South African Revenue Service

INTERNAL MEMORANDUM

Request for Deviation in terms of Treasury Regulations 16A.6.4

FINANCE Procurement

TO	NBAC Chaiperson The Commissioner		**COST CENTRE NUMBER(s)**	450521	
FROM	Hillery Kopano Sentsho Lorraine Mafojane		**REFERENCE**	13000000669	
TEL NUMBER	083 991 2755		**DATE**	19 August 2022	
REQUESTING DIVISION	Technology and Solutions Delivery – IT Apps and Infrastructure Support				
NAME OF EXECUTIVE OF REQUESTING DIVISION	Intikhab Shaik				
SUBJECT	Request to procure the Portfolio Licensing Agreement (PLA) for Micro Focus products deployed within the SARS IT environment through the SITA/Microfocus Framework Agreement with the sole Fulfillment Agent being Axiz (Pty) Ltd				
NAME OF SUPPLIER	Axiz (Pty) Ltd (sole Fulfillment Agent on the SITA/Microfocus Framework Agreement)				
TERM REQUESTED	Twelve (12) months 01.09.2022 – 31.08.2023		**AMOUNT REQUESTED (INCL VAT)**	R 19 990 039.62	
REASON FOR DEVIATION FROM TR 16A.6.4	SOLE SUPPLIER:		CASE OF EMERGENCY:		OTHER (IMPRACTICAL): X
PROCUREMENT RECOMMENDATION	It is recommended that a Deviation approval be granted for the acquisition of a Portfolio Licensing Agreement (PLA) for Micro Focus products deployed within the SARS IT environment through the SITA/Microfocus Framework Agreement with the sole Fulfillment Agent being Axiz (Pty) Ltd				
LEVEL OF APPROVAL REQUIRED	NBAC to deliberate and recommend to the Commissioner for approval				
(For Procurement Use):					
eSourcing number:	13000000669				
Deviation number:					

Forwarded to you for:

☒ Approval
☐ For Your Records
☐ Action as required
☐ Verification
☐ Information
☐ Proof Reading

On completion please forward to:

☒ Sender
☐ Other

Comments:

South African Revenue Service

CHECKLIST - SUBMISSION PACK FOR APPROVAL					
Tick the applicable box:		**Yes**	**No**	**N/A**	**Comments**
1.	**Current deviation submission**				
1.1	• Is the submission completed in full and correctly signed off?	X			
1.2	• Does the submission articulate the Purpose, Background, Scope, Sourcing Strategy, Stakeholders, Legal & Financial Implications, Recommendations and Signatures?	X			
2.	**Sole supplier**				
2.1	• Is the sole supplier certificate attached?	X			Single source
3.	**Impractical**				
3.1	• Is the National Treasury approval attached?			X	SITA/Microfocus Framework Agreement
4.	**Minutes of previous approval**				
4.1	• Are the minutes of the previous approval(s) attached?			X	The approved current governance is attached
4.2	• Were the previous approved minutes, action plans and recommendations considered in this submission?	X			
5.	**Approved business case**				
5.1	• Is the approved business case attached?	X			
6.	**Confirmation of budget availability**				
6.1	• If the applicable Finance official did not sign the deviation form, is a signed confirmation from Finance of budget availability attached?	X			
6.2	• Is the request (inclusive of VAT) within the approved budget?	X			
7.	**Demand plan**				
7.1	• Was the project registered on the approved demand plan?	X			
8.	**Supplier(s) proposal, quotation and/or pricing schedule**				
8.1	• Is the supplier's proposal, quotation and/or pricing schedule attached?	X			
8.2	• Does the financial implication in the submission agree to the supplier's pricing?	X			

SARS
South African Revenue Service

9.	**Due diligence**				
9.1	• If the supplier is a foreign supplier, is the supplier's SBD 1 attached?		X		
9.2	• Is the supplier's CSD registration report attached?	X			
9.3	• Is the supplier's tax compliance status verification in order?	X			
9.4	• Is the supplier's SBD 4 attached?	X			
9.5	• Are the responses provided by the supplier on the SBD 4 verified, and the directorship(s) on the SBD 4 confirmed against the CSD report?	X			
9.6	• Is it confirmed that the supplier is not blacklisted and not on the NT list of restricted suppliers?	X			
9.7	• Is it confirmed that the supplier is not in the service of the state?	X			
9.8	• Is the supplier(s) oath of secrecy attached?	X			
10.	**B-BBEE**				
10.1	• Is the supplier(s)' valid B-BBEE certificate(s) attached?	X			
11.	**Other documents attached**				
11.1	• b/case	X			
11.2	• f/memo, RTP	X			
11.3	• SBD4, CSD	X			

