REQUEST FOR APPROVAL TO DEVIATE FROM A COMPETITIVE BIDDING PROCESS THROUGH THE USE OF A SOLE SUPPLIER PROCESS

National Treasury Instruction Note of 03 of 2021/22 – Enhancing compliance, transparency and accountability in Supply Chain Management system to allow deviations from competitive a bidding process, in the use of sole suppliers.

- Sole Source procurement is a deviation from a competitive bidding process. It can only be followed where there is no competition in the market and only one supplier is able to provide the goods or services
- The Sole Source process shall not be used to avoid competition.
- The fact that the product is being acquired from an Original Equipment Manufacturer does not necessarily qualify the request as a sole source acquisition.

SECTION A

To be completed by the requestor (cluster/portfolio requestor) and submitted to SPU for consideration

The completed form must be submitted to SPU with the following supporting documents on logging a call:

- Valid quotation.
- Sole supplier letter **not older than six (6) months**, unless indicated otherwise, i.e. is stated specifically to be valid for a longer period.
- Motivation, if applicable.

1	Division	Facilities Management & Security Services
2	Cluster / Portfolio	FM & SS
3	Requestor from Cluster / Portfolio	Abongile Gobeni
4	Final Approver (**D**) ***Refer to Section D** for CSIR Approval Framework.*	Dr Thulani Dlamini (ExCo)
5	Supplier name	Schindler Lifts (Pty) Ltd
6	Original Equipment Manufacturer (if different from 5 above)	Schindler Lifts (Pty) Ltd
7	Description of goods, works/services being procured	Monthly statutory service of goods and passenger lifts for a period of five years
8	Is this a once off requirement or there will be a need for the goods/works and/or services in the future?	☐ Once-off ☒ Goods will be required in the future ***If the goods/services will be required in the future, engage strategic sourcing team and consider a longer-term period to improve on procurement efficiencies.***
9	Renewal period if applicable	Renewal start date: 1 April 2023 Renewal end Date: 30 March 2028 ☐ N/A

10	Motivation – Business case and need for procurement. *(Detailed motivation why the goods, works or services are required and how the request fits into the business objectives. Indicate what goods/works/services are required and where the said goods/ works/services will be used).* *(If this information is already captured in a memo, the memo can be attached as supporting documentation)*	CSIR has a portfolio of 43 passenger and goods lift in Pretoria, Durban and Stellenbosch Campuses, and most of the lifts are located in Pretoria Campus. In line with providing fit for purpose buildings and ensuring compliance to OHS Act, statutory servicing of the lifts is required on a monthly basis. This procurement activity aims at procuring OEM services to ensure that the lifts are always kept in good serviceable condition.
11	Detailed motivation why a competitive bidding process cannot be followed. *(What assessments/evaluations were conducted to reach this technology/service decision – such assessments should have followed a fair and open process)* *(How was the supplier identified)* *(Provide reasons why other suppliers/ solutions/services/equipment cannot be considered)* *(If this information is already captured in a memo, the memo can be attached as supporting documentation)*	Historically CSIR has mostly Schindler lifts in its portfolio. Further recently CSIR over the past 5 years has undergone lift replacement project and Schindler Lifts (Pty) Ltd through a competitive bidding process won the lift replacement project and has since replaced 20 lifts with the latest Schindler units in Pretoria Campus. The lifts are under warranty and others are under 12 months free service. 70% of the CSIR lift portfolio are lifts manufactured by Schindler Lift (Pty) Ltd. Having the OEM continue to service the lifts reduces financial risk to CSIR and further ensure longevity of the equipment.
12	Transaction value (Incl. VAT)	R4 379 872.98
13	Prepayment required	☐ Yes ☒ No If yes, indicate the % prepayment and amount:
14	• Is the budget / funds available and sufficient? • Indicate client contract linked to the funds – if applicable	☒ Yes ☐ No If linked to client contract, indicate client contract and number:
15	Nature of Expenditure	☒ Operational Expenditure ☐ Capital Expenditure
16	If Capex – was the expenditure approved in the cluster's/portfolio's business plan?	☐ Yes ☐ No ☒ N/A
17	Asset custodian details, if procuring an asset *(This section must be completed as it replaces the Capex form which will no longer be required)*	CSIR employee No. Employee Name:
18	Funding for the asset	☐ CSIR ☐ GRANT ☐ 3rd Party ☒ N/A
19	Full Charge Account	Project Number: SSM 1336 Activity: General Expenditure type: Operational Department/Cluster Code: 01380
20	If Capex – was the expenditure approved in the cluster's/portfolio's business plan?	☐ Yes ☐ No ☒ N/A

21	If the acquisition is CAPEX in nature, are there any building modifications required?	☐ Yes ☐ No ☒ N/A Comments:
22	If building modifications will be required, has the FM&SS portfolio been consulted?	☐ Yes ☐ No ☒ N/A Comments:

Tick the applicable

Sole Supplier considerations		
23	☐ Licenced products:	Sole provider for existing licences, software or products. Supplier has sole ownership and exclusivity of all IP related to the required goods, works and/or services.
24	☐ Comparability and compatibility for research purposes:	Product(s) required to replicate specific experiments, using the exact goods to ensure comparability of research results.
25	☐ Subscriptions and publications:	Procurement of subscriptions or publications to newspapers, magazines, journals or other periodicals.
26	☐ Annual accreditations and memberships:	Procurement of accreditation to specific bodies and memberships.
27	☐ Exhibitions:	Sole provider for required exhibitions.
28	☐ Enhancement of existing equipment:	Purchase of accessories sought to enhance the existing equipment, where compatibility with the original equipment is paramount, and these can be provided by the Original Equipment Manufacturer (OEM) or exclusive distributor.
29	☐ Replacement Equipment:	Purchase of equipment associated with the use of the existing equipment, where compatibility is essential for integrity of results, and these can be provided by the OEM or exclusive distributor.
30	☒ Repair / Replacement Parts:	Purchase of replacement parts or spares for an existing equipment, and these can be provided by the OEM or exclusive distributor
31	☒ Technical Service:	Technical services associated with the assembly, installation or servicing of an existing equipment, and the service can only be done by the OEM or exclusive service centre.
32	☐ None of the above applies:	Attach a detailed motivation and justification for the sole source request.
33	Required Evidence	• It is important to bear in mind that uniqueness, OEM status and/or IP rights do not on their own meet the definition of a sole source situation. • It must be demonstrated that there are **no other** equivalent options available. • As a pre-requisite, objective evidence must be on file to indicate that the definition of sole source procurement has been met before the person with delegation of authority may approve such a submission. • Where possible an RFI process should be considered whether to determine if there are any other options available.

SECTION B

To be completed by the Procurement Official handling the request. The section must only be completed by the official if they have satisfied themselves that the request

meets the requirements of a sole-source deviation process. If not, the requestor must be advised that a competitive / alternative process will be followed.

34	Call No.	701302
35	SSP No as per register	3439
36	How many SSP requests have been approved for this supplier during the last 12 months?	Stipulate the SSP numbers and clusters / portfolios that have used this supplier None
37	Supporting Documentation to be provided/facilitated by SPU	☐ Completed SBD 1 form (foreign suppliers) ☐ SARS tax obligation clearance letter (foreign suppliers) ☒ Completed SBD 4 form ☒ Valid B-BBEE certificate / Sworn affidavit ☐ Other: **Specify**
38	Is the supplier listed on the NT database of restricted suppliers? http://www.treasury.gov.za/publications/other/Database%20of%20Restricted%20Suppliers.pdf	☐ Yes ☒ No If yes supplier cannot be used
39	Is the supplier listed on the NT register of tender defaulters? http://www.treasury.gov.za/publications/other/Register%20for%20Tender%20Defaulters.pdf	☐ Yes ☒ No If yes supplier cannot be used

SECTION C

Facilitation of signatures by Procurement Official handling the request

		Name	Designation	Signature	Date
40	SPU Practitioner	Lethabo Letsoalo	Procurement Specialist		09/02/2023
41	Requestor	Abongile Gobeni	Technical Specialist: Mechanical	Agobeni Agobeni (Feb 13, 2023 09:41 GMT+2)	13/02/2023
42	Reviewed by SPU	Kamogelo Rathebe	Senior Procurement Practitioner	Kamogelo Rathebe (Feb 13, 2023 22:57 GMT+2)	13/02/2023
43	Supported by (I)	Tinyiko Mahlaule	Manager: Facilities Engineering		14/02/2023
44	Recommended By (R)	Nomcebo Monama	GM: SPU		15/02/2023
45	Recommendation Supported by (R)	Navan Moopanar	GM: FM & SS		15/02/2023
46	Recommendation agreed to by (A)	Esme Kennedy	GE: LC & BE	Esme Kennedy (Feb 16, 2023 11:53 GMT+2)	16/02/2023
47	Recommendation agreed to by (A)	Estee Opperman	Acting CFO		16/02/2023
48	Final Approver (D)	Dr Thulani Dlamini (ExCo)	CEO		
49	Reason for rejection – if rejected				
50	Other Comments				

SECTION D

Approvals as per CSIR Approval Framework

Sole Source	Board	CEO	EXCO	CFO	Exco Member/Group Executive	Executive Cluster/Group Manager	Impact Area Research Centre Manager / Equivalent position in support	Group Manager: Procurement	Senior Department Official
More than R3m		**D**	**A**	**A**	**R**				
More than R300K to up to R3m				**D**	**R**	**A**			
More than R30k to up to R300k						**R**	**A**	**D**	

*
R*-Recommender- the persons who initiates or drive the process;*
A*-Approver-the persons who agree with or approves the recommendation;*
P*- Perform- the person who carries out the decision once it has been made;*
I*-input- the person who must be consulted on the recommendation before a decision is made.*
D*- Decide-the person has final authority, and who can commit the organisation to action.*

The limits are per transaction/confinement. All requests for Sole Source purchases must be made by the requesting division, cluster, group, centre or department, which shall prepare the submission in collaboration with SPU to ensure that the motivation contains sufficient information to meet all necessary grounds for confining the enquiry as stipulated in the Procurement Framework and other Procurement Procedures. In instances where the confinement is confidential, the CEO may approve it without routed through any other authority.