

SUPPLY CHAIN MANAGEMENT POLICY

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1. DEFINITIONS

In this policy, unless the context indicates otherwise, a word or expression has the same meaning as assigned in the regulations, namely:

Acceptable bid - Any bid, which, in all respects, complies with the specifications and conditions of the bid as set out in the bid document.
Acceptable offer - An offer that meets all mandatory requirements specified in the tender documents, including technical specifications, quality standards, and delivery timelines and value for money.
Accountable - All officials and other role players shall be accountable for their decisions and actions relative to their supply chain management responsibilities, which include contract management. Accountability cannot be delegated, and line management remains accountable.
Accounting Authority - The DBSA Board of Directors.
Authorised person - The Accounting Authority or the appropriately delegated authority in terms of the DBSA Delegation of Authority (DoA).
Bid - A formal offer submitted by a bidder in response to a request for proposal/information/quote issued by the DBSA.
Bidder - An individual, organisation or entity who responds to a request for quotation, request for proposals (tenders) and expression of interest.
Bid Evaluation Committee - is a multidisciplinary team officially appointed to conduct the evaluation of all bids received.
Bid Specification Committee - A multidisciplinary committee responsible for the composition and drafting of specifications/terms of reference for the procurement of goods, services and works.
Closed Bidding - This occurs when a selected group of service providers appointed through a panel, are invited to submit proposals in line with the panel's terms and conditions.
Code of Ethics - A statement of standards of practice and conduct to be followed by all SCM officials, other role player including bid committee and SCMC members in a supply chain management system.
Competitive bidding - The objective of competitive bidding is to provide all prospective bidders with timely and adequate notification of an institution's requirements and an equal opportunity to bid for the required goods, works or services. This allows for unfettered competition.
Contract - A written agreement that results from an acceptable offer by the DBSA.
Contractor/Supplier - Any natural or legal person whose bid has been accepted by the DBSA.
Conflict of Interest - Any situation in which:
<ol style="list-style-type: none"> An official in a position of trust has competing professional, financial and personal interests which make it difficult for them to fulfil their duties impartially; An individual or organisation in a position to exploit a professional or official capacity in some way for personal or corporate benefit; and Incompatibility or contradictory interests exist between an employee and the DBSA.
Demand Management - The first phase of SCM that ensures that the resources required to fulfil the needs identified in the strategic plan of the institution are delivered at the correct time, price and place and that the quantity and quality will satisfy those needs.
Deviation - If in a specific case where it is impractical to invite competitive bids. The DBSA procures by other means. The reasons are recorded and approved by the delegated authority.

Emergency Procurement – A form of a Deviation to address a serious and/or unexpected situation that poses an immediate risk to life, health, property or environment, which calls an urgent action and there is insufficient time to invite competitive bids.

Functional evaluation - An evaluation criterion that assesses a bidders' capacity, and capability to meet specific tender requirements.

Infrastructure Delivery Management System (IDMS) - Is a standardised approach for planning, procurement, management and delivery of infrastructure aligned to South African legislation.

Irregular Expenditure – as defined in the Public Finance Management Act 1 of 1999

Limited Bidding - A bidding process reserved for a specific group or category of possible suppliers through procurement by:

- a) Sole Source – where there is no competition in the market and only the one supplier is able to provide the goods or services;
- b) Single Source – where a thorough analysis of the market and a transparent and equitable pre-selection process is used to decide on one supplier among a few prospective bidders to make a proposal; and
- c) Multiple Source – where a thorough analysis of the market indicates that there is limited competition and only a few prospective bidders are requested to make a proposal.

Open Bidding – refers to a publicly advertised competitive bidding process promoting transparency and equal opportunity.

Politically Exposed Persons - are individuals who:

- a) Hold a prominent public function;
- b) Are entrusted with a high-profile political role;
- c) Present a higher risk for potential involvement in bribery and corruption due to their position and influence; and
- d) Include not only the person directly holding office, but also their immediate family members and close associates;
- e) Please refer to the DBSA Policy on Politically Exposed Persons

Procurement - An approved process as addressed in this Policy by which the DBSA acquires goods, services and works in a way that provides the best value for money.

