

Scope of work for the provision of suitably qualified Procurement Support Services resources for a period of three (3) years on an as and when required basis

1. BACKGROUND

Transnet wishes to appoint a service provider to provide Procurement Services to Transnet Operating Divisions and Business Units to provide suitably qualified supply chain resources for a period of three (3) years on an as and when required basis.

2. EXECUTIVE OVERVIEW

Transnet is on a path to revitalize its operations and redeem its market position as a leading supply chain value driver for the SA Economy. Procurement of goods and services is a core enabler in achieving this by securing value-for-money contracts with reputable suppliers.

The increased focus on strengthening operations has placed increased demand on the Supply Chain Management process, which has led to Transnet seeking an alternative interim model to augment the internal Procurement team to ensure that the demands are adequately met. It is on this basis that Transnet is embarking on this process to call for proposals from qualified service providers to provide Procurement Support Services as defined in this request for proposal.

2.1. Current Challenges

The Transnet Procurement team currently faces challenges that can be summarised into these core themes:

i. Procurement Process Inefficient	<ul style="list-style-type: none">– The cycle times of procurement events are not optimal often leading to missed project timelines.– Increased volumes of transactions in some areas in response to the revitalization of operations have resulted in a backlog of procurement events against the committed Annual Procurement Plan.– Procurement processes are not fully aligned with the business strategic imperatives.– Value for money - Legacy challenges have led to Transnet paying a premium in the marketplace for key goods and services.– Technical assessments on parts procured are not fully conducted and result in inferior parts and product quality.– Lack of supplier risk segmentation to appropriately track and mitigate underlying supplier risk.
ii. Level of Procurement Resources not geared to meet business demand	<ul style="list-style-type: none">– Procurement processes remain largely manual, hence resource intensive limiting the responsiveness of the current resources.– Attrition of procurement staff is high, heightened by the increased scrutiny of Public Procurement currently experienced in SA.– Lack of internal skills and expertise for specialized categories – resources not given adequate onboarding training and support to enable seamless integration into the business of Transnet.
iii. Continuously evolving Legislative and Regulatory environment	<ul style="list-style-type: none">– Efforts to comply sometimes limit the Procurement's agility.– Balancing Act - The solicitation process for goods, services, and works must at all times follow prudent governance protocols while balancing value for money and speed of execution.
iv. Inadequate Supplier Relationship Management	<ul style="list-style-type: none">– Service Providers not appropriately segmented to determine the level and type of resources to be deployed to manage suppliers' relations.– Lack of SLA to track and hold respective suppliers accountable post contract awards.–

2.2. Desired Outcomes

Scope of work for the provision of suitably qualified Procurement Support Services resources for a period of three (3) years on an as and when required basis

The envisaged Procurement Support Services Provider is expected to provide expertise, capacity, and resources to enable Transnet Procurement to expand its capacity, and responsiveness to meet rising expectations, and committed targets.

- i. Improved operational efficiency/ Reduced Turn Around Times
- ii. Reduced cost of goods and services
- iii. Strong process expertise, best practices
- iv. Access to highly skilled procurement experts
- v. Flexible and scalable capacity
- vi. Well-defined KPIs to measure process productivity and quality
- vii. Compliance to Legislative and Governance Process

3. SCOPE OF REQUIREMENTS

- 3.1. Transnet is calling for proposals from experienced service providers with a proven track record for the provision of suitably qualified Procurement Support Services resources for a period of three (3) years on an as and when required basis.
- 3.2. The successful incumbent will be required to work collaboratively with the current Procurement teams to -
 - i. Facilitate the procurement process by providing comprehensive Transnet-specific procurement and contracting services.
 - ii. Provide expertise to augment the current level of resourcing and bring about increased strategic focus.
 - iii. Manage the procurement demand plan to proactively meet business demands.
 - iv. All work must be carried out within the confines of the Transnet Procurement Policy and Procedures, observing all Governance Protocols.
 - v. For specific Strategic Commodities and High-value Projects, the service provider is expected to have expertise in delivering the following activities: Develop and establish Category Strategies for respective commodities

Activities	<u>Strategic Commodities typically to be procured include (but are not limited to). Further details shall be provided to the shortlisted incumbents.</u>
<ol style="list-style-type: none"> a. Demand Management b. Procurement Strategy Formulation c. Procurement Project Management d. RFx – Tender Process – Bid Specification, Method, Evaluation Criteria, Conduct RFx, Evaluation, Negotiations, Contracting and Implementation e. Supplier Performance and Quality Monitoring 	EQUIPMENT REPAIRS, SPARES AND MAINTENANCE, MATERIAL HANDLING EQUIPMENT, INFORMATION TECHNOLOGY, INFRASTRUCTURE AND CONSTRUCTION, SECURITY SERVICES, ELECTRICAL EQUIPMENT, MECHANICAL EQUIPMENT, FACILITIES MAINTENANCE, FIRE PREVENTION AND SAFETY SOLUTIONS, GENERATORS etc.