Comments

____

____

____

____

____

____

South African Revenue Service

Table of Contents

South African Revenue Service

INTERNAL MEMORANDUM

1. Purpose

The purpose of this memorandum is to request NBAC to deliberate and recommend to the Commissioner to approve the:

a. withdrawal of the current deviation approvals for the following transactions:
   ALM Octane Enterprise (EX049/2021) – running from 01/04/2021 to 31/03/2025
   Unified Functional Tester (EX 049/2021) – running from 15/07/2021 to 14/07/2022
   SQM LoadRunner (EX 05/2021 B) – running from 30/09/2021 to 29/09/2024
   HP Network Node Manager (NNMi) Tool (EX 024/2021) – running from 31/10/2021 to 30/10/2024
   Enterprise Reflection Solution - Attachmate (EX 019/2021) – running from 01/11/2021 to 31/10/2024

b. deviation from the procurement process, in terms of Treasury Regulations 16A.6.4, SITA SCM OEM Circular 1 of 2018/2019 and National Treasury SCM Circular No 3 of 2017/2018, Par.3 (3.4) for the acquisition of a Portfolio Licensing Agreement (PLA) to align all available Micro Focus products deployed within the SARS IT environment through the SITA/Microfocus Framework Agreement with the sole Fulfillment Agent, being Axiz (Pty) Ltd for a period of twelve (12) months from 01 September 2022 ending 31 August 2023 at an estimated amount of R19 990 039.62

c. noting of the savings achieved in the amount of R35 million due to the discounts of 75% in line with the negotiated SITA framework agreement rates.

2. Business requirement background

Micro Focus' products are deployed and fully integrated within the SARS IT landscape.

ALM Octane

The ALM Octane tool acts as a central hub from which work can be aligned from ideation through release, regardless of the number of teams, projects, and locations. Whether the user is using Agile planning tools or ALM Octane's native capabilities the user can trace quality from points of origin, key associations, both forward and backward, and for auditability.

Establishing traceability helps lower defects, increase efficiency, and reduce risks, but also maximize the value of software development initiatives.

Software Quality Management (SQM)

The products are used mainly in the Software Quality Management (SQM) environment and the desktop- mainframe environment.

The SQM solutions provide a platform for performance / load / stress testing to proactively test the environment in preparation for increased digital demand during SARS' peak periods. In addition, the products provide capability to test applications of various mobile solutions used by SARS staff in the execution of daily functions.

Include iPads for queue management at Tax offices and release of trucks at Customs Border posts, to applications used by the public, e.g. the filing of Personal Income Tax returns. Furthermore, the testing solutions provide agility and traceability during testing while improving turn-around times of releasing applications to production.

Unified Functional Testing (UFT)

SARS currently makes use of Micro Focus Application Life Cycle Management, Unified Functional Testing (UFT) automation, and Loadrunner performance testing tools. The Micro Focus UFT Mobile Centre application is a valuable addition to the testing tools used as these applications integrate and update each other providing extensive benefit to SARS SQM. This is beneficial for the transferal of testing data from the device to the Micro Focus Application Life Cycle Management.

HP Network Node Manager (NNMi) Tool

The HP Network Node Manager (NNMi) Tool is used by Operations Enabling & Production Planning division. The Network Operations team and executive management use NNM maps to see the availability of all network devices around the country and quickly pick up the regions with network issues. NNM provides Network Fault monitoring and monitor availability of all network devices within SARS. It also provides the map view to Executives and management of different regions around the country so that they can have a visual view of the network availability for all areas.

Reflection Enterprise Suite - Attachmate

The Reflection Enterprise Suite with Extra! Software is a market leader mainframe terminal emulation software that facilitates the access of desktop platforms to the mainframe platform.

SARS South African Revenue Service

The continued use of the SARS' Mainframe requires the use of the Reflection Enterprise Suite with Extra! Software. The Reflection Enterprise Suite with Extra! Software is enables Core Tax Systems users to connect to SARS Core Tax applications (VAT, PAYE, SDL, UIF and Diesel), as well as the Income Tax System (ITS) operational on the Mainframe.

3. Procurement background

Below is a list of the previously approved procurement governance for the maintenance and support of all the Microfocus products.

Although the services renewals were done for the periods ending in 2024 and 2025, only one (1) year support has been paid for the transactions in 2021 and all the upcoming maintenance and support will be incorporated into PLA which will be pro-rated.