Procurement Planning - Indicates what purchases an institution will undertake in the short, medium and long-term. Proper planning should reduce delivery delays, eradicate recurring contracts and unnecessary extensions and eliminate the need for emergency procurement.

Sanctions - An official action taken (exclusion) against an individual/ organisation as punishment for engaging in undesired activities (fraud and corruption).

Supply Chain Management Committee - The SCMC is the Bid Adjudication Committee which is an EXCO Committee

Total Cost of Ownership (TCO) – To determine the direct and indirect costs of a product or service over its full life cycle (from procuring, installing, deploying, operating, upgrading, maintaining and disposal).

2. ACRONYMS

For the purposes of this document, the following abbreviations apply:

B-BBEE	Broad Based Black Economic Empowerment
BEC	Bid Evaluation Committee
BSC	Bid Specification Committee
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CPO	Chief Procurement Officer
DBSA	Development Bank of Southern Africa
DoA	Delegation of Authority
EXCO	DBSA Executive Committee
FIPDM	Framework for Infrastructure Procurement and Delivery Management
GE	Group Executive
IDMS	Infrastructure Delivery Management System
MOA	Memorandum of Agreement
PFMA	Public Finance Management Act 1 of 1999
PPPFA	Preferential Procurement Policy Framework Act 5 of 2000
PPP	Public Private Partnership
RFB	Request for Bid
RFI	Request for Information
RFQ	Request for Quotation
RFP	Request for Proposal
SCC	Special Conditions of Contract
RMCP	Risk Management and Compliance Programme Policy
TCO	Total Cost of Ownership
SCM	Supply Chain Management
SCMC	Supply Chain Management Committee
SDC	Supplier Debarment Committee
SLA	Service Level Agreement
TOR	Terms of Reference

3. PURPOSE

- 3.1. The purpose of this policy is to provide a governance framework for all Supply Chain Management (SCM) practices within the DBSA.
- 3.2. To give effect to Section 217 of the Constitution of the Republic of South Africa by implementing a SCM system considering the underlying principles of fairness, equity, transparency, competitiveness, and cost- effectiveness.
 - 3.2.1. To integrate SCM processes as published by National Treasury through SCM framework namely:
 - 3.2.1.1. Demand Management;
 - 3.2.1.2. Acquisition Management;
 - 3.2.1.3. Disposal Management;
 - 3.2.1.4. Contract Management; and
 - 3.2.1.5. Performance and Risk Management.
 - 3.2.2. Promote and ensure accountability for good governance and ethical conduct.
 - 3.2.3. To achieve the highest level of professional standards across the SCM value chain, maximise value for money taking into account the Total Cost of Ownership, minimise risk and safeguard the DBSA's interests.
 - 3.2.4. Encourage effective competition through procurement methods suited to market circumstances.
 - 3.2.5. Implement a centralised model for supply chain management, with the SCMC providing overarching SCM governance.
 - 3.2.6. Committing itself to support transformation by adopting and contributing to initiatives that support the transformation strategy and targets of the DBSA.

4. APPLICABILITY

- 4.1. This policy applies to all stages of the SCM cycle and is applicable to all individuals within the DBSA, including permanent and temporary employees, as well as all agencies, contractors, and service providers procuring on behalf of the DBSA.

5. POLICY EXCLUSIONS

- 5.1. This policy does not apply to procurement of goods, works and services as listed below:
 - 5.1.1. Utility bills for water and lights provided by a public institution;
 - 5.1.2. Product(s) and/or service(s) rendered by any Provincial and National Department;
 - 5.1.3. Services rendered by The Auditor-General South Africa (AGSA);
 - 5.1.4. Product(s) and/or service(s) rendered by the South African Post Office;
 - 5.1.5. Product(s) and/or service(s) rendered by any Public or a Municipal entity;
 - 5.1.6. Product(s) and/or service(s) obtainable through a subscription for professional membership;

- 5.1.7. Service(s) rendered by DBSA unit to another DBSA unit;
- 5.1.8. In the event where DBSA appoints international companies rendering mandatory compliance services including rating agencies;
- 5.1.9. Procurement from Regulatory Authorities and Chapter Nine (9) Institutions;
- 5.1.10. Letting out and alienation of land and fixed property;
- 5.1.11. Human resources employee benefits which include medical aid, housing, and pension benefits.
- 5.1.12. Sponsorships, gifts, and donations.
- 5.1.13. Corporate Social Investment and triple bottom line initiatives.
- 5.1.14. Advertising space and media buying.
- 5.1.15. Petty cash as per its policy.
- 5.1.16. Where DBSA raises funds, whether in the form of a loan or a bond, including raising credit lines or financing for transactions wherein the DBSA acts as an arranger or a financial advisor;
- 5.1.17. The provision of degree or diploma certificates by tertiary institutions, attendance of training courses, workshops, seminars and conferences provided that such transactions are approved by the person with the required DoA. Such quotes must be sourced and processed by the end user department requiring the training/workplace skills planning in conjunction with the Learning & Development unit, utilising the Human Capital approved process; and
- 5.1.18. Appointment of professional facilitators/speakers to lead and guide discussions, workshops or strategic sessions.

6. APPLICABLE LEGISLATIVE FRAMEWORK

- 6.1. DBSA's SCM activities shall, to the extent required by law for Schedule 2 public entities, comply with, *inter alia*, the following legislation and related regulations (as amended):
 - 6.1.1. Constitution of the Republic of South Africa, 1996;
 - 6.1.2. Public Finance Management Act 1 of 1999;
 - 6.1.3. Development Bank of Southern Africa Act 13 of 1997;
 - 6.1.4. Competition Act 89 of 1998;
 - 6.1.5. Public Audit Act 25 of 2004;
 - 6.1.6. Promotion of Access to Information Act 2 of 2000;
 - 6.1.7. Protected Disclosures Act 26 of 2000;
 - 6.1.8. Preferential Procurement Policy Framework Act 5 of 2000 and its regulations;
 - 6.1.9. Promotion of Equality and Prevention of Unfair Discrimination Act 4 of 2000;
 - 6.1.10. Broad Based- Black Economic Empowerment Act 53 of 2003 and its regulations;
 - 6.1.11. Prevention and Combating of Corrupt Activities Act 12 of 2004;
 - 6.1.12. Promotion of Administrative Justice Act 3 of 2000;
 - 6.1.13. Protection of Personal Information Act 4 of 2013;
 - 6.1.14. Treasury Regulations 2005; and
 - 6.1.15. Construction Industry Development Board Act 38 of 2000 and its regulations.

7. DELEGATION OF AUTHORITY

- 7.1. The Accounting Authority (Board of Directors) has delegated the following powers and duties to the CEO of the DBSA:
 - 7.1.1. To discharge the SCM responsibilities in terms of Section 51(1) (a) and (i) of the PFMA; and
 - 7.1.2. Where the CEO opts to sub-delegate certain functions, such delegations shall be in accordance with the DBSA's approved DoA.

8. ETHICAL STANDARDS

- 8.1. **The** DBSA promotes an effective and efficient SCM system, to ensure that processes are transparent, ethical, and open to scrutiny. All DBSA officials are expected to uphold the following principles of corporate governance:

8.2. Accountability

- 8.2.1. All DBSA's officials and role players shall be accountable for their decisions and actions relative to procurement responsibilities, including SCM processes, conclusion, and implementations of contracts.

8.3. Confidentiality

- 8.3.1. Any information that is the property of DBSA or its suppliers shall be protected.
- 8.3.2. Confidentiality agreements in the form of non-disclosure agreements shall, where appropriate, be entered into with agents and contractors to protect the DBSA's confidential information and interests.
- 8.3.3. All SCM information should to be kept confidential unless legislation or performance of duty authorized otherwise.

8.4. Conflict of Interest

- 8.4.1. All employees and agents of DBSA shall comply with the requirements of its Policy on Conflict of Interest.

8.5. Gratifications, hospitality, and gifts

- 8.5.1. All officials, role players and internal stakeholders shall adhere to DBSA's Gift and Hospitality Policy.

9. DEMAND MANAGEMENT

9.1. The purpose of demand management is to ensure that the goods, services, and works required to support the strategic and operational commitments of the DBSA are delivered using the right processes, information, and sources. This includes ensuring the right quantity, quality, price, time, and place. To achieve this, the DBSA shall conduct the following activities:

- 9.1.1. Needs analysis;
- 9.1.2. Market and Industry analysis;
- 9.1.3. Cost of Ownership Analysis, and
- 9.1.4. Supplier and Expenditure Analysis.

9.2. Procurement Planning

- 9.2.1. The DBSA shall develop annual procurement plans for all procurement requirements according to thresholds as defined in the DoA.
- 9.2.2. The DBSA shall conduct a systematic assessment and procurement planning through periodic updating and reporting of procurement plans.
- 9.2.3. The DBSA shall procure according to the approved procurement plans. Any requirements outside the procurement plans shall be subject to prior approval.
- 9.2.4. Unit Heads shall provide an oversight role on implementation of Annual Procurement Plans.

9.3. Bid Specifications Committee (BSC)

- 9.3.1. All bid specifications and terms of reference shall be developed by an ad-hoc cross-functional Bid Specification Committee set-up according to approved BSC terms of references and DoA.
- 9.3.2. The function, role, and responsibility of the BSC is clearly and adequately articulated in the DBSA's BSC ToR.
- 9.3.3. No person, advisor or corporate entity or director of such corporate entity, involved in the BSC, may bid for any resultant contracts.
- 9.3.4. The BSC may when developing Specifications/TORs, implement objective criteria as part of the DBSA's transformation agenda.

9.4. Objective Criteria

- 9.4.1. The BSC may determine and stipulate in the tender document, objective criteria applicable in selecting bids, considering the following:
 - 9.4.1.1. Any Demographics;
 - 9.4.1.2. Geographic location;
 - 9.4.1.3. B-BBEE Level; and or
 - 9.4.1.4. Any other criterion that may be deemed relevant.
- 9.4.2. Such criteria shall be determined by the BSC on the applicability to the tender.

10. ACQUISITION MANAGEMENT

- 10.1. Acquisition management references the process of approaching the market for goods, services, and works in accordance with authorised policies and procedures which consider:
 - 10.1.1. Expenditure on goods, services or works is incurred in terms of an approved budget.
 - 10.1.2. The threshold values for different procurement processes are complied with.
 - 10.1.3. Bid documentation, evaluation, adjudication, general conditions, and special conditions of contract are in accordance with any applicable legislation.

10.2. Request for Quotations (RFQ)

- 10.2.1. The DBSA shall invite written quotations for procurement of goods, services and works up to an estimated value as determined by the DBSA threshold value circular as amended from time to time from prospective suppliers who are registered on the Central Supplier Database (CSD), or a database as established by the DBSA.
- 10.2.2. The minimum number of days for the invitation of quotations as determined by the SCM Standard Operating Procedures shall ensure that prospective suppliers are afforded reasonable time to submit their quotations.
- 10.2.3. The minimum validity period of quotations after the closing date shall be specified in the bidding documents.
- 10.2.4. The SCM Standard Operating Procedures shall determine the method and documentation of inviting and receiving quotations including persons or committees responsible for the evaluation and adjudication of quotations.
- 10.2.5. Bidders shall be evaluated for pricing and preference points in accordance with the PPPFA and its regulations, as amended from time to time by National Treasury.

10.3. Request for Proposals/Bid (RFP/RFB)

- 10.3.1. A request for proposal is a competitive bidding process and shall be used where the DBSA wishes to procure goods, services or works exceeding the value prescribed for quotations.
- 10.3.2. Competitive bids must be advertised in at least the e-Tender Portal. The DBSA may also advertise competitive bids on the website and in any other appropriate media should it deem necessary.
- 10.3.3. Bidders shall submit bids that are valid for a period specified in the bidding documents which shall be sufficient to enable the finalisation of the bidding process.
- 10.3.4. The SCM Standard Operating Procedures shall determine the method and documentation of inviting and receiving proposals including persons or committees responsible for the evaluation and adjudication of bids.
- 10.3.5. Bidders shall be evaluated for pricing and preference points in accordance with the PPPFA and its regulations, where an 80/20 preference points system or 90/10 preference points system shall be applied.

10.3.6. If it is unclear whether the 80/20 or 90/10 preference point system applies, the DBSA shall state in the tender documents that the highest acceptable tender will be used to determine the applicable preference points system.

10.3.7. In the event of any amendments to the preference point system by National Treasury, the DBSA will apply the system as prescribed under the new Act and its associated regulations.

10.4. Public / Private Partnerships (PPP)

10.4.1. Public private partnership refers to those instances where the public and private sector form partnerships for the rendering of infrastructure projects and services that will be to the benefit of both parties.

10.4.2. Whenever goods, works and services are procured by means of public private partnerships or as part thereof, the Treasury Regulations shall apply.

10.5. Bid Evaluation Committee (BEC)

10.5.1. The BEC is an ad-hoc committee that is constituted to evaluate bids as per published criteria.

10.5.2. The BEC shall be appointed in writing in line with the DBSA's DoA.

10.5.3. This BEC is composed of multi-disciplinary teams and its functions, roles and responsibilities are articulated in their ToR.

10.6. Supply Chain Management Committee (SCMC)

10.6.1. The SCMC is a standing cross-functional committee and is responsible for overall SCM governance as detailed in the SCMC TOR.

10.6.2. The SCMC mandate and its functions, roles and responsibilities are articulated in their ToR.

10.6.3. The SCMC acts as the Bid Adjudication Committee of the DBSA.

10.7. Establishment and use of Framework Contracts

10.7.1. The DBSA may establish a list of pre-selected and approved suppliers through a competitive bidding process for the supply of goods, services or works, where:

- 10.7.1.1. Goods, services or works of a technical/ specialised nature are required, or
- 10.7.1.2. Goods, services or works are required on a recurring basis, or
- 10.7.1.3. Goods, services or works are of a higher risk and/or high value, or
- 10.7.1.4. Client's requests/needs necessitate such establishment to enable efficient response.

10.8. Establishment and use of Panels

10.8.1. DBSA may establish a panel where a list of suppliers is pre-selected/qualified through a competitive process for a defined period. The appointment of suppliers to deliver required goods, services or works can be done via a request for quotation (RFQ) process or rotation basis for a defined period.

10.9. Criteria for breaking a deadlock

- 10.9.1. If two or more bidders score equal number of points, the bid must be awarded to the bidder that scored the highest points for specific goals.
- 10.9.2. If two or more bidders score equal points in all respects, the award must be decided by the drawing of lots, which must be recommended by the Bid Evaluation Committee.

10.10. Participation in contracts arranged by other organs of state

- 10.10.1. The DBSA may procure from a contract concluded by another organ of state only if:
 - 10.10.1.1. The contract has been properly concluded in line with the SCM legal framework.
 - 10.10.1.2. The organ of state that concluded the contract and the relevant supplier have both consented to the participation in writing.
 - 10.10.1.3. The DBSA concludes a separate service level agreement with the supplier that stipulates the duration of the agreement stating the start and end date.

10.11. Unsolicited bids

- 10.11.1. DBSA may receive unsolicited bids from suppliers outside its normal procurement process. The DBSA is not obliged to consider unsolicited bids and if it decides so, it shall comply with National Treasury Practice Note No 11 of 2008/2009 Unsolicited Proposals and may consider unsolicited bids if they meet the following requirements:
 - 10.11.1.1. A comprehensive and relevant project feasibility study has established a clear case; and the product or service involves an innovative design, innovative approach to project development and management.
 - 10.11.1.2. The product or service presents a new and cost-effective method of service delivery.
 - 10.11.1.3. The DBSA may not consider proposals that are already established within an existing procurement plan or business strategy objectives.

10.12. Request for Information and Proof of Concept

- 10.12.1. Where the need is established, the DBSA may embark on a research process, which may include the following:
 - 10.12.1.1. Request for Information (RFI) - An RFI may be issued to the market to gather information on available solutions, suppliers, and technologies. Responses to an RFI will be used for research and planning purposes only and will not constitute a binding procurement process. The outcome of an RFI may inform the development of specifications, terms of reference, or the decision to proceed with a formal procurement process.

10.12.1.2. **Proof of Concept (PoC)** - A PoC may be conducted to test and evaluate a proposed solution, service, or technology in a controlled environment, in conjunction with the Original Equipment Manufacturer (OEM) or its authorised representative. The PoC process must be clearly defined, including scope, objectives, timelines, and evaluation criteria. Findings from the PoC will be documented and used to determine the feasibility, risks, and benefits of adopting the proposed solution prior to initiating a formal procurement process. The involved OEM or authorized representative may not participate in the new formal process

10.13. Rotation of suppliers

10.13.1. DBSA is committed to promoting equal opportunities and fair competition through participation by suppliers. Where possible the rotation of suppliers per capacity, capability, and commodity type, will be adhered to. These principles are comprehensively outlined in the SCM Standard Operating Procedures.

10.13.2. DBSA shall ensure fair competition and equal opportunity to suppliers.

11. INFRASTRUCTURE PROCUREMENT

11.1. Infrastructure procurement is implemented in accordance with procurement gates as prescribed in the National Treasury Framework for Infrastructure Delivery and Procurement Management (FIDPM) as amended.

11.2. Procurement gates shall be used, as appropriate, to:

11.2.1. Authorise commencement to the next control gate.

11.2.2. Confirm conformity with requirements.

11.2.3. Provide information, which creates an opportunity for corrective action to be taken.

11.2.4. The authorisation to proceed to the next procurement gate must be given by a delegated person or body.

11.2.5. The delegated person or body must be able to apply the knowledge and skill to achieve intended results required at the relevant procurement gate.

11.2.6. The level of detail contained in the documentation upon which a decision to proceed to the next procurement gate must be sufficient to enable an informed decision.

11.2.7. DBSA makes provision for procurement of Professional Service Providers (PSPs) which can occur at any point in the Infrastructure Delivery Management System (IDMS) Processes.

11.2.8. DBSA reviews and standardises the planning processes and related documentation to reduce project lead time, speed up delivery and minimise the opportunity for tender manipulation.

11.2.9. DBSA puts in place measures to ensure that the infrastructure delivered is fit for purpose and provides value for money throughout its service life cycle, taking into account the Total Cost of Ownership (TCO).

11.3. Types of Infrastructure Contracts

11.3.1. The types of contracts used for infrastructure projects will be listed in the SCM Standard Operating Procedure.

12. DEVIATIONS AND PROCUREMENT BY OTHER MEANS

12.1. Deviations

12.1.1. Where it is impractical to follow the competitive bidding process. The DBSA may deviate from the normal procurement processes, the reasons thereof, should be recorded and approved in line with the DBSA's DoA, under the following circumstances:

- 12.1.1.1. **Emergency Procurement** - may occur when there is a serious and unforeseen situation that poses an immediate risk to health, life, property, or environment which calls the DBSA to action and there is insufficient time to invite competitive bids or quotations.
- 12.1.1.2. **Sole Source** - procurement may be used where there is no competition in the market and only one supplier is able to provide the required goods, services or works.
- 12.1.1.3. **Single Source** – may be appropriate only if it presents a clear advantage over competition in the following circumstances
 - 12.1.1.3.1. After a thorough analysis of the market and a transparent and equitable pre-selection process has been used to decide on one supplier among many suppliers to provide goods, services or works that are a specific match to the DBSA's activities for value add and business continuity.
 - 12.1.1.3.2. A task that represents a natural continuation of previous work carried out by the firm.
- 12.1.1.4. **Multiple Source** - procurement may be used where a thorough analysis of the market indicates that there is limited competition and only a few prospective bidders are requested to make a proposal. This excludes closed bidding done from an established panel.
- 12.1.1.5. **Closed Bidding/ Procurement** - may occur where only pre-qualified or accredited or invited bidders are allowed to submit bids, and the bid documents are not publicly advertised.
- 12.1.1.6. **SCM Process Augment** – may occur where the need arises to augment part of a normal procurement process as set-out in the SCM Standard Operating Procedures.

12.2. Procurement by other means (Exceptions)

12.2.1. DBSA may procure goods and services by other means or methods where competitive bidding is not feasible or practical. These processes, notwithstanding any provision as set out in this policy includes:

- 12.2.1.1. Relationship between the DBSA and International third parties. In such instances, procurement will be done as agreed between the DBSA and the third party and aligned with international best practice and standards.

- 12.2.1.2. Goods, services or works required outside the borders of the Republic of South Africa, provided that such procurement is aligned with an international best practice and standards in line with all risk management processes.
- 12.2.1.3. Where confidentiality, sensitive or security considerations matters are a requirement or perquisite;
- 12.2.1.4. Where there are Transversal Contracts;
- 12.2.1.5. Data protection and privacy laws;
- 12.2.1.6. Negotiating IP agreements;
- 12.2.1.7. Strategic Long-Term Partnerships where there are collaborative relationships with specific suppliers or entities;
- 12.2.1.8. Public Private Partnerships (PPPs) for collaborative infrastructure projects and services;
- 12.2.1.9. Banking and Related Services;
- 12.2.1.10. Securing stand /booking space for exhibitions;
- 12.2.1.11. Conferences/workshops venues;
- 12.2.1.12. Sourcing of specialized Training;
- 12.2.1.13. Specialized legal services; and
- 12.2.1.14. Software licenses procured on a subscription model.

13. PREFERENTIAL PROCUREMENT

- 13.1. Preference Point System for acquisition of goods, services, works and income-generating contracts shall be in accordance with the DBSA's transformation and empowerment policy, preferential procurement policy in line with PPPFA and its Regulations as amended.

14. CANCELLATIONS

- 14.1. DBSA may cancel a bid at any time after the bid has been published to the market and before the award of the bid, under the following circumstances:
 - 14.1.1. Due to changed circumstances where there is no longer a need for the goods or services;
 - 14.1.2. Funds are no longer available to cover the total envisaged expenditure;
 - 14.1.3. No acceptable bid is received;
 - 14.1.4. There is a material irregularity in the tender process;
 - 14.1.5. Bids for which the validity period has been extended as and when required with justifiable reasons;
 - 14.1.6. If it is established that the conduct of a bidder constitutes a transgression of the Prevention and Combating of Corrupt Activities Act (Act No. 12 of 2004), of the Competition Act (Act No. 89 of 1998), of the PPPFA and its regulations, or of the DBSA policies;
- 14.2. Competitive bids cannot be cancelled with the purpose to re-issue in order to influence the outcome of a procurement bidding process; and
- 14.3. Should it be necessary for a bid to be cancelled, approval needs to be obtained from the relevant

authority as per DOA. After approval has been obtained, the SCM Unit must inform all participating suppliers of the cancellation.

15. DIGITALISATION OF SUPPLY CHAIN MANAGEMENT

- 15.1. DