



**KWAZULU-NATAL PROVINCE**  
ECONOMIC DEVELOPMENT, TOURISM  
AND ENVIRONMENTAL AFFAIRS  
REPUBLIC OF SOUTH AFRICA

**PROCUREMENT & ADMINISTRATION**

**SUBMISSION TO DEVIATE FROM NORMAL  
PROCUREMENT PROCESSES:  
SANDOCK AUSTRAL SHIPYARDS (PTY) LTD  
WITH REGISTRATION NUMBER:  
1993/007852/07**

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**DIRECTORATE:**

Trade and Industry

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**SUBMISSION TO DEVIATE FROM NORMAL  
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SANDOCK AUSTRAL SHIPYARDS (PTY) LTD  
WITH REGISTRATION NUMBER: 1993/007852/07**

GROWING KWAZULU-NATAL TOGETHER

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|                          |                                                                                                                                                                                                                                                             |
|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>TO</b>                | <b>DR THANDEKA ELLENSON<br/>ACTING HEAD OF DEPARTMENT</b>                                                                                                                                                                                                   |
| <b>FROM</b>              | <b>MS TANTASWA CICI<br/>DIRECTOR: MARITIME SERVICES</b>                                                                                                                                                                                                     |
|                          | <b>MR KHAYA MTHETHWA<br/>CHIEF FINANCIAL OFFICER</b>                                                                                                                                                                                                        |
|                          | <b>MS FIKISWA PUPUMA<br/>ADDG: TRADE, SECTOR AND<br/>TOURISM DEVELOPMENT SERVICES</b>                                                                                                                                                                       |
| <b>CC</b>                | <b>MS DHARSHINI RAICHUND<br/>DIRECTOR: SUPPLY CHAIN<br/>MANAGEMENT</b>                                                                                                                                                                                      |
| <b>SUBJECT</b>           | <b>REQUEST FOR APPROVAL OF<br/>DEVIATION FOR SINGLE SOURCE<br/>APPOINTMENT OF SANDOCK<br/>AUSTRAL SHIPYARDS (PTY) LTD<br/>WITH REGISTRATION NUMBER:<br/>1993/007852/07 FOR THE<br/>IMPLEMENTATION OF THE MARITIME<br/>GRADUATE PLACEMENT<br/>PROGRAMME.</b> |
| <b>CONTRACT DURATION</b> | <b>24 MONTHS</b>                                                                                                                                                                                                                                            |
| <b>SUBMITTED BY</b>      | <b>MS TANTASWA CICI</b>                                                                                                                                                                                                                                     |
| <b>DATE</b>              | <b>24 OCTOBER 2023</b>                                                                                                                                                                                                                                      |

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|  <b>KWAZULU-NATAL PROVINCE</b><br>ECONOMIC DEVELOPMENT, TOURISM<br>AND ENVIRONMENTAL AFFAIRS<br>REPUBLIC OF SOUTH AFRICA | <b>PROCUREMENT &amp; ADMINISTRATION</b>                                                                                                                                                          |                     |
|                                                                                                                                                                                                           | <b>SUBMISSION TO DEVIATE FROM NORMAL<br/>         PROCUREMENT PROCESSES:<br/>         SANDOCK AUSTRAL SHIPYARDS (PTY) LTD<br/>         WITH REGISTRATION NUMBER:<br/>         1993/007852/07</b> | <b>Page: 3 of 6</b> |

## 1. PURPOSE

To request the Acting Head of Department to award a contract to SANDOCK AUSTRAL SHIPYARDS (PTY) LTD for an amount of four million seven hundred and eighteen thousand eight hundred and forty one only (*R 4 718 841 for 2023 - 2025 financial year*) for the implementation of the Maritime Graduate Placement Programme for a period of twenty four (24) months in line with Treasury Regulation 16A 6.4 and SCM Instruction Note 3 of 2021/2022- Enhancing compliance, transparency and accountability in Supply Chain Management.

## 2. BACKGROUND

The Department of Economic Development, Tourism and Environmental Affairs (EDTEA) is mandated to transform, grow and promote sustainable economic growth in the province of KwaZulu- Natal (KZN) and maritime was identified as being critical in delivering on this mandate. EDTEA thus developed the KwaZulu-Natal Integrated Maritime Strategy (KIMS) as the roadmap for stimulating robust economic growth and development in the provincial maritime industry. One of the KIMS strategic goals is to develop human resources through education, skills development, training and knowledge development which is premised the need to produce a capable labour force by enhancing skills development, training, education, as well as fostering research and development within the oceans economy.

Youth unemployment continues to be a challenge in KZN and the country as a whole. Statistics South Africa indicates that year-on-year, the unemployment rate among young graduates (aged 15-24 years) declined from 40,3% to 32,6%, while it increased by 6,9 percentage points to 22,4% for those aged 25-34 years in Q1: 2022. The Maritime Graduate Placement Programme thus intends to bridge this very gap through an intensive twenty-four (24) month skills training programme of placement of graduates.

EDTEA thus partnered with SANDOCK AUSTRAL SHIPYARDS (PTY) LTD as a pilot project wherein fifteen (15) graduates will be placed at Sandock Austral shipyards at Bayhead in Durban Harbour to undertake the Graduates-In-Training (GIT) in Mechanical Engineering, Electrical Engineering, Systems Engineering, Industrial Engineering, Information Technology and Data Analyst, as well as Graphic Design whose purpose is to:

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- Capacitate them for Engineers Council of South Africa (ECSA) Registration;
- Capacitate the for registration with South African Institute of Marine Engineers and Naval Architects (SAIMENA);
- Qualify them for employment opportunity and entrepreneurship;
- Create capacity and ensure optimal technology/system development and/or technology/system evaluation in the respective engineering disciplines through competent engineers;
- Create capacity and ensure optimal engineering skills for project delivery in the respective engineering disciplines through competent engineers; and
- Attract (and retain) young engineering graduates who align themselves with the ship and boat building culture.

Upon approval, EDTEA and Sandock Austral Shipyards will advertise to source candidates, screening, shortlisting and selecting the Maritime graduates. It is envisaged that prepayments will be required in order to ensure that project related costs are paid timeously including the payment of graduates' stipends.

The full GIT course outline is attached herewith as Annexure A for ease of reference. The programme is a Sandock Austral Shipyards training programme which is offered internally at Sandock Austral Shipyards by Sandock Austral Shipyards with additional formal trainings being done by external Accredited Service Providers.

**The Roles and Responsibilities of EDTEA and Sandock Austral Shipyards respectively are as follows:**

### **EDTEA:**

- Provide funds to Sandock Austral Shipyards (Pty) Ltd for the payment of graduate stipends, safety gear, ECSA and SAIMENA registration, course materials for training, office equipment, and facility fee;
- Provide graduates-in-training uniforms, laptops and licences, training equipment namely: hydraulic press brake, electric slip roll, hydraulic guillotine;
- Provide funds to Sandock Austral Shipyards (Pty) Ltd to pay for graduates additional formal training to be done outside Sandock Austral Shipyards (Pty) Ltd /by external trainers;
- Advertise for the sourcing of graduates-in-training with SAS; and
- Provide funds to Sandock Austral Shipyards (Pty) Ltd for the procurement of laptops with annual computer licensing fees.

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### **SANDOCK AUSTRAL SHIPYARDS (PTY) LTD WITH REGISTRATION NUMBER: 1993/007852/07:**

- Place the aforementioned 15 graduates in their ship building facility;
- Train graduates in Mechanical Engineering, Electrical Engineering, Systems Engineering, Industrial Engineering, Information Technology and Data Analysis, as well as Graphic Design; and
- Mentor graduates-in-training;

The planned start date for the training is 05 February 2024. Participation in this programme will build the graduates capacity and capabilities, giving them hands on experience and expand their employment prospects both at Sandock Austral Shipyards (Pty) Ltd as well as at ship building facilities world-wide. It will also capacitate the youth to venture into their own boat building businesses as per the recommendations of the feasibility that has been undertaken, wherein, a common user facility will be established for boat builders to co-late and leverage the economies of scale. Part of the tenants in that facility will be SMMEs under the boat building incubation programme. The programme is a Sandock Austral Shipyards training programme but it is tailor-made to address the KZN Integrated Maritime Strategy strategic objectives in the ship building, boat building and repairs in both sectors.

EDTEA has initiated a partnership with Sandock Austral Shipyards because Sandock Austral Shipyards is the only facility that is fully equipped to provide world standard training in ship/boat building in the Province as well as job placement. As stated above, the 15 graduates that will receive training will qualify to be registered as engineers with ECSA and SAIMENA. Sandock Austral Shipyards provides specialised and tailor-made training programme aligned with the KwaZulu-Natal Integrated Maritime Strategy (KIMS) objectives and national Operation Phakisa: Oceans Economy strategic goals for skills development. Below please find the tailor-made training programme as per the departmental request:

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### SAS Engineering Graduates-in-training

#### Course Outline: KZN EDTEA Youth in Maritime Skills Training Programme

| DISCIPLINE                    | COURSE OUTLINE                                                                                                                                                                                                      | DURATION                                                                              |
|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| <b>Induction</b>              | Induction and Orientation,<br>Industrial Safety<br>Introduction to Shipbuilding<br>and Ship Repair                                                                                                                  | 1 day<br>1 day<br>3 days                                                              |
| <b>Training Centre</b>        | Health and Safety<br>Safe Work Instruction<br>Basic hand tools<br>Gas Cutting<br>Arc Welding<br>Shipbuilding<br>Confined Spaces<br>Working at Heights<br>Hot Work<br>Work Permit                                    | 5 weeks                                                                               |
| <b>Mechanical Engineering</b> | Stores and Material Control<br>Maintenance<br>Planning Process<br>Manufacturing Process<br><br>Quality Assurance and<br>Quality Control<br>Mechanical Outfitting<br>Drawings, Design and<br>Development<br>Projects | 1 week<br>1 week<br>1 week<br>5 weeks<br><br>2 weeks<br>3 weeks<br>4 weeks<br>3 weeks |
| <b>Industrial Engineering</b> | Stores and Material Control<br>Maintenance<br>Planning Process<br>Manufacturing Process<br><br>Quality Assurance and<br>Quality Control<br>Mechanical Outfitting<br>Drawings, Design and<br>Development<br>Projects | 1 week<br>1 week<br>1 week<br>5 weeks<br><br>2 weeks<br>3 weeks<br>4 weeks<br>3 weeks |

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|                                                |                                                                                                                                                                                                                                                      |                                                                                       |
| <b>Computer Sciences</b>                       | Stores and Material Control<br>Maintenance<br>Planning Process<br>Manufacturing Process<br><br>Quality Assurance and<br>Quality Control<br>Mechanical Outfitting and<br>Electrical Installations,<br>Drawings, Design and<br>Development<br>Projects | 1 week<br>1 week<br>1 week<br>5 weeks<br><br>2 weeks<br>3 weeks<br>4 weeks<br>3 weeks |
| <b>Electrical Engineering</b>                  | Stores and Material Control<br>Maintenance<br>Planning Process<br>Manufacturing Process<br>Quality Assurance and<br>Quality Control<br>Electrical Installations<br>Drawings, Design and<br>Development<br>Projects                                   | 1 week<br>1 week<br>1 week<br>5 weeks<br><br>2 weeks<br>3 weeks<br>4 weeks<br>3 weeks |
| <b>Engineering – Marine/Naval Architecture</b> | Stores and Material Control<br>Maintenance<br>Planning Process<br>Manufacturing Process<br>Quality Assurance and<br>Quality Control<br>Mechanical Outfitting<br>Drawings, Design and<br>Development<br>Projects                                      | 1 week<br>1 week<br>1 week<br>5 weeks<br><br>2 weeks<br>3 weeks<br>4 weeks<br>3 weeks |
| <b>On-the-Job Training</b>                     | Across all disciplines:<br>Subsystems<br>1. Mechanical Engineering<br>(Hull/Structures,<br>Vessel Auxiliary<br>Systems, Propulsion<br>Systems, Heat and<br>Ventilation and Air-                                                                      | 18 Months (Rotation/Projects<br>across the disciplines under<br>coach supervision)    |

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|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
|  | <p>Conditioning<br/>Systems,<br/>Refrigeration<br/>Systems, Outfitting<br/>and Furnishing)</p> <p>2. Electrical Engineering<br/>(Electrical<br/>Installations,<br/>Navigation Systems,<br/>Communication<br/>Systems, Mission<br/>Systems, Systems<br/>Integration)</p> <p>3. Industrial Engineering<br/>(Vessel Building<br/>Information Modeling,<br/>Lean Manufacturing,<br/>Process Automation,<br/>Continuous<br/>Improvement</p> <p>4. Computer Systems<br/>(Vessel Building<br/>Information Modeling,<br/>SMART<br/>Manufacturing,<br/>Manufacturing<br/>Automation,<br/>Digitalisation, Data<br/>Analytics, Data<br/>Mining, Data<br/>Engineering, Data<br/>Science, Business<br/>Intelligence,<br/>Enterprise<br/>Architecture,</p> <p>5. Marine/Naval<br/>Architecture (Vessel<br/>Building Information<br/>Modeling)</p> |  |
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### **3. LINKAGES TO STRATEGIC GOALS AND OBJECTIVES**

The implementation of the Maritime Graduate Placement Programme is aligned with EDTEA's Strategic Plan of the 2020-2025 periods for "sustainable and inclusive economic growth for job creation." Furthermore, the Placement of Maritime Graduates Programme is aligned to the Provincial Reconstruction and Transformation Plan, which is geared towards the revitalization of the economy through the 14 sectors that have been identified within the Reconstruction & Transformation Plan and thus is presented even at the Economic Sectors Employment and Infrastructure Development (ESEID) Cluster. It is also informed by KZN Integrated Maritime Strategy that was developed in 2015 in alignment with national Operation Phakisa: Oceans Economy.

### **4. REASON FOR DEVIATION**

| <b>TYPE OF DEVIATION</b>      | <b>REASONS FOR DEVIATION</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>SINGLE SOURCE SUPPLIER</b> | Sandock Austral Shipyards (Pty) Ltd is the only facility that is able to provide this customized programme in the Province as well as job placement for the graduates. The tailor-made training programme was developed in alignment with KIMS and Operation Phakisa: Oceans Economy objectives. Sandock Austral Shipyards have sufficient capacity in terms of personnel and training equipment to train the 15 maritime graduates and place them in appropriate jobs within the facility. Upon completion of their training, these maritime graduates will qualify for registration with ECSA as Engineers & with SAIMENA as Marine Engineers. Furthermore, Sandock Austral Shipyards is considering recruiting the qualified maritime graduates from this programme for job absorption when there are vacant posts available. |



## 5. LEGAL FRAMEWORK

This request is in line with the following SCM Prescripts:

- **SCM INSTRUCTION NOTE 3 OF 2021/2022 ENHANCING COMPLIANCE, TRANSPARENCY AND ACCOUNTABILITY IN SUPPLY CHAIN MANAGEMENT**

### Deviation from Normal Bidding Processes:

"If in a specific case it is impractical to invite competitive bids, the AO/AA may procure the required goods and services by other means, provided that the reasons for deviating from competitive bids must be recorded and approved by the AO/AA".

#### *Other means include:*

- (a) Limited bidding
- (b) Written price quotations within the threshold determined by National Treasury Instructions; and
- (c) Procurement that occurs in emergency situations and urgent cases

### Treasury Regulation 16A 6.4:

"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."

## 6. SERVICE PROVIDER DETAILS

- 6.1 Name: SANDOCK AUSTRAL SHIPYARDS (PTY) LTD WITH REGISTRATION NUMBER: 1993/007852/07
- 6.2 CSD number: MAAA0086751
- 6.3 BBBEE Status of the Supplier:
- 6.4 Tax Status: Compliant
- 6.5 Vat Registration No.: 4750157598

|                                                                                                                                                                                                           |                                                                                                                                                                                                  |                      |
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6.6 State Employee: Private Entity

6.7 Tender Default Register: Not Tender Defaulted

## 7. VALUE FOR MONEY/ MARKET ANALYSIS

There is value for money and the costing amount is reasonable and within market-related rates. As part of market analysis, EDTEA engaged TNPA at Durban Harbour in 2022/2023 financial year with the intention to partner with them for the placement of the 15 maritime graduates. TNPA took a decision to charge the department for training per graduate for 24 months and their total estimated budget came to the amount of R13 050 000.00. per graduate whilst Sandock Austral (Pty) Ltd will not charge the department a training fee per maritime graduate for 24 months. They will only charge the department for the printing of course material as well as a nominal charge for the external trainer that will train the maritime graduates in the first 9 months. The Sandock Austral (Pty) Ltd overall costing of maritime graduates training for 24 months amounts to a total R4 718 841, which is cheaper and reasonable compared to TNPA costs.

Furthermore, should the bid procurement process be utilised, the successful bidder will be required to engage Sandock Austral Shipyards on behalf of the department and negotiate to lease the training facilities owned by Sandock Austral Shipyards, which are not rented out as they are being used for the manufacturing of ships that Sandock Austral Shipyards build. Sandock Austral Shipyards is also a preferred service provider to offer the graduates-in-training programme for the 15 maritime graduates because their costs are reasonable compared to Transnet National Ports Authority that is also offering similar programme, which is not even tailor-made to address the KZN Integrated Maritime Strategy objectives.

Lastly, Sandock Austral (Pty) Ltd will provide practical training for the maritime graduates, whereby they will get the opportunity to be part of the team that is building a ship, while TNPA was unable to offer the ship building practical training opportunity as they do not have a shipyard to build ships but only have the equipment to offer training on engineering skills.



## 8. FINANCIAL IMPLICATIONS

- A budget of four million seven hundred and eighteen thousand eight hundred and forty one only (R 4 718 841) is required for the award of this contract.
- In the current financial year (2023/2024) R2 million has been budgeted for the project within Programme 3: Trade and Industry Development; Sub-Programme: Trade & Investment Promotions Budget Allocation, under line item: Cons & Prof Serv: Business and Advisory Service – Maritime Grad Programme.
- The outstanding amount of R2 706 972 will be budgeted for in the 2024/2025 financial year as the project is 24 months, starting from 2023 to 2025.

- This budget is to be utilised for:

| Cost Item                                          | Budget (First Year)      | Budget (Second Year) 6% annual increase | Total costs (for 24 months) |
|----------------------------------------------------|--------------------------|-----------------------------------------|-----------------------------|
| Graduates-in-training stipends x 15                | R6085x15x12 = R1 095 300 | R6450x15x12 = R1 161 018                | R2 256 318                  |
| Safety Gear                                        | R 30 000                 | R31 800                                 | R61 800                     |
| Laptops x 15                                       | R225 000 (once off)      | -                                       | R225 000                    |
| Annual Computer Lic Fees                           | R69 750                  | 73 935                                  | R143 685                    |
| External Training (as per attached course outline) | R225 000                 | R225 000                                | R450 000                    |
| ECSA Registration x 15                             | R34 125                  | R34 125                                 | R68 250                     |
| SAIMENA Registration                               | R3000                    | R3000                                   | R6000                       |
| Course materials for training                      | R112 500                 | R119 250                                | R231 750                    |
| Lease Cost for Tools                               | R474 750                 | R474 750                                | R949 499                    |
| Office equipment (desk and chairs)                 | R67 500                  | -                                       | R67 500                     |
| Trainer fee (first 9 weeks)                        | R19 038                  | -                                       | R19 038                     |
| Facility fee                                       | R120 000                 | R120 000                                | R240 000                    |
| <b>TOTAL</b>                                       | <b>R2 938 844</b>        | <b>R1 768 128</b>                       | <b>R4 718 841</b>           |

|                                                                                                                                                                                                           |                                         |  |
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The Maritime Graduate Placement Programme extends beyond the 2023/2024 financial year as it is a twenty-four (24) months programme and thus the corresponding budgets will be requested in the ensuing financial years since the existing budget is solely for the current financial year.

## 9. COMPULSORY DOCUMENTS TO BE ATTACHED TO THIS SUBMISSION:

- Annexure A** - Sandock Austral Shipyards costing/ quotation;
- Annexure B** – Available budget spreadsheet;
- Annexure C** - Maritime graduates-in-training course outline; and

## 10. RECOMMENDATIONS

It is recommended that the Acting Head of Department:

- Approve the request for deviation from normal Supply Chain Management processes in line with Treasury Regulation 16A 6.4 and SCM Instruction Note 3 of 2021/2022-Enhancing compliance, transparency and accountability in Supply Chain Management to award a contract to Sandock Austral (Pty) Ltd being a single sourced service provider for maritime graduates-in-training.
- Award a contract for an amount of R 4 718 841 for the placement of 15 maritime graduates at Sandock Austral (Pty) Ltd to undergo the graduates-in-training programme through the Maritime Graduates Placement Programme of Annual Performance Plan for a period of twenty- four (24) months;
- Approve the implementation of the twenty-four (24) months Maritime Graduate Placement Programme (MGPP) for the financial years 2023 – 2025;
- Approve that EDTEA and Sandock Austral Shipyards undertake the screening, shortlisting and whole recruitment process for the intake of maritime graduates' candidates with EDTEA undertaking the advertising to source the candidates;

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- Authorize the legal unit of EDTEA to draft relevant agreements relating to the Department of Economic Development, Tourism and Environmental Affairs (EDTEA), the successful candidates for Maritime Graduates-in-training and Sandock Austral Shipyards (Pty) Ltd (wherein the graduates will be placed);
- Prepayments in favour of Sandock Austral Shipyards to be effected in order to ensure that project related costs are paid timeously including the payment of graduates' stipends; and
- Authorize the provision of funds to Sandock Austral Shipyards to purchase laptops with annual licenses and leasing of machinery for training centre as per the quotation costing items attached.

#### 11. ADMINISTRATION AND PROCESS SIGN OFF:

| NAME                  | ROLE                                                 | SIGNATURE                                                                                                                               | DATE     |
|-----------------------|------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|----------|
| MS TANTASWA CICI      | DIRECTOR: MARITIME AND LOGISTICS SERVICES            | <small>Signed by: Tantaswa Cici<br/>Signed at: 2023-10-24 13:14:10 +02:00<br/>Reason: I approve this document</small><br>               | 24/10/23 |
| MS FIKISWA PUPUMA     | ADDG: TRADE, SECTOR AND TOURISM DEVELOPMENT SERVICES | <small>Signed by: Fikiswa Fathia Pupuma<br/>Signed at: 2023-10-28 09:26:22 +02:00<br/>Reason: I approve this document</small><br>       | 26/10/23 |
| MS DHARSHINI RAICHUND | DIRECTOR: SUPPLY CHAIN MANAGEMENT                    | <small>Signed by: Dharshini Raichund<br/>Signed at: 2023-11-10 12:06:52 +02:00<br/>Reason: I approve this document</small><br>          | 10/11/23 |
| MR KHAYA MTHETHWA     | CHIEF FINANCIAL OFFICER                              | <small>Signed by: Khayalethe Njabulo Mthethwa<br/>Signed at: 2023-11-11 15:05:30 +02:00<br/>Reason: I approve this document</small><br> | 11/11/23 |

GROWING KWAZULU-NATAL TOGETHER

SUBMISSION TO DEVIATE FROM NORMAL PROCUREMENT PROCESSES:

SANDOCK AUSTRAL SHIPYARDS (PTY) LTD WITH REGISTRATION NUMBER: 1993/007852/07

|                                                                                                                                                                                                           |                                                                                                                                                                                                  |               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
|  <b>KWAZULU-NATAL PROVINCE</b><br>ECONOMIC DEVELOPMENT, TOURISM<br>AND ENVIRONMENTAL AFFAIRS<br>REPUBLIC OF SOUTH AFRICA | <b>PROCUREMENT &amp; ADMINISTRATION</b>                                                                                                                                                          |               |
|                                                                                                                                                                                                           | <b>SUBMISSION TO DEVIATE FROM NORMAL<br/>         PROCUREMENT PROCESSES:<br/>         SANDOCK AUSTRAL SHIPYARDS (PTY) LTD<br/>         WITH REGISTRATION NUMBER:<br/>         1993/007852/07</b> | Page: 15 of 6 |

## 12. APPROVAL BY HEAD OF DEPARTMENT

It is recommended that approval be granted by the Acting Head of Department: Dr Thandeka Ellenson to deviate from normal Supply Chain Management processes in line with Treasury Regulation 16A 6.4 and SCM Instruction Note 3 of 2021/2022- Enhancing compliance, transparency and accountability in Supply Chain Management to award a contract to Sandock Austral Shipyards (Pty) Ltd being a single source service provider for an amount of four million seven hundred and eighteen thousand eight hundred and forty one (R 4 718 841) for a period of twenty four (24) months.

| NAME                 | ROLE                      | SIGNATURE                                                                                                                                                                                            | DATE     |
|----------------------|---------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| DR THANDEKA ELLENSON | ACTING HEAD OF DEPARTMENT | Signed by: THANDEKA PRECIOUS ELL<br>Signed at: 2023-11-13 01:40:36 +02:00<br>Reason: I approve this document<br> | 13/11/23 |

Comments

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