not continue indefinitely but will be aimed at making their businesses independent and sustainable within a predetermined period.

8.8.2.3.1.2. Supplier Development will include all EMEs and QSEs that provide goods and/or services to suppliers contracted by TCTA.

8.8.2.3.1.3. Preferential Procurement includes all goods, services and works from black-owned entities measured against the total procurement spend.

8.8.2.4. Employment

The employment category aims to significantly increase the number of black people in executive management positions of the entities that do business with TCTA; and the employment of black people in temporary roles and, where possible, permanent job opportunities at senior, middle and junior employment levels at the implementation stage. TCTA shall promote employment equity to ensure the development of skills and the creation of employment opportunities for black people. Targets for the employment of black people shall be set on a procurement basis and stipulated in the bid documents.

8.8.2.5. Training and Skills Development

The training and skills development category aims to empower black people with the core skills and improve their quality of life. TCTA shall create training and skills development opportunities for black people when conducting its business to ensure the development of human skills. Targets for training and skills development of black people shall be set for each bid process depending on the circumstances and shall be stipulated in the bid documents. The following training and skills development programmes shall be applicable:

- Bursaries.
- Learnership.
- Apprenticeships.
- Internships.
- Work-integrated learning
- Mentorships

8.8.3. The Procurement Department has the following responsibilities in implementing TCTA's transformation goals:

8.8.3.1. Conducting research on the supply market for any goods and/or services and the supply chain channels that will inform the transformation goals for every procurement.

8.8.3.2. Identifying opportunities for ownership, enterprise and/or supplier development, employment and skills development in both the supply market and the supply chain channels.

8.8.3.3. Ensuring that transformation goals form part of the bid document unless it is not feasible.

8.8.3.4. Monitoring the progress of the transformation goals during the implementation of

the contract to ensure compliance.

8.8.3.5. Management reporting on the implementation progress of transformation goals.

8.8.4. Requesting Divisions have the following responsibilities in implementing TCTA's transformation goals:

8.8.4.1. Budgeting for the implementation and management of transformation requirements.

8.8.4.2. Ensuring that transformation programs are incorporated as part of the contract with any general goods and services or works supplier.

8.8.4.3. Performance monitoring and evaluation of any supplier of goods and/or services for adherence to committed contractual obligations to transformation requirements.

8.8.4.4. Management reporting on supplier performance on transformation programs.

8.8.5. TCTA endeavours to reach the following minimum transformation targets:

TRANSFORMATION CATEGORY	DESCRIPTION	MINIMUM TARGETS PARTICIPATION OF BLACK-OWNED ENTITIES
Ownership	Participation of BOE in the procurement of general goods, services and works	Between BBBEE Level 1 - 4 where feasible based on market research
Enterprise and Supplier Development	Enterprise and Supplier Development	30 % compulsory subcontracting for bids estimated above R30 million where feasible
Preferential Procurement	Procurement by suppliers	30% of Procurement Spend where feasible

TRANSFORMATION CATEGORY	DESCRIPTION	MINIMUM TARGETS FOR EMPLOYMENT OF BLACK PEOPLE
Employment	Employment opportunities for black people.	<p>Programme and targets for employment to be implemented will be set on a case-by-case basis taking into account the type of the commodity, duration of the contract, the structure of delivering the goods, services/works and employment opportunities. The following designated groups will be targeted:</p> <ul style="list-style-type: none"> · Black people; · Black women; · Black youth; · Black people in the townships; · Black people who live in rural areas;

		<ul style="list-style-type: none"> · Military veterans; and · People with disabilities.
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TRANSFORMATION CATEGORY	DESCRIPTION	MINIMUM TARGETS FOR TRAINING AND SKILLS DEVELOPMENT FOR BLACK PEOPLE
Training and skills development	<ul style="list-style-type: none"> · Bursaries. · Learnership. · Apprenticeships. · Internships. · Work-integrated learning · Mentorships 	<p>Training and skills development programme and targets to be implemented will be set on a case-by-case basis, considering the type of the commodity, duration of the contract, employment and training and skills development opportunities. The following designated groups will be targeted:</p> <ul style="list-style-type: none"> · Black people; · Black women; · Black youth; · Black people in the townships; · Black people who live in rural areas; · Military veterans; and · People with disabilities.

