




**Procurement Strategy  
(R10m to R300m)**

<b>Document Identifier</b>	240-109836084	<b>Rev</b>	3
<b>Effective Date</b>	February 2023		
<b>Review Date</b>	February 2028		

#	Risk	Risk Category	Level (High/Medium/Low)	Owner	Mitigation Management	Consequence
1	Placing of the contract based on the lowest tendered price	Financial Risk	Medium	Project Manager	<ul style="list-style-type: none"> <li>Involve Quantity Surveyor to look at the tendered Prices to ensure that its market related before placing a contract</li> <li>Financially viability as part of the evaluation to ascertain contractor's liquidity position</li> </ul>	<ul style="list-style-type: none"> <li>Failure of the supplier to deliver, large compensation events arising from the supplier which will eventually affect the project cost</li> </ul>
2	Scope creep due to unclear objectives/goals	Scope	Medium	System Engineer	<ul style="list-style-type: none"> <li>Detailed signed scope of work to be provided by System engineer.</li> <li>Change management to be applied where scope increase is observed.</li> <li>Use of Engineering and Construction Contract which outline the specification requirements for the procurement at hand</li> </ul>	<ul style="list-style-type: none"> <li>Increase on time and cost which might delay the project completion time</li> </ul>
3	Inclement weather conditions may delay the completion and increase project cost	Time/Cost	Medium	Project Manager & Contractor	<ul style="list-style-type: none"> <li>Budget for cost increase has been provided for under risk allowance</li> </ul>	<ul style="list-style-type: none"> <li>Cost increases due to compensation events because of work being stopped</li> <li>Schedule delayed resulting in completion not being met</li> </ul>
4	Actual or perceived favouritism in providing information	Procurement	Low	Procurement Practitioner	<ul style="list-style-type: none"> <li>Use of Eskom Procurement and Supply chain Management Procedure <b>32-1034 rev 05</b></li> </ul>	<ul style="list-style-type: none"> <li>Complaints from tenderers</li> <li>Withdrawal of offers</li> <li>Losing on time for delivery</li> </ul>

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						<ul style="list-style-type: none"> <li>Dispute which may halt the procurement process</li> </ul>
5	Request for tender closing date extensions	Procurements	High	Procurement Practitioner	<ul style="list-style-type: none"> <li>Provide enough time for Service provider to submit an informed quote by giving more than minimum required tender closing date</li> </ul>	<ul style="list-style-type: none"> <li>Delayed contract placement</li> <li>Poor submission of tenders</li> </ul>
6	Pandemic Outbreaks	Occupational Health & Safety	Low	Employer /Contractor	<ul style="list-style-type: none"> <li>All to abide by the government protocols and guidance once the outbreak is realised</li> <li>Awareness to be raised as soon as its guidance to handle the disease is clear</li> </ul>	<ul style="list-style-type: none"> <li>Disrupt execution of the works</li> <li>Fatality(ides) as a result of break-out</li> </ul>
7	Unwillingness of the supplier to accept the contract	Procurement	High	Team	<ul style="list-style-type: none"> <li>Seek legal redress if non-acceptance causes loss</li> <li>Negotiate but retain integrity of the contract</li> </ul>	<ul style="list-style-type: none"> <li>Delays in delivery</li> <li>Need to restart procurement</li> </ul>
8	Failing to perform duties	Cost	Low	Project Manager & Contractor	<ul style="list-style-type: none"> <li>Project manager and supervisor to monitor work done by Contractor</li> </ul>	<ul style="list-style-type: none"> <li>Failure to complete project</li> </ul>
9	Non-compliance to Eskom Life Saving Rules and Safety requirements and regulations	Occupational Health & Safety	Low	Employer /Contractor	<ul style="list-style-type: none"> <li>Induction of Contractors and issuing of the Eskom policies and procedures</li> </ul>	<ul style="list-style-type: none"> <li>Disrupt execution of the works</li> <li>Injuries as a result of not following processes.</li> </ul>

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10	Banned Service provider submitting the bid/returnable	Vendor Management	High	Procurement Official	<ul style="list-style-type: none"> <li>Review the top 3 qualifying suppliers to verify if they are banned or not banned.</li> <li>Supplier is not evaluated any further and tender be discarded</li> </ul>	<ul style="list-style-type: none"> <li>Delay in placing contract</li> <li>Lawsuit once the blocked supplier has accepted the tender award letter</li> </ul>