

MEMORANDUM

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To : Langanani Mphelo, Procurement Manager: Supply Management

From : Bridget Silubane, Snr Buyer, Supply Management

Date : 28 October 2024

Subject: REQUEST FOR APPROVAL TO APPROACH THE MARKET FOR QUOTATIONS FOR TE24-GMX-07M-11921 FOR THE APPOINTMENT OF AN APPROVED SERVICE PROVIDER FOR THE PROVISION OF RADIOGRAPHIC INSPECTIONS (NON-DESTRUCTIVE TESTING) AT TRANSNET ENGINEERING GERMISTON DEPOT. (VALUE <R2MILLION)

PURPOSE:

1. The purpose of this memorandum is to request approval from the National Procurement Manager: Supply Management to:
 - To approach the market for quotations for the appointment of an approved service provider for the provision of radiographic inspections (non-destructive testing) at Transnet Engineering Germiston depot.

BACKGROUND:

2. *Brief description of the goods or service required and the reason(s) for the proposed acquisition.*
 - Transnet Engineering Germiston wagons Factory conduct inspection and testing of pressure vessels and welded components in accordance with PER - Regulation 11, every three yearly cycles. Inspection of repairs on welded components and pressure vessels in accordance with OHS Act, AAR, ASME, EN ISO, PD5500, and SANS standards.
3. *Objective - justify why the supplier/service provider must be appointed.*
 - Perform non-destructive testing on pressure vessels, viz. RT NDT testing to various manufacturing/construction codes. To comply to the regulations applicable TE Germiston wagons needs services of an Approved Inspection Authority or Approved service provider for the supply and provision of the required services of Non-Destructive Testing of Components and Testing of Test Specimens/Coupons in line with TE Specifications.
4. *Include the detailed scope of requirements:*

Annexure A:

							Escalated MRP		
UOM	Item number	Description	Quantity 2022.23	Latest PO	Latest PO Date	Latest PO Price	Low Range	High Range	Total Costs Incl. V.A.T
EA	068019636	MANAGE, COST,RADIOGRAPH TEST,INSPECT	700	4503106547	3/20/2024	738.00	738.00	774.90	R 623,794.50

To approach the market for quotations for the appointment of an approved service provider for the provision of radiographic inspections (non-destructive testing) at Transnet Engineering Germiston depot [[TE24-GMX-07M-11921](#)]

5. *Determine whether the goods required cannot be sourced internally.*
TE Wagons Manufacturing factories does not have this capability in house, and this is a regulatory requirement on all welds done on any pressure vessel. For stability and proper document control, business need to have a stable and reliable service provider radiographic inspection.
6. *Provide a detailed overview of the type of goods required and the reason for the appointment of the supplier(s).*
 - For the appointment of an approved service provider for the provision of radiographic inspections (non-destructive testing) at Transnet Engineering Germiston depot.
7. *Provide a detailed motivation why the acquisition/ appointment of the supplier(s) should be supported.*
 - Perform non-destructive testing on pressure vessels, viz. RT NDT testing to various manufacturing/construction codes. To comply to the regulations applicable TE Germiston wagons needs services of an Approved Inspection Authority or Approved service provider for the supply and provision of the required services of Non-Destructive Testing of Components and Testing of Test Specimens/Coupons in line with TE Specifications.
8. *Indicate the list of service potential service providers to which the RFQ will be sent.*
 - The RFQ will be issued out to the open market to encourage competitive bidding.
9. *Explain what would be the impact if the acquisition/ appointment of the supplier(s) is not approve.*
 - Transnet Engineering Germiston Wagons Factory conduct inspection and testing of pressure vessels and welded components in accordance with PER - Regulation 11, every three yearly cycles. The inspection of repairs on welded components and pressure vessels is in accordance with OHS Act, AAR, ASME, EN ISO, PD5500, and SANS standards. Failure to obtain those services will render Transnet Engineering non-compliant to those regulations.
10. *Performance management - Explain how the supplier's performance will be managed.*
 - It will be managed by contract management as per contractual agreements.
11. *Confirm that this acquisition is not parcelled to remain within a specific delegated authority.*
 - This acquisition is not parcelled.
12. *Evaluation methodology applicable to the procurement event:*

<i>Select one of the following:</i>	<i>Tick the correct box</i>
Technical threshold / Price / B-BBEE	X
Price / B-BBEE	
SD threshold /Technical threshold /B-BBEE threshold / Price / B-BBEE	
SD Prequalification /Technical / Price / B-BBEE	

EVALUATION CRITERIA	FINAL WEIGHTED SCORES
Price	80

Specific Goals	20
TOTAL SCORE:	100

SPECIFIC GOALS:

In terms of the Transnet Preferential Procurement Policy (TPPP) and Procurement Manuals, the following preference points must be awarded to a bidder who provides the relevant required evidence for claiming points.

Specific Goals	Number of points allocated (80/20)
B-BBEE Level of Contributor – Level 1 or 2	5
51% Black Youth Owned Entities	5
30% Black Women Owned entities	5
Promotion of South African enterprises	5
Non-Compliant and/or B-BBEE Level 3-8 contributors	0

Specific Goals Evidence	Acceptable Evidence
B-BBEE Level of Contributor – Level 1 or 2	B-BBEE Certificate / Sworn-Affidavit B-BBEE Certificate (in case of JV, a consolidate scorecard will be accept) as per DTIC guidelines
51% Black Youth Owned Entities	Certified copy of ID Documents of the Owners and B-BBEE Certificate / Affidavit (in case of JV, a consolidate scorecard will be accept)
30% Black Women Owned entities	B-BBEE Certificate / Sworn-Affidavit / CIPC B-BBEE Certificate (in case of JV, a consolidate scorecard will be accept) as per DTIC guidelines.
South African Enterprises	CIPC Certificate

13. The approved Request for Service memo is attached as Annexure A.

FINANCIAL IMPLICATIONS:

14. The estimated budget for this transaction is expected to be R 623,794.50 (Six Hundred and Twenty-Three Thousand and Seven Hundred and Ninety-Four Rands) V.A.T. Incl.

BUDGET IMPLICATIONS:

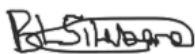
15. There will be no budget implications as this service is part of the required Acceptance and rejection process in accordance with the agreed level of acceptance between the contracting parties or as specified by the design code i.e., EN ISO 5817/latest or equivalent as per project requirement. Furthermore, cost will be fully recovered through the signed sales agreements with clients via TE billing the clients as and when the service is rendered.

APPROVALS AND DELEGATIONS:

16. In terms of paragraph 5.1 of the Transnet Delegation of Authority Framework of 01 February 2023, states that the TE Chief Procurement officer (CPO) has been delegated authority to approve the approach to market for the "Closed RFQs" for up to but not exceeding R500 million and up to 7 years contract period, the TE CPO has further sub-delegated powers to the Procurement Manager the authority to approve the approach the market for the "Open RFQ" for up to but not exceeding R5mil & Up to 3 Years.

RECOMMENDATION:

17. It is hereby recommended that the Procurement Manager: Supply Management approves the request to:
- To approach the market for quotations for the appointment of an approved service provider for the provision of radiographic inspections (non-destructive testing) at Transnet Engineering Germiston depot.

COMPILED BY:**Signature****Name: Bridget Silubane****Designation: Procurement Officer****Date: 28.10.2024****RECOMMENDED / ~~NOT RECOMMENDED~~ BY:****Signature****Name: John Skosana****Designation: SD Specialist****Date: 29/10/2024****APPROVED / NOT APPROVED BY:**

Signature**Name: Langanani Mphelo****Designation: Procurement Manager****Date:**