8.9. Conflict of Interests

- 8.9.1.** Any person involved in the purchasing, public and closed bid or supplier evaluation process shall complete and sign the applicable declaration of conflict of interests form.
- 8.9.2.** Any person with an interests that may, or could be seen to, affect their impartiality should immediately declare a conflict of interests in writing, withdraw entirely from the process and relinquish all other related duties to their line manager.
- 8.9.3.** Suppliers or their employees may not participate in or influence the specifications or standards for purchasing goods and services. All suppliers shall complete a Declaration of Conflict of Interests form when registering as a supplier.
- 8.9.4.** Employees are not permitted to bid for TCTA business.
- 8.9.5.** Bids from former TCTA employees and members of the Board shall only be considered if submitted no less than 1 (one) year after the official date of termination of service.

8.10. Confidentiality and accuracy of information

- 8.10.1.** The confidentiality of information received in the procurement process should be respected.
- 8.10.2.** Specific details of suppliers' bids shall not be divulged unless it is in accordance with the Promotion of Access to Information Act, 2000 (Act 2 of 2000). Even then, the disclosure can only be through the Legal Services Department.
- 8.10.3.** All employees in the Procurement Department, members of and invitees to procurement-

related committees and meetings shall sign a confidentiality form.

8.11. Ethics

All stakeholders must keep all information obtained during a bid process confidential and always disclose any conflict of interests. They must further immediately report any fraudulent and/or corrupt acts or omissions to promote an ethical environment within TCTA.

8.12. Business Gifts and Hospitality

No TCTA employees member may accept any gift, hospitality or other inducements that may, or could be perceived to, influence them in their decision-making responsibilities in terms of TCTA's Business Code of Conduct. Any attempted inducements shall immediately be reported to the Ethics function in the Chief Risk Officer's Division.

8.13. Just Administrative Action

- 8.13.1.** Procurement Specialists are required, among other things, to act lawfully, reasonably and fairly when making decisions.
- 8.13.2.** PAJA specifically requires Procurement Specialists, when making decisions, to:
- 8.13.3.** Be rational, i.e. use the evidence and information before them to support their decision-making;
- 8.13.4.** Be reasonable, i.e. they must satisfy themselves that the correct process was followed and all arguments for and against a decision were considered; and
- 8.13.5.** Adequately share the reasons for a decision with anyone affected by it.

8.14. Disputes about preferred bidder

If a dispute over any matter about the procurement process arises, it shall be lodged with the Senior Manager: Procurement.

8.15. Endorsements

TCTA does not endorse suppliers or their products or services. If a supplier seeks to publicise factual information regarding its relationship with TCTA, a request shall be forwarded to the Information Officer or a delegated representative for approval.

8.16. Technology

TCTA aims to use technology to advance the objectives set out in this Policy.

8.17. Risk Management

The procurement of goods and services TCTA requires shall be conducted in accordance with the risk management process and comprise the following activities:

- 8.17.1.** Identifying potential procurement risks;
- 8.17.2.** Channeling the risk where it is best placed and managed; and

8.17.3. Ensuring overall optimum risk mitigation.

8.18. Insurance requirements

8.18.1. The RD shall determine whether the agreement about to be entered into could place TCTA in a position of liability. It shall further ensure that appropriate insurance requirements in line with TCTA's policies, as prepared and amended by the Risk Division from time to time, are met.

8.18.2. Any modification or waiver of the insurance requirements in standard contract language constitutes a risk and requires written approval before the execution of the contract.

8.19. Functionality

RDs may evaluate a bidders' capability to deliver goods and services by including functional evaluation criteria as part of their requisition to the Procurement Department. A bidder's capability shall not be evaluated on functional criteria not contained in the original invitation to bid.

8.20. Financial analysis

It is TCTA policy to conduct business with suppliers with financial resources to deliver the procured goods and services until completion.

8.21. Approval of Funds

Prior to initiating a bid process, the RD must provide proof of the approved budget for the intended procurement.

8.22. Proprietary information

8.22.1. Much of the information TCTA uses in its activities is proprietary. The information it develops is a valuable business asset and shall be protected, preserved and used only for the organisation's purposes.

8.22.2. Proprietary information encompasses trade secrets, confidential technical and financial business data, and any other such intended for internal use. It may include any form of information, including records, practices, plans, studies, contracts and other agreements, requests for bids and information, letters of award, catalogues, drawings and computer programs.

8.22.3. TCTA realises that the information released during the bid process is also proprietary as it conveys potential plans for deploying various resources and technologies in the organisation to the supplier community. It may contain other confidential internal information.

8.22.4. If TCTA solicits information a supplier deems proprietary or confidential in nature, the latter

shall be required to prove that it is, in fact, the case. The organisation shall then ensure that a non-disclosure agreement is executed if the supplier requires one before releasing the information.

8.23. Disposal of assets

Disposal of movable assets is the final process when TCTA needs to do away with unserviceable, redundant or obsolete assets. RDs may request the disposal of assets on their behalf in line with TCTA's Asset Management Policy.

9. ROLES AND RESPONSIBILITIES

9.1. Delegated Authority

The approved ODOA must always be complied with to enhance effective corporate governance.

9.2. The Board

9.2.1. The Board is the accounting authority of the organisation in terms of the PFMA and TCTAs founding legislation.

9.2.2. In terms of section 51(1)(iii) for the Public Finance Management Act (PFMA), an Accounting Authority of a public entity must ensure that it has and maintains an appropriate procurement and provisioning system. The system must be fair, equitable, transparent, competitive, and cost-effective. This Policy aims to effect this PFMA provision. In terms of this provision, the Board sets the Procurement Policy and system.

9.2.3. In terms of Section 16 of the TCTA Notice of Establishment, the Board may delegate any of its powers to a director, a committee of the Board or the Chief Executive Officer.

9.2.4. This Policy will be recommended to the Board for approval by the relevant Board committee.

9.3. Chief Executive Officer

The Chief Executive Officer is responsible for:

9.3.1. Executive leadership of the TCTA's management, including providing oversight on implementing this Policy.

9.3.2. Holding executives accountable for implementing this Policy within their respective divisions.

9.3.3. The sub-delegation of procurement powers to any employee and/or committee consisting solely of TCTA employees to assist the incumbent in implementing this Policy.

9.4. Executive managers

They are responsible for:

9.4.1. Ensuring that their respective divisions comply with and implement this Policy.

- 9.4.2. Holding senior managers and managers accountable for effective procurement guided by this Policy.
- 9.4.3. Providing oversight and monitoring compliance with the Policy.
- 9.4.4. Signing and authorising the procurement of goods and services in line with the ODOA;
- 9.4.5. Ensuring that TCTA has standard procurement procedures for implementing this Policy.
- 9.4.6. Ensuring employee awareness and adherence to procurement procedures.
- 9.4.7. Authorising any deviations from approved procurement procedures in line with the applicable DOA.
- 9.4.8. Providing regular management information and reports to the Board on the performance of the procurement system.

9.5. Procurement Department

The Procurement Department is responsible for the operation of the procurement system. Its responsibilities include the following:

9.5.1. Procurement Management

9.5.1.1. Spend and supply-demand analysis

9.5.1.2. Segmentation of spend

9.5.1.3. Market analysis

9.5.1.4. Transacting methodologies

9.5.1.5. Sourcing strategies

9.5.1.6. Contracting

9.5.2. Supplier selection and management

9.5.2.1. Supplier relationship management

9.5.2.2. Development key and preferential (B-BBEE) suppliers

9.5.2.3. Supplier performance measurement

9.5.2.4. Debarment of suppliers

9.5.3. Manage Supply Chain Enablement:

9.5.3.1. The Supply Chain Enablement function enables the achievement of the supply chain vision and strategies through the governance and optimisation of processes and the development of core competencies within and across business divisions. Enablement means making possible, facilitating, supporting, integrating, coordinating, executing, and influencing the supply chain's efficiency and effectiveness.

- 9.5.3.2.** The focus is to establish, influence and continuously improve performance through integrating people, processes and systems to ensure effective, efficient and integrated internal and external supply chains.
- 9.5.3.3.** Advertise and publish awards of bids for contract values over the thresholds published by the National Treasury from time to time.
- 9.5.3.4.** Advising TCTA on the appropriate purchasing mechanism and managing the supplier selection process, considering the total cost of ownership of any goods and/or services.
- 9.5.3.5.** Co-sourcing and collaboration with other state-owned entities on procurement.
- 9.5.3.6.** Continuous monitoring of developments in the procurement regulatory environment.
- 9.5.3.7.** Coordinating procurement-compulsory statutory submissions to the National Treasury.
- 9.5.3.8.** Management reporting and monitoring of the procurement system.

9.6. Requesting divisions

- 9.6.1.** The RD is responsible for needs analysis, technical inputs and instructing the Procurement Department to initiate any procurement process on its behalf. Its responsibilities include:
- 9.6.2.** Obtaining authorisation from the relevant person in line with the DOA to procure any goods/services;
- 9.6.3.** Assessing the quality of the goods/services to be procured;
- 9.6.4.** Determining the evaluation criteria for the selection of a supplier;
- 9.6.5.** Conducting supplier performance reviews at the end of the delivery of the goods/services, as per the contract terms and conditions, which the Procurement Department must keep on file;
- 9.6.6.** Ensuring the receipt and secure storage of the goods/services procured;
- 9.6.7.** Determining and specifying their requirements accurately and timeously;
- 9.6.8.** Compiling any technical and/or user requirement specifications required for the successful procurement of the goods and/or services;
- 9.6.9.** Taking part in good faith and in the best interests of TCTA in the procurement process related to demand requests to the extent that this Policy and/or the relevant committee's terms of reference permit.
- 9.6.10.** Ensuring appropriate contract management processes, including an SLA reviewed by TCTA's Legal Division, are concluded with the suppliers' goods/services;

