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, works 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.
- Requestor and Final Approver cannot be the same person.

SECTION A

To be completed by the requestor (cluster/portfolio requestor) and submitted to Supply Chain Management (SCM) for consideration.

The completed form must be submitted to SCM 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.
- Completed SBD 1 and SBD 4 forms.
- Valid B-BBEE certificate / Sworn affidavit.
- Prepayment approval, in accordance with the CSIR approval framework Policy, where applicable.
- Motivation, if applicable.

1	Division	Div 2
2	Cluster / Portfolio	Defence and Security
3	Requestor from Cluster / Portfolio **(Name & Position)**	Nombulelo Faleni Senior Project Co-ordinator
4	Final Approver (**D**) ***Refer to Section D of this document*** *for CSIR Approval Framework Policy.* **(Name & Position)**	Letho Dlamini Manager: Compliance & Reporting
5	Supplier name	Horne Technologies cc

6	Any conflict of Interest declared by requestor? ***A person shall be deemed to have an interest if he/she:*** *(a) is an agent, member or partner of the supplier or has a direct shareholding or influence in the supplier; and/or* *(b) has a spouse, dependent or sibling who is an employee, agent, member or a partner of the supplier or has a direct shareholding in the supplier; and/or* *(c) has outstanding loans or debentures yet to be redeemed against the supplier, or by the supplier against him or an entity with which he/she is closely associated; and/or* *(d) has received or has been promised any benefit whatsoever from the supplier; and/or* *(e) has been in business with the supplier for personal benefit in the last twenty-four (24) months; and/or* *(f) has any other interest whatsoever in the supplier as defined in section 75 of the Companies Act, 2008.*	☐ Yes X No If yes, please provide details:
7	Original Equipment Manufacturer (if different from 5 above)	Faulhaber Drive Systems
8	Description of goods, works/services being procured	Smart and reliable electric motors and controllers
9	Is this a once off requirement or there will be a need for the goods/works and/or services in the future?	☒ Once-off ☐ will be required in the future ***If the goods, works/services will be required in the future, engage strategic sourcing team and consider a longer-term period to improve on procurement efficiencies.***
10	Contract period if applicable	Contract start date: Contract end Date: ☒ N/A
11	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)*	The goods are required to fulfil an existing contractual obligation for the Airbus project. This procurement constitutes a repeat order with a specific requirement for an identical system to that previously supplied, to ensure full technical compatibility, performance continuity, and contractual compliance. The system design has been qualified, validated, and approved based on the original motors supplied. While there is a theoretical possibility of fulfilling the contract using alternative motors, doing so would necessitate substantial design changes, including re-engineering, requalification, and repeat verification and validation activities. The cost of redesign alone would be several times higher than the cost of the original motors, excluding additional schedule delays, testing costs, and the risk of non-compliance with Airbus technical and certification requirements.

		The original equipment manufacturer, FAULHABER Drive Systems, has formally confirmed that Horne Technologies CC is the sole authorised distributor in South Africa for all technical and commercial matters related to these motors. No alternative suppliers are authorised to supply identical equipment or provide certified technical support within the region.
12	Detailed motivation why a competitive bidding process cannot be followed. • *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/ RFQ/RFP/EOI process should be considered whether to determine if there are any other options available.* *(If this information is already captured in a memo, the memo can be attached as supporting documentation)*	FAULHABER SA, the member of the FAULHABER Group, are responsible for the co-ordination of the FAULHABER Drive Systems' international sales activities. Horne Technologies cc is the sole authorised distributor for South as per sole supplier letter attached. All technical and commercial matters concerning the sales and service of range of miniature drive systems are handled by Horne Technologies. The system design has been qualified, validated, and approved based on the original motors supplied.
13	Transaction value (Excl. VAT) ***(If the quotation is in foreign currency, indicate the exchange rate (ROE) used and the date of that rate.)***	R **520,880.00**
14	Transaction value (Incl. VAT) ***(If a local supplier's quotation includes an exchange rate, record the supplier's rate and add a contingency to cover possible rate changes at invoice payment.)*** ***Indicate the base quote, contingency %, and final amount including contingency.***	Base Quote = R 599,012.00 Contingency % = 0 Final Amount = **R 599,012.00**
15	Savings ***(Savings may include negotiated savings, savings associated with having to retrain resources, re-standardise processes, etc., if a different supplier were to be used)***	☐ Yes ☒ No If yes, indicate the following: ☐ Negotiated Savings Original Quotation: Negotiated Quotation: Savings Amount: ☐ Other savings: Indicate and quantify savings type/s. **Attach proof of savings and quotations.**
16	Prepayment required	☐ Yes ☒ No

	(If yes, the prepayment approval, in accordance with the CSIR approval framework policy, must be submitted as an attachment.)	If yes, indicate the % prepayment and amount:
17	• 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: Airbus GAOA025
18	Nature of Expenditure	☒ Operational Expenditure ☐ Capital Expenditure
19	If Capex – was the expenditure approved in the cluster's/portfolio's business plan?	☐ Yes ☐ No ☒ N/A
20	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.: N/A Employee Name & Position: N/A
21	Funding for the asset	☐ CSIR ☐ GRANT ☒ 3rd Party ☐ N/A
22	Full Charge Account	Project Number: GAOA025 Category: Technical Component Activity: Running Expenditure Type: Running Department/Cluster Code: 084AA Delivery Location: Building 12
23	If Capex – was the expenditure approved in the cluster's/portfolio's business plan?	☐ Yes ☐ No ☒ N/A
24	If the acquisition is CAPEX in nature, are there any building modifications required?	☐ Yes ☐ No ☒ N/A Comments:
25	If building modifications will be required, has the FM&SS portfolio been consulted?	☐ Yes ☐ No ☒ N/A Comments:

Supporting Documentation to be attached to the request to procurement		
26	Supporting Documentation – tick the relevant documents	☒ Valid Quotation ☐ Motivation Memo (if applicable) ☐ Proof of thorough analysis or pre-selection procurement process followed to identify the supplier. ☐ Prepayment approval, in accordance with the CSIR approval framework policy, where applicable ☒ Completed and signed SBD 1 Form ☒ Completed and signed SBD 4 Form ☐ Valid B-BBEE certificate / Sworn affidavit ☒ Other: Sole Supplier Letter

Tick the applicable

Sole Supplier considerations		
27	☐ 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.
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.

SECTION B

To be completed by the SCM 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.

33	Call No.	0010005
34	SSP No as per register	SSP - 092
35	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 N/A
36	Supporting Documentation to be provided/facilitated by SCM	☐ SARS tax obligation clearance letter (foreign suppliers) ☒ CSD Report printed on the day of submission ☐ Other: **Specify**
37	Is the supplier listed on the NT database of restricted suppliers? Restricted Supplier and Tender defaulter Report	☐ Yes ☒ No If yes supplier cannot be used
38	Is the supplier listed on the NT register of tender defaulters? Restricted Supplier and Tender defaulter Report	☐ Yes ☒ No If yes supplier cannot be used

SECTION C

Facilitation of signatures by SCM Official handling the request

If the request was approved by the CSIR Executive Committee (ExCo) or the Board, the Sole Source form does not need routing to the Group Executives or CSIR Chief Executive Officer. The Sole Source form must reference the relevant ExCo minute extract or Board resolution, which must be attached.

		Name	Designation	Signature	Date
39	SCM Practitioner	Nelisiwe Dlamini	Jnr Procurement Practitioner	Nelisiwe Dlamini	20/05/2026
40	SCM Manager	Mandla Nkosi	Div/Port Procurement Manager		20/05/2026
41	Imports/Exports Review (Applicable to all foreign purchases)	N/A	N/A		
42	Reviewed by SCM Compliance	Luschen Pillay	Gov & Compliance Specialist		22/05/2026
43	Supported By ***(Person reporting to the Recommender)***	Louw van Zyl	Principal Researcher		22/05/2026
44	Recommendation Supported by ***(Finance Manager signature required for asset acquisitions)***	N/A	N/A		
45	Recommended By (R)	Yoshlyn Naidoo	Research Group Leader III		25/05/2026
46	Recommendation agreed to by (A)	Biko Managa	Impact Area Manager		25/05/2026
47	Final Approver (D)	Letho Dlamini	Manager: Compliance & Reporting		26/05/2026
48	Reason for rejection – if rejected				
49	Other Comments/Conditions				

SECTION D

Approvals as per CSIR Approval Framework Policy

		Board	CEO	ExCo	CFO	ExCo Member/Group Executive	Executive Cluster/Group Manager	Operations/ Support Manager	Group Manager: SCM	Operations/ Support Staff
Deviation from a competitive bidding process to follow a Sole Source Deviation process										
Sole Source	More than R30 million.	D		A		R				
	More than R15 million and up to R30 million.		D		A	R				
	More than R4 million and up to R15 million.				D	R			A	
	From R30k and up to R4 million.							A	D	R

NOTE 1: "Sole Source" where there is no competition in the market and only one supplier is able to provide the goods or services.

NOTE 2: The limits are per transaction or deviation. All requests for Sole Source purchases must be made by the requesting division, cluster, centre or department, which shall prepare the submission in collaboration with the SCM 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. Approvals only pertain to process approval and not expenditure approval.

NOTE 3: Reference to ExCo Minutes abstract and Board Resolution signifies approval.

NOTE 4: Except for the lower limit of R30k, all amounts are VAT-exclusive.