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MEMORANDUM

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TO : Themba Mlotsa, General Manager: Facilities and Infrastructure, TE

FROM : Teboho Mthombeni, Senior Project Manager: PMO, TE

DATE : 27 May 2026

SUBJECT : REQUEST FOR SERVICES FOR THE APPOINTMENT OF SERVICE PROVIDER/S TO SUPPLY, DELIVER, INSTALL, TEST AND COMMISSION OF VARIOUS EQUIPMENT AND MACHINERY AS PER ANNEXURE 2 FOR VARIOUS DEPOTS AND PLANTS WITHIN TRANSNET ENGINEERING

PURPOSE

1. The purpose of this memorandum is to request approval from the General Manager: Facilities and Infrastructure for the appointment of service provider/s to supply, deliver, install test and commission various equipment and machinery as per annexure 2 for various depots and plants within Transnet Engineering.

BACKGROUND

2. Transnet Group Recovery Plan requires each OD to align their strategy to the group level and Transnet Engineering plays a vital role in the outcome performance of the recovery plan. In response to the Transnet Group Recovery plan, Transnet Engineering has undertaken to achieve various key strategic initiatives in line with the Transnet turnaround plans which includes the support to increasing the Transnet Freight Rail (TFR) volumes. These key strategic initiatives include but not limited to, increasing the availability of wagons and locomotives by increasing performance and repairing the long-standing locomotives in support of TFR are well documented in TE recovery plan Initiative.
3. TFR is one of the OD's that contributes immensely to TE's revenue, hence TE readiness to support them is of great importance, as part of their recovery plans and growth, TFR had to increase their train movements from 170mt which was extended to 193mt to a high of 220mt.

The additional capex will be utilised to purchase, upgrade, and replace ageing equipment and machinery within the Transnet Engineering's Plants and Corridors. The request also

Request for Service Memo-TE Turnaround

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TRANSNET HAS A 'ZERO GIFTS' POLICY. NO EMPLOYEE IS ALLOWED TO ACCEPT GIFTS, FAVOURS OR BENEFITS

includes acquisition of new additional machinery to improve manufacturing and maintenance capabilities within Transnet Engineering and accelerate the delivery and conclusion of Transnet Engineering key strategic projects e.g. Alstom Project, Wabtec, etc that are contributing to increasing volumes.

DISCUSSION/ MOTIVATION

4. *Provide a detailed overview of the type of services required and reason for the appointment of the service provider(s)/supplier(s):*

4.1. The project is to supply, deliver, install, test and commission various equipment and machinery as per annexure 2.

5. *High level scope of work/requirements:*

5.1. To supply, deliver, install test and commission various equipment and machinery as per annexure 2.

6. *Provide detailed motivation for why the appointment of service provider(s)/supplier(s) should be supported:*

6.1. The manufacturing of the equipment and machinery cannot be done internally or any other OD.

6.2. The equipment and machinery are urgently needed to support various production lines or strategic projects and other operations.

7. *Explain what the impact would be if the appointment of service provider(s)/supplier(s) is not approved:*

7.1. The project objectives will not be met.

8. *Indicate the expected outputs from the service provider(s)/supplier(s)*

8.1. To supply, deliver, install test and commission various equipment and machinery as per annexure 2, within agreed time, scope, budget and set quality standards.

9. *Performance management - Explain how the service provider(s)/supplier(s) performance will be managed.*

9.1. Weekly progress meetings will be conducted with the service provider and project team to discuss project issues and review the project performance.

9.2. Approved Delivery Schedule which consists of a list of key activities, the duration, and dependences (Critical Path Method) preferable on MS projects

FINANCIAL IMPLICATIONS

10. It is anticipated that the cost for the goods/services will not exceed R126, 800,000.00 excl. VAT over a period of 12 months.

BUDGET IMPLICATIONS

11. The current budget allocation for this financial year (2026/2027) R126, 800,000.00 will be made available in various Facilities and Infrastructure business profit centers and adequate provision has been made for these procurement events.

APPROVALS AND DELEGATIONS

12. The cost center owner/delegated authority is required to confirm that there is sufficient budget available and approves that procurement may initiate the procurement process as per the latest Delegation of Authority Framework.

RECOMMENDATION

13. It is hereby recommended that the General Manager: Facilities and Infrastructure, approves the appointment of service provider/s to supply, deliver, install test and commissioning various equipment and machinery as per annexure 2 for various depots and plants within Transnet Engineering.

COMPILED BY:



Teboho Mthombeni
Senior Project Manager: PMO
Transnet Engineering
Date: 27/05/2026

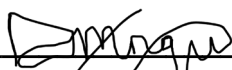
VERIFIED BY:



Budget for the project is pending approval for funds re-allocation memo by GCFO.

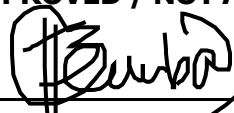
Phuti Manaka
Senior Finance Manager
Transnet Engineering
Date: 27 -05 -2026

RECOMMANDATED BY:



Duma Mhumevu
Head Of Projects, TE
Transnet Engineering
Date: 27/05/2026

APPROVED / ~~NOT APPROVED BY:~~



Themba Mlota
General Manager- FIM
Transnet Engineering
Date: 28/05/2026