NRF/SAEON Procurement process flow and threshold

Category 1 1 cent to R2,000

Petty cash

.Project manager (PM) identifies the need for procurement

- . PM requests the petty cash from the petty cash keeper (normally the node administrator)
- . Petty cash limit of R2000 per transaction placed on the nodes
- . Petty cash limit for each node is R4000
- . No asset purchases (e.g. office chairs, printers) using petty cash
- . Receipt / slip handed to node administrator for recon

Category 2 R2,001 to R50,000

3 Quotes & Purchase Order

Request for quotes

- . PM identifies the need for procurement
- PM draws up specifications
- .Node administrator (NA) request for 3 quotes from CSD registered suppliers
- . If the supplier is not registered, NA requests the supplier to register

.Tax clearance for Foreign Entity- TCC001 application form must be submitted to Moshidi to apply for clearance from SARS

Node administrator (NA) fill in the request for order & Node manager (NM) approve it

NA Request for order (RFO)

- . NA attach 3 quotations with RFO
- . Failure to submit 3 quotations, motivation must submitted
- . NA sends to National Office (Patricia and Moshidi)

Purchase Order (PO)

- . Moshidi checks the RFO for completeness (quotes, authorization and CSD registration)
- . Lawrence checks the budget
- Patricia will then generate the purchase order (PO) and send to NA
- . For Asset items (Capex) the approved Request for Asset form must also be submitted.
- . Turnaround of the process is two (2) days

Payment

Once the goods/services have been received, manager signs invoice

- . NA sends the signed invoice to Patricia to request payment
- . Payment days for suppliers is every Friday
- . Patricia sends proof of payment (POP) to NA.
- [Payment days for S&T claims and advance is every Tuesday]

NB. Authorization of approval

NM can approve from 1c to R40 000. SAEON MD (Johan) can approve from R40 001 to R500 000.

Category 3 R50,001 to R500,000

3 Quotes obtained by Bids

Stage 1 Quotes on SBD form

- . PM identifies the need for procurement & draws up detailed specifications
- . PM requests 3 quotes but using QUOTATION STANDARD BIDDING DOCUMENT ANNEXURE (SBD)
- . The updated SBD form can be found \underline{here}
- . Detailed specifications and evaluation criteria and closing date must be included in the SBD. PM should send the same SBD to three (3) or more potential suppliers
- . The suppliers should be given a minimum of 7 days or maximum of 15 days to respond to the bid
- .. Tax clearance for Foreign Entity- TCC001 application form must be submitted to Moshidi to apply for clearance from SARS

Stage 2 Evaluation

- PM or evaluation team evaluate according the evaluation criteria submitted to bidders using the evaluation spreadsheet found here.
- . PM or evaluation team secretary note the minutes of evaluation process
- . PM or evaluation team recommend the successful bidder and ask the NA to request for order
- . NA fills in RFO and submits it to Moshidi and Theo.
- . The submitted RFO must be accompanied with the minutes and submitted bidder's documents to Moshidi and Theo
- For Asset items (Capex) the approved Request for Asset form must also be
 submitted.

NA Request for order

- . RFO checked by Moshidi and Theo for completeness (quotes, budget, authorization)
- . Lawrence to check the budget
- . Patricia will then generate the purchase order (PO) and send to NA
- . Turnaround of the process is two (2) days



- . Once the goods/services have been received, cost centre manager signs invoice
- . NA sends the signed invoice to Patricia: Refer to category 2 for payment days

Category 4 R500,001 and above

Tender Process

BSAC

Stage 1

Specification

- . PM identifies the need for procurement.
- . PM informs NO (Theo & Law and Moshidi)
- . Lawrence will include in procurement plan – submit to Cooperate SCM (Mandatory)
- PM appoints bid specification and evaluation committee (Mandatory).
- . After the bid specification meeting, PM fill the tender document that can found here with the help from Lawrence

Stage 2

- . Lawrence will submit the filled Tender template to BSAC committee for advisory that sit every Tuesday of the week.
- . The submission day for BSAC is every Thursday of the week for the next Tuesday meeting
- . Lawrence and PM attend the BSAC meeting (via Skype and video conference)
- After the BSAC advice is incorporated in the Tender template by Lawrence and PM, Lawrence advertises the tender on Government Tender Bulletin and other appropriate media (e-portal)
- . The tender will be advertised for minimum of 21 days with the closing date clearly stated
- . Tender documents are sent to National Office tender box.

Continue on next page

Stage 3 BEC

- . Lawrence and Moshidi collect the bids from tender box and schedule the evaluation meeting with evaluation committee
- . Evaluation committee evaluate the received bids (via Skype and video conference) with the guidance of Lawrence and Moshidi
- . Signed minutes from all committee meetings and declaration of interest forms should be retained by Lawrence
- . Tax clearance for Foreign Entity-TCC001 application form must be submitted to Moshidi to apply for clearance from SARS
- . Evaluation committee recommends the successful bidder to BAC

Stage 4

. Lawrence submits the BEC recommendation to BAC (approved/reject)

BAC

- . BAC meets once a month and see the dates <u>here</u>
- . BAC recommends for approval to CEO or rejects the BEC recommendation with reasons
- . Lawrence and PM will be notified about approved recommendations

Stage 5 Award

. BAC secretary will prepare awarding letter to successful bidder and send to Lawrence to communicate with the bidder.

- . Lawrence will prepare SBD7 and acceptance letter after receiving the awarding letter for the successful bidder to sign.
- . Moshidi and Lawrence advertise the successful bidder in Government Tender Bulletin; e-portal and NRF website as soon the awarding letters is issued.

Stage 6 RFO & PO

.Moshidi will prepare an RFO and SAEON MD sign it

. Patricia generates a PO Stage 7

Payments

- . Once the goods/services have been received, cost centre manager signs invoice
- . NA sends the signed invoice to Patricia to request payment
- . Patricia will check the signing authority in the invoice and submit to the delegated authority
- . Payment will be processed. Refer to category 2 for payment days
- . In the case of contracts with consecutive deliverables and invoices submitted, these are reconciled with the original documents.

Explanation of codes and abbreviations:

BSAC = Bid Specification Adjudication Committee

BEC = Bid Evaluation Committee

BAC = Bid Adjudication Committee