The total spend for the below transaction for 2021/22 is at an amount of R 5 834 503,12.

		Product	FA Supplier	Approval	Start date	End Date	Maintenance and support	**Year 1 Spend**
1	EX 049/2021	ALM Octane Enterprise	Axiz	Executive 29/03/2022	01/04/2021	31/03/2025	R 173 108.65	**R 82,432.00**
2	EX 05/2021 B	Unified Functional Tester	Axiz	Executive 16/07/2021	15/07/2021	14 /07/2022 Extended 21/11/2022	R 267 365.80	**R 267 365.80**
3	EX 019/2021	SQM LoadRunner	SITA	NBAC 29/09/2021	30/09/2021	29/09/2024	R5 158 237.36	**R 1 487,488.25**
4	EX 022/2021	Enterprise Reflection Solution - Attachmate	SITA	NBAC 13/10/2021	01/11/2021	31/10/2024	R12 633 805.83	**R 3 816 715.68**
5	EX 024/2021	HP Network Node Manager	Axiz	Executive 29/10/2021	31/10/2021	30/10/2024	R 685 813.03	**R 180 501.39**
							R18 918 330.15	**R 5 834 503,12**

SALIENT DATES

- 11/2021 – 16/08/2022 : Operations negotiations with OEM
- 16/08/2022 : Operations confirms the requirement to procure the PLA
- 19/08/2022 : Procurement receives the required documents (b/case, finance memo, RTP)
- 22/08/2022 : Management / Executive review
- 22/08/2022 : Mock presentation
- 31/08/2022 : NBAC presentation

4. Scope of goods and services

In 2021, SARS and Micro Focus, initiated collaborative discussions in relation to determining a scalable licensing model that would accommodate increased user count, flexibility and license growth while maintaining compliance. In addition, there was a need to explore a licensing model that supports the hybrid work environment and ubiquitous VPN access.

The outcome of the collaborative deliberations and a license review process is that a Portfolio Licensing Agreement (PLA) model is best suited to respond to SARS' evolving business requirements. It was further established that there is a need to acquire additional licenses, based on business demand and to acquire upgrade licenses to cater for SARS' current changes

The PLA agreement structure includes cross portfolio suites of Micro Focus software components to support SARS Digital Transformation journey.

The PLA model will eradicate the device-based license limitation for Enterprise Reflection platform, which is difficult to manage over the Virtual Private Network (VPN) infrastructure. Furthermore, the PLA provides flexibility for growth without possible license over-consumption during contract term.

It further provides the ability to manage all products in a single Portfolio Model, through a portal that allows cross platform license exchange in response to increased business demand. In addition, the PLA will allow testing products to be accessed remotely via VPN access.

Test Management Tool

The test management tool should be a web based tool that helps organizations to manage the application lifecycle right from project planning, requirements gathering, through to testing and deployment, which is otherwise a very time consuming task.

<u>Major components:</u>

4.1 Requirement extractions

• Capture the requirements of a project within the tool, or import the requirements from a spreadsheet. The requirements must link to the documented test cases in order to ensure that all identified requirements are covered, and that the linked test cases were both executed and successful.
• Link a document to a requirement for future reference.
• Functionality to extract all the requirements captured for a project.

4.2 Management functionality

• Create ‘programmes’ with sub ‘projects’ or stand alone ‘projects.
• Create and link testing cycles to a project.
• Create and link test cases to testing cycles.

Enable different groups of people to have different access levels within the tool, i.e. not everyone should be able to create a new project, but everyone should be able to view the programmes and projects available.

4.3 Testing functionality

• Allocate resources and testers to projects, testing cycles and test cases as and when required.
• Execute and monitor test cases real-time - track execution progress and test case status should be visible at all times.
• Allow for test data files and test results (print screens, documents, files, etc.) to be attached to test cases.

• Log defects and link the defects to specific test cases together with any relevant supporting documentation. Defect logging functionality (status, comments, etc.) should be customisable.
• Functionality to extract all or only some defects into other formats for inclusion into other organisation reports or distributed via email.

4.4 Dashboards

- Detailed graphical dashboards that allow for tracking the progress of a programme or a project or a group of projects through different testing cycles and defect test statuses. e.g. testing progress – the execution of test cases; defect status and prioritisation.
- Functionality to extract both data and graphs (based on captured data) from the dashboards for inclusion into other organisation and performance reports.

User profiles with different levels of access – Managers, Testers, Analysts, and Executives – will be required. These profiles should be updatable in real-time.