- vi. Provide oversight to ensure the efficiency of Tactical & Strategic Procurement, provide guidance, and lead practices to streamline processes such as RFQ/Ps.
- vii. Deliver cost savings while ensuring that the customer needs are met and at the same time providing rigor to meet governance and compliance requirements.
- viii. Closely work with Transnet Procurement Staff to conclude complex projects, and impart skills to develop and strengthen the procurement expertise of Transnet's internal procurement staff.
- ix. Provide value-adding technical assistance that includes, but is not limited to, the generation of performance reports, market analysis, coaching and mentorship, innovative ideas, and problem resolution.
- x. Ease of working on SAP, PowerBI and eSourcing Tender Portal.
- xi. Provide resources to all Transnet sites where required in the following locations:
 - Gauteng
 - KwaZulu Natal (Durban and Richards Bay)
 - Eastern Cape (Port Elizabeth, Ngqura and East London)
 - Western Cape (Cape Town, Sadhana and Mossel Bay)
 - Northern Cape

Scope of work for the provision of suitably qualified Procurement Support Services resources for a period of three (3) years on an as and when required basis

- Limpopo
- North West

Required resource	Job profile and Qualification (The roles are not limited to the below indicated)	Required number of resources
Senior Strategic Sourcing Manager/Category Manager	<ul style="list-style-type: none"> • Leads sourcing of strategic commodities with the goal of achieving significant cost savings • Improvement in the total cost of goods and services procured while maintaining or improving product quality and supplier service levels. This includes formulating strategies for the Division's strategic commodities, from anticipating and consolidating demand signals to procurement strategies for execution by the Procurement Operations function. • Monitor the performance of cross-functional sourcing teams; execution of portfolio-based commodity strategies; and ensuring the overall sustainability of commodity based initiatives in the Division. • Accountable for delivery of savings targets for a designated portfolio of commodities • Accountable for category management and strategic sourcing of projects allocated <p>Qualifications – SCM related degree or equivalent MCIPS, SAPICS or equivalent membership will be an added advantage Experience - Minimum 10 years relevant strategic sourcing and 5 years management experience</p>	Per unit (the resources are required on an as and when required basis)
Commodity Manager/Category Specialist	<ul style="list-style-type: none"> • Responsible for putting in place long term strategic contracts • Oversee research/collation of inputs used as inputs into the purchasing strategy 	

Scope of work for the provision of suitably qualified Procurement Support Services resources for a period of three (3) years on an as and when required basis

	<ul style="list-style-type: none"> • Accountable for the execution of all business change strategies used to transform current operations, applying strategic sourcing and Procurement best practices • Oversee the implementation of all strategic plans for sourcing, collaborating with the Procurement teams and other ODs as required to deliver best practices • Manage risks across the strategic sourcing process and apply mitigation as required. • Research and analyse the supply market and supplier capabilities to remain informed of all sourcing strategy / execution relevant insights • Provide analytical support for new targets and expectations <p>Qualifications – SCM related degree or equivalent MCIPS/CIPS, SAPICS or equivalent membership will be an added advantage Experience - Minimum 6 years sourcing experience and 3 years management experience</p>	
Commodity Specialist	<ul style="list-style-type: none"> • Responsible for Category management and strategic sourcing of allocated project • Establish long term strategic contracts • Run an end-to-end tender process • Conduct supplier negotiations • Maintain and administer contracts • Update and maintain a sourcing file in accordance to Annexure A <p>Qualifications – SCM related degree or equivalent MCIPS/CIPS, SAPICS or equivalent membership will be an added advantage</p>	

Scope of work for the provision of suitably qualified Procurement Support Services resources for a period of three (3) years on an as and when required basis

	Experience - Minimum 5 years sourcing experience	
Category/Commodity Analyst	<ul style="list-style-type: none"> Generates data analysis for value capture (strategic sourcing and category management SRM) Conducts data analysis for supplier market assessments and internal demand planning as inputs for category strategies and to support the tender process. Collates data (spend data, contract utilisation, material master and service master utilisation) across ODs / suppliers and produce reports as required. Generate dashboards for visibility of critical enablers for category management and strategic sourcing <p>Qualifications – Bachelor’s degree or equivalent in relevant field MCIPS/CIPS, SAPICS or equivalent membership will be an added advantage Experience - Minimum 5 years analyst experience</p>	
Senior Buyer	<ul style="list-style-type: none"> Run the RFQ process below R2 000 000 but above R250 000 Establish short terms supplier contracts Conduct negotiations Communicate with internal customers to ensure clear understanding of their needs and technical specifications within a short turnaround time Update and maintain a sourcing file in accordance to Annexure A <p>Qualifications – SCM related National Diploma, CIPS diploma or equivalent Experience - Minimum 3 years sourcing experience.</p>	
Buyer	<ul style="list-style-type: none"> Run the RFQ process below R500 000 Process SAP RFQ’s and Purchase Orders Communicate with internal customers to ensure clear 	

Scope of work for the provision of suitably qualified Procurement Support Services resources for a period of three (3) years on an as and when required basis

	<p>understanding of their needs and technical specifications within a short turnaround time</p> <ul style="list-style-type: none"> • Update and maintain a sourcing file in accordance to Annexure A <p>Qualifications – SCM related National Diploma, CIPS Diploma or equivalent Experience – Minimum of 2 year sourcing experience.</p>	
Administrator	<ul style="list-style-type: none"> • Provide support to the procurement team by carrying out general administrative duties which includes: <ul style="list-style-type: none"> ✓ Update records ✓ Respond to adhoc administrative requests ✓ Reporting • Ensure that the required key functional controls are adhered to. • Work closely with the procurement team to align with auditors and resolve audit findings with regards to the process • Maintain the auditors file list on SAP CLM <p>Qualification and experience + 2 years of administrative experience in a procurement environment Certificate / Diploma in Supply Chain or relevant field advantageous</p>	
Contracts Manager	<ul style="list-style-type: none"> • Drive an efficient management and operational support system that is focused on the effective development and implementation of national procurement contracts. • Knowledge and analysis of materials to be placed on contract • Ensuring tender documents issued are legally and technically compliant • Creating contracts for legal vetting and overseeing the process for loading of contracts on SAP, and 	

Scope of work for the provision of suitably qualified Procurement Support Services resources for a period of three (3) years on an as and when required basis

	<p>management contracts until expiry</p> <p>Qualifications and Experience Bachelor's degree in Supply Chain Management, Logistics & Operations, Commercial, Engineering, Legal or Financial OR</p> <p>National Diploma in Commerce or Finance including a minimum of Level 4 CIPS Diploma.</p> <p>A post graduate degree in Supply Chain Management, Law, Business Management, Finance, Commercial, MCIPS will be an added advantage.</p> <p>At least 6 - 8 years' experience in managing the contracting process and in administering contracts within a procurement environment with at least 3 years at managerial level</p>	
Contracts Specialist	<ul style="list-style-type: none"> • To provide efficient management and operational support system that is focused on the effective development and implementation of national procurement contracts for respective National Businesses that meets the needs of the Division. • knowledge and analysis of materials to be placed on contract, ensuring tender documents issued are legally and technically compliant. • Creating contracts for legal vetting and overseeing process for loading contracts on SAP and management until expiry. <p>Qualifications and Experience Bachelor's degree in Supply Chain Management, Commercial, and Legal OR National Diploma in Commerce or Finance</p> <p>Legal degree will be an added advantage.</p> <p>At least 5 years' experience in managing contracting process and in administering contracts in a procurement</p>	

Scope of work for the provision of suitably qualified Procurement Support Services resources for a period of three (3) years on an as and when required basis

Notes:

- Replacement resources must be of the same or similar experience and qualifications, the resource replacement turnaround time must be the same as the agreed turnaround times in the contract.
- Have knowledge of Public Procurement and/or technical expertise (the technical expertise will differ per commodity being sourced)
- CV's of suitable candidates will be required to be approved by Transnet prior to placement being made,
- All recruitment assessment, qualification verifications, reference checks and interviews will be conducted at the bidder's expense
- Transnet preferred resource turnaround time is 1 to 4 business days
- Resources may be subjected to Security vetting
- Resources will be equipped with Transnet work tools for security reasons
- Specific SLA KPI's will be agreed when work is allocated to the resource

4. Compliance requirement and Returnable documents

- Bidders must be registered with the Department of Labour – A valid certificate issued by the Department of Labour must be submitted
- Bidders are required to provide a minimum of three (3) clients references to whom similar services have been rendered in the last five (5) years
- A valid COID certificate must be submitted

5. EVALUATION METHODOLOGY – Refer to attached Technical Evaluation Criteria

6. PRICING SCHEDULE

Kindly consider the below when placing an offer, including VAT

Resources	Rate per Hour
Senior Strategic Sourcing Manager / Category Manager	
Commodity Manager/Category Specialist	
Commodity Specialist	
Category Analyst/ Commodity Analyst	
Senior Buyer	
Buyer	
Administrator	
Contracts Manager	
Contract Specialist	

Note:

- The hourly rate per resource will be apportioned based on the number of hours worked in a working day.
- Rates quoted should be inclusive of all associated costs