- 9.6.11. Ensuring that a supplier performance review is conducted after delivery of the goods/services as per terms and conditions of the contract;
- 9.6.12. Reporting any breach of contract terms to the procurement and the legal departments as soon as becoming aware of them.

9.7. Bid Committees

- 9.7.1. The Chief Executive Officer shall ensure adequate segregation of duties in the procurement process by implementing a three-bid committee system.
- 9.7.2. The three-bid committee system shall comprise the following:

9.7.2.1. The Bid Specification Committee (BSC)

The BSC is a standing committee. It is responsible for reviewing and finalising the bid documents that will be issued to the market. The role of the committee ends the moment a bid closes.

9.7.2.2. The Bid Evaluation Committee (BEC)

The BEC may be established once a bid is advertised because it is an ad hoc committee. It is responsible for reviewing all bid submissions against the invitation to bid. The committee shall recommend the preferred bidder to the Bid Adjudication Committee (BAC).

9.7.2.3. The Bid Adjudication Committee (BAC)

The BAC is a standing committee. It is responsible for adjudicating and awarding bids within its threshold. The BAC does not review bid submissions, but the Recommendation to Award received from the BEC. Based on the invitation to bid, it must establish if the correct process was followed in identifying the preferred bidder. The committee's role ends when a Letter of Award is issued to the preferred bidder.

- 9.7.3. The roles and responsibilities of the bid committees are further set out in their Terms of Reference.
- 9.7.4. Bid committees shall always act independently and not be unduly influenced by external parties, whether within TCTA or outside.
- 9.7.5. There is no hierarchy of bid committees.

9.8. Employees

Employees must always comply with this policy and procedure manual.

10. COMMUNICATION

- 10.1. All TCTA divisions and potential suppliers must take full cognisance of this Policy,

including the relevant procedures, applicable regulatory requirements, good corporate governance and compliance principles. The communication process for the Policy will involve the following steps:

- 10.1.1.** Compilation and dissemination of the Procurement Procedure Manual for Goods and Services.
- 10.1.2.** Group presentations to TCTA employees.
- 10.1.3.** Group presentations to potential and existing TCTA suppliers.
- 10.1.4.** Posting the Policy on the TCTA website.

11. RECORD KEEPING

- 11.1.** TCTA must manage all procurement-related records in adherence to the Records Management Policy. The records shall be kept in accordance with the relevant guidelines and legislation governing procurement.
- 11.2.** The information necessary to satisfy the internal and external reporting requirements must be kept in an orderly manner. The gathering of information and the recording system must provide for the type of information required, deadlines and the allocation of duties and responsibilities.
- 11.3.** Where feasible, documents should be digitised for use by auditors or other role players to limit access to physical copies.
- 11.4.** Access to procurement-related documents shall be limited, as per the Records Management Policy.
- 11.5.** Procurement-related documents and records should be safeguarded and maintained in line with the National Archives Act.

12. COMPLIANCE

- 12.1.** The Board, management and employees shall comply fully with this Policy. Employees who do not comply will be dealt with according to the TCTA's Disciplinary Policy and Procedure.
- 12.2.** Any procurement practices that contravene TCTA's policies and procedures shall, upon detection, be halted and reported to the Senior Manager: Procurement. The exact nature of the non-compliant practice/s and the corrective action already taken or contemplated shall be accurately described. Disciplinary action shall be taken against employees who transgress procurement policies and procedures with the sanction informed by the Disciplinary Policy and Procedure.
- 12.3.** Where the Policy contradicts any relevant legislation, the latter shall prevail.

13. MONITORING AND REVIEW

- 13.1.** This Policy shall become effective on the date of approval. It shall be reviewed at least every three years with interim reviews as required (due to legislative or other reasons) to ensure that it remains in line with the organisational growth, commitments and needs.

14. TRANSITIONAL ARRANGEMENTS

- 14.1.** This Policy shall only apply to bid processes that have not yet been approved by the BSC as at the effective date.
- 14.2.** Irrespective of the date of issue, all bids that have not yet been submitted to the BAC as at the effective date will be subject to the process followed in the paragraph above and subsequent thereto.