5. Risks if not renewed

At present, SARS has segregated licensing models for the respective Micro Focus products, with different contract expiry dates, with no flexibility and ability to leverage on the economies of scale through license exchange between products based on demand.

The current licensing model for Reflection Enterprise Suite is device-based and not user-based requiring more licenses for multiple user deployment as certain users still alternate between home and office.

With the current hybrid environment, it is difficult to manage deployment effectively, due to some users accessing the mainframe remotely.

For the testing environment, the current licensing model is geographically bound and on-premise and the current licenses limits remote access. The testing environment further requires software upgrades to modernize the current environment.

The current licensing model is deficient and rigid and will inevitably result in non-compliance should the PLA model not be adopted.

6. Sourcing strategy conducted by Procurement in substantiating the deviation

In substantiating this deviation, Procurement conducted a high-level sourcing strategy covering such critical aspects including a) the internal needs analysis, b) commodity profiling, c) spend analysis and d) supply market dynamics in relation to SARS bargaining power on the required goods and services.

6.1. Internal need analysis

The PLA model will eradicate the device-based license limitation for Enterprise Reflection platform, which is difficult to manage over the Virtual Private Network (VPN) infrastructure. Furthermore, the PLA provides flexibility for growth without possible license over-consumption during contract term. It further provides the ability to manage all products in a single Portfolio Model, through a portal that allows cross platform license exchange in response to increased business demand. In addition, the PLA will allow testing products to be accessed remotely via VPN access through upgrading and modernsing the environment

The adoption of the PLA model is in support of the following strategic objectives:

- Objective 5: increase the use of data to improve integrity, derive insights and improve outcomes, and
- Objective 6: Modernise systems to provide digital and streamlines services.

6.1.1 Internal SWOT analysis

Strengths - Increased user count, flexibility and license growth while maintaining compliance - License Swap and Mix and Match - PLA will allow testing products to be accessed remotely via VPN access - Modernization of the environment - Aligned to SARS's strategic outcomes - Maintain compliance and reduce risks	Weaknesses - Only one (1) supplier is accredited as a Fulfillment Agent on the Framework Agreement
Opportunities - Increase the use of data to improve integrity, derive insights and improve outcomes - SARS will have full visibility of all licenses used via access to an electronic portal at all times for self audit purposes	Threats - current licensing model is deficient and rigid and will inevitably result in non-compliance should the PLA model not be adopted by 31 August 2022

SARS
South African Revenue Service

6.1.2 Commodity profiling

The commodity profiling analysis as outlined below clearly indicates that the business requirements are considered strategic and critical business requirements for SARS.

PLA provides the ability to manage all products in a single Portfolio Model, through a portal that allows cross platform license exchange in response to increased business demand.

6.2. Supply market dynamics

- The Micro Focus products are developed and owned by Micro Focus, and
- Axiz (Pty) Ltd is the sole Micro Focus appointed fulfilment agent under the SITA / Micro Focus Framework Agreement for all government business.

6.3. Final sourcing strategy recommendation

Procurement believes that the sourcing strategy process conducted above provides adequate motivation to substantiate the deviation.

7. Motivating the reason for deviating from competitive bidding i.t.o. TR16A.6.4

The impracticality of procuring the above required goods or services through an open, fair, transparent and competitive bidding process is due to the fact that the Micro Focus UFT Mobile tool, Application Life Cycle Management and Loadrunner performance testing tools are integrated to other application testing tools to satisfy the requirement and functionality.

Microfocus is part of the SITA SCM OEM Circular 1 of 2018/2019 and National Treasury SCM Circular No 3 of 2017/2018.

The current SITA/Microfocus Framework Agreement is effective for the period from 01 March 2021 ending 29 February 2024.

It is recommended that this Deviation be approved in terms of the following Prescripts.

Request for Deviation in terms of Treasury Regulations 16A.6.4

According to PFMA Regulation 16A.6.4 on Procurement of goods and services "If in a specific case it is impractical to invite competitive bids, the accounting officer or accounting authority may procure the required goods or services by other means, provided that the reasons for deviating from inviting competitive bids must be recorded and approved by the accounting officer or accounting authority"

According to Instruction Note 03 of 2021/2022 para 4.1 on Enhanced compliance, transparency and accountability in Supply Chain Management" “If in a specific case it is impractical to invite competitive bids, the AO/AA may procure the required goods or services by other means, provided that the reasons for deviating from inviting competitive bids must eb recorded and approved by the AO/AA””.

