

	GX TENDER CANCELLATION REPORT DUAL / TRIPLE / R300M SITE BASED PTC	Document Identifier	240-169448751	Rev	1
		Effective Date	June 2022		
		Review Date	June 2025		

TO:	Sandile Sikhakhane Kriel Power Station	Date:	04 February 2025
NAME OF COMPILER AND BUSINESS UNIT	Paku Motsoari Kriel Power Station	Tel:	011 800 8111
NAME OF END-USER BUSINESS UNIT	Neo Muthavhine Kriel Power Station		
DESCRIPTION	Monitoring of Critical Structures at Kriel Power Station: Cooling Towers, Chimney Structures, Boiler Structure and Turbine Building for (3) Three years		
PR NO.	1075446489		
ENQUIRY NO.	MPKRI11147GX		

1. INTRODUCTION

In accordance with Eskom Procurement Instruction Note 2 of 2021, approval is requested from the **Dual Adjudication** (whom approved the strategy) as the relevant DAA, to cancel the above enquiry for **Monitoring of critical structures at Kriel Power Station: Cooling Towers, Chimney Structures, Boiler Structure and Turbine Building for (3) Three years.**

2. BACKGROUND

2.1 THE COMMERCIAL PROCESS

BUDGETED / ESTIMATED VALUE	R 3 594 460.86
DATE ORIGINAL STRATEGY WAS APPROVED	24 May 2024
ENQUIRY ISSUE DATE	27 May 2024
PUBLISHED PLATFORMS	NT e-Tender / Eskom Tender Bulletin
ORIGINAL TENDER CLOSING DATE	27 July 2024
ORIGINAL VALIDITY END DATE	05 August 2024
NUMBER OF RESPONSES RECEIVED	12
NUMBER OF RESPONSES EVALUATED FOR FUNCTIONALITY	0 – Evaluation stopped once published scoring criteria was noted to be incorrect.

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2.2 TENDER CANCELLATION PROCESS

FIRST / SECOND TENDER CANCELLATION (<i>Select First / Second</i>)	
REASON FOR TENDER CANCELLATION (<i>Tick which is applicable</i>)	
a) Changed business circumstances where there is no longer a need for the goods, works or services as described in the enquiry document;	
b) Improper / unrealistic specifications and functionality criteria in the enquiry document ;	
c) Funds no longer being available to cover the whole envisaged expenditure for the goods, works or services;	
d) No acceptable tenders received;	
e) Material irregularities (such as non-compliance with legislation or where the constitutional principles of fairness etc is breached);	
f) A market-related price not being agreed after negotiating with the top three tenderers (see process under Post tender Negotiations section)	
g) If the Commercial Strategy was to establish a panel of consultants / service providers or to award the contract to more than one supplier (not a panel) due to the different regions or scope of work, and there were no successful supplier/contractor/service provider for every region or scope of work, the process should be concluded with the successful supplier and the enquiry should be re-issued for the remaining regions/scope of work.	
h) Where invited suppliers to a closed enquiry choose not to respond, but the tender list is valid, and all procurement processes have been fairly and correctly followed.	
i) Informal Tendering - If only one quote is received, the Procurement Practitioner must re-issue to the completed list of potential tenderers again.	
j) Informal Tendering - Should it be found that the outcome of the evaluation shows that the lowest acceptable tender is more than R1m, the process must be cancelled	
Other: In correct scoring criteria published in the tender bulletin	✓
State "Other" reasons in detail:	

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DATE FIRST /SECOND TENDER CANCELLATION WAS APPROVED	N/A
RELEVANT DAA THAT APPROVED FIRST / SECOND TENDER CANCELLATION	N/A
IF SECOND TENDER CANCELLATION, STATE REASON FOR PREVIOUS CANCELLATION	N/A
DATE REVISED STRATEGY WAS APPROVED	N/A
ENQUIRY ISSUE DATE	27 May 2024
PUBLISHED PLATFORMS	NT e-Tender / Eskom Tender Bulletin
TENDER CLOSING DATE	27 July 2024
VALIDITY END DATE	05 August 2024
DATE THE MANDATE TO NEGOTIATE (POST TENDER) WAS APPROVED	N/A
DATE THE MANDATE (PT) WAS APPROVED	N/A
DID NATIONAL TREASURY APPROVE REQUEST FOR SECOND CANCELLATION?	N/A

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3. INTERNAL CONTROL DEFICIENCIES

ROOT CAUSE			
After Auxiliary Engineering sent PDF documents of the strategy and NEC documents, the buyer requested word documents for the technical evaluation strategy, which would allow them to remove the names of the TET members before publishing. In sending the word documents, a working document that had the incorrect scoring criteria was mistakenly sent to the buyer. The error was only picked up after tender closing and at evaluation. Although the differences in overall weighting were minor, the sub-criteria weighting was different and in excess of 100%.			
IMPACT			
Unable to evaluate Tender because of differing and incorrect strategies issued to the market.			
RISKS			
Risk	Risk Description	Risk Mitigation	Likelihood
1	Delay in placing structural evaluation contracts that would address current statutory requirements.	Intermediate structural assessments conducted on a once off basis with the GIS department.	
CORRECTIVE ACTIONS REQUIRED AVOIDING SIMILAR FUTURE INCIDENTS			
Thorough checking of documents submitted prior to submitting to procurement and prior to publishing on the tender bulletin.			
RECOMMENDATION			
Cancel tender and reissue with the correct documentation.			

4. MANAGEMENT'S RESPONSE

MANAGEMENT COMMENT ON CANCELLATION		
Cancellation reasons consistent with permitted reasons for cancellation in 32-1034.		
MANAGEMENT COMMENT ON INTERNAL CONTROL DEFICIENCIES		
The cross functional team and the buyer must squad the strategy vs approved documents to avoid the future incidents		
MANAGEMENT COMMENT ON ROOT CAUSE AND IMPACT		
Squad check meeting must be properly conducted up to strategy document.		
MANAGEMENT COMMENT ON RECOMMENDATION		
Supported		
REMEDIAL ACTION		
WHAT ACTIONS WILL BE TAKEN?	BY WHOM	BY WHEN
Engineering to revise the procurement strategy and re-issue	Cross functional team	as per business requirements
NAME OF MANAGER WHO RESPONDED		
NAME:	Nyadi Tjia	
POSITION:	Middle Manager Procurement & Supply Chain Management	
GRADE:	M17	
DATE:	20/02/2025	

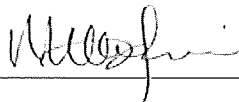
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5. SIGNATURES

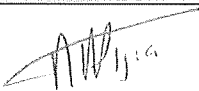
5.1 COMPILED BY:

NAME	DESIGNATION	SIGNATURE	DATE OF SIGNATURE	REASON FOR SIGNING
Contract Manager / End user	Sanele Msibi		06/02/2025	End-User / Appointed Contracts Manager
Buyer	Paku Motsoari		06/02/2025	Delegated Procurement Practitioner

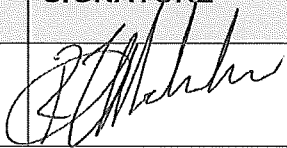
5.2 SUPPORTED BY:

NAME	DESIGNATION	SIGNATURE	DATE OF SIGNATURE	REASON FOR SIGNING
Sandile Sikhakhane	Procurement Manager		2025/02/10	Manager Support in
Neo Muthavhine	Line Manager of End User / Contract's Manager		2025/02/06	Manager Support in

5.3 MANAGEMENT RESPONSE RECOMMENDED BY:

NAME	DESIGNATION	SIGNATURE	DATE OF SIGNATURE	REASON FOR SIGNING
Nyadi Tjia	Middle Manager PSCM		20/02/2025	Middle Manager responsible for Management Response

5.4 ACCEPTED BY:

NAME	DESIGNATION	SIGNATURE	DATE OF SIGNATURE	REASON FOR SIGNING
Rofhiwa Nelwamondo	Line Manager		25/02/2025	Accepted on behalf of transgressor

5.5 ACKNOWLEDGED BY:

NAME	DESIGNATION	SIGNATURE	DATE OF SIGNATURE	REASON FOR SIGNING
Morongwa Raphasha	Power Station General Manager		2025/08/81	In Acknowledgement thereof

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