According to Par.3 (3.4) of SITA / Microfocus Framework Agreement where it indicates that all Organs of State shall transact and place Transaction Orders through SITA or through the Fulfilment Agent (Framework Agreement attached).

According to SITA Policy “par.19.10 (c) of SITA Supply Chain Management Policy effective 04 September 2019, where only a product of a specific brand or trademark will satisfy a client’s requirement”.

Axiz (Pty) Ltd is the only Fulfilment Agent for Micro Focus in South Africa in terms of the SITA Framework Agreement (Confirmation letter attached),

8. SARS negotiation engagement

8.1. Summary of SARS negotiated minimum targets

The desired negotiation targets and outcomes as set out in the negotiation plan included the following:

Negotiation item	SARS minimum target
1. Price, contract duration and related trade-off on price	*n/a*
2. Enterprise development initiatives via incubation via subcontracting	*n/a*
3. Skills development	*n/a*
4. Local content	*n/a*
5. Contract management	*n/a*

SARS
South African Revenue Service

8.2. Suppliers final commercial offer after negotiations against initial position

The following is a comparison of the supplier(s)' final commercial offer after negotiations against the initial position:

Negotiation item	Initial positions	Final negotiated position
1. Price, contract duration and related trade-off on price	n/a	n/a
2. Enterprise development initiatives via incubation via subcontracting	n/a	n/a
3. Skills development	n/a	n/a
4. Local content	n/a	n/a
5. Contract management	n/a	n/a

9. Financial implications

Deviations are reported to the relevant authorities (National Treasury and/or the Auditor-General). The amount approved is the amount which will be reported and this amount cannot be exceeded.

9.1. Final offer (after negotiations), including VAT:

Description	Start date	End date	Value (R) Excl VAT
Procurement of the Portfolio Licensing Agreement (PLA) for Micro Focus products deployed within the SARS IT environment	01/09/2022	31/08/2023	R11 987 400.00
Annual support and maintenance on the existing license install base	01/09/2022	31/08/2023	R 3 815 002.86
Sub-total (excluding VAT)			**R 15 802 402.86**
10% ROE provision			**R 1 580 240.29**
VAT			**R 2 607 396.47**
Total (including VAT)			**R19 990 039.62**

Procurement received a Finance Memo with budget availability confirmation for R 19 990 039.62 (incl VAT and a 10% contingency for exchange rate fluctuations).

The savings achieved due to the discounts of 75% in line with the negotiated SITA framework agreement translate to about R35 million as the final pricing is aligned to SITA / Microfocus framework agreement. This concession is negotiated subject to completion and PO being issued before end August 2022.

This is an annual contract and for the outer years, SARS and Micro Focus will deliberate and agree on the terms and conditions applicable at that time. The amount quoted above is the maximum amount available for the contracting period 1 September 2022 to 31 August 2023.

The fixed pricing for annual support and maintenance fee for existing license install base as a discounted cost would be R 3, 815,002.26 for 2022/23 financial year in line with the current SITA framework agreement. Subject to ROE Rand/$ fluctuation, as per Framework Agreement.

Important Notes

- Beyond year 1, SARS has an option to either renew or exit the PLA.
- If SARS opts to exit the PLA, only maintenance and support fees will be considered- Refer to estimate projections above. The final cost of maintenance and support will further be underpinned by requirements at the time.
- If SARS decides to extend the PLA in 12 months' time, such extension fee will be negotiated together but capped at 25% of the value asset fence
- However, the full cost of the PLA beyond year 1 will be determined by SARS' requirements at the time, based on whether SARS intends to increase or decrease the license estate and change the total asset value.

10. Legal Implications

On approval of this request by the Commissioner, Corporate Legal Services (CLS) and the Contract Management division will be advised of the decision and effect the contractual agreement.

11. Due diligence

- SBD 1 has been signed by the vendor.
- SBD 4 has been signed by the vendor.
- Confidentiality Agreement and Oath of Secrecy

South African Revenue Service

Directors

		Identity #	Tax Number #	Tax Compliance status
1	Richard Doughty Lyon	5804115251183	~~1774373847~~ 1956174849P	
2	Craig John Brunsden	7208215158082	0243094877	
3	Pierre Spies	6408045201083	1254100843	
4	Robert Nadette Nkuna	7310235433089	0378550149	
5	Chun Yin Andrew Li	7209146067087	1774373847	

12. Recommendation

It is recommended that NBAC deliberates and recommends to the Commissioner to approve the:

a. withdrawal of the current deviation approvals for the following transactions:

ALM Octane Enterprise (EX049/2021) – running from 01/04/2021 to 31/03/2025

Unified Functional Tester (EX 049/2021) – running from 15/07/2021 to 14/07/2022

SQM LoadRunner (EX 05/2021 B) – running from 30/09/2021 to 29/09/2024

HP Network Node Manager (NNMi) Tool (EX 024/2021) – running from 31/10/2021 to 30/10/2024

Enterprise Reflection Solution - Attachmate (EX 019/2021) – running from 01/11/2021 to 31/10/2024

b. deviation from the procurement process, in terms of Treasury Regulations 16A.6.4, SITA SCM OEM Circular 1 of 2018/2019 and National Treasury SCM Circular No 3 of 2017/2018, Par.3 (3.4) for the acquisition of a Portfolio Licensing Agreement (PLA) to align all available Micro Focus products deployed within the SARS IT environment through the SITA/Microfocus Framework Agreement with the sole Fulfillment Agent, being Axiz (Pty) Ltd for a period of twelve (12) months from 01 September 2022 ending 31 August 2023 at an estimated amount of R19 990 039.62

d. noting of the savings achieved in the amount of R35 million due to the discounts of 75% in line with the negotiated SITA framework agreement rates.

13. Declaration of interest

By signing this document, you hereby certify that you have at all relevant times acted within the ambit of the Public Finance Management Act (No. 1 of 1999) and the Treasury Regulations promulgated in terms of the PFMA. You hereby further certify that you are not personally related to any of the supplier(s) (if natural person(s)), or in the event of the supplier being a legal entity, you are not related to any of the director(s), shareholder(s), member(s), partner(s) or trustee(s) of the legal entity included in this request. You confirm that you were not influenced in any way by any person(s) or by any external factors.

SARS
South African Revenue Service

You confirm that you have at all relevant times acted in the best interest of SARS. In the event that you are related to any of the aforementioned persons, or were influenced in any manner by any person/s or external factors, please disclose such relations and/or factors, gifts, hospitality or material advantage received from the aforementioned person(s) and/or any other parties in the table below:

SARS official details	Name of supplier / person	Nature of relationship / details of interest	Nature of benefits received	Date	Signature

14. Signatories:

	Name & Surname	Designation	S-ID	Signature	Conflict of interest		Date
13.1 Document author from Procurement							
1		Sourcing (*requestor*)			Y	N	
2	Lorraine Mafojane	Manager Sourcing (*Procurement support*)	S2020995		Y	~~N~~	24/08/2022

13.2 Business unit support as per the Procurement DOA							
1	Palesa Mafihlo	Requestor	s2025866		~~Y~~	N	2022/08/24
2	Dillon Gounder	Area Head SQM&T	s1027644		~~Y~~	N	2022-08-24
3		Head – Technology and Solution Delivery			Y	N	

13.3 Finance confirmation of budget availability as per DOA							
Confirmation of budget approval: YES / ~~NO~~							
1	*See attached budget memo*	*See attached budget memo*	Héléne Viljoen		~~Y~~	N	24/08/2022

SARS
South African Revenue Service

13.4 Procurement approval of deviation as per DOA			
Deviation value (incl. VAT)	**Procurement support/ recommendation**	**Procurement approval delegation in terms of DOA**	**Tick level required**
Level 1: Up to R3 million	• Manager Sourcing	• Executive Procurement	
Level 2: Exceeding R3 million up to R5 million	• Executive	• Chief Procurement Officer	
Level 3: Exceeding R5 million up to R300 million	• Executive (up to R30 million) • Chief Procurement Officer (exceeding R30 million)	• NBAC Chairperson	~~X~~
Level 4: Exceeding R300 million	• Chief Procurement Officer • NBAC Chairperson	• Accounting Authority of SARS (Commissioner)	X

	Delegation	Name	Recommend		Approved		Signature	Conflict of interest		Date of approval
1	Executive Procurement	MOALOSI BOROTHO	YES	NO	YES	NO		Y	N	24/08/2022
2	Chief Procurement Officer	SCHALK HUMAN	YES ✓	NO	YES	NO		Y	~~N~~	24/08/2022
3	NBAC Chairperson	YOLANDE VAN DER MERWE	YES ✓	NO	YES	NO		Y	N ✓	30/08/2022
4	Accounting Authority of SARS (Commissioner)	Edward Chr Kieswetter	n/a		YES ✓	NO		Y	N ✓	30/08/2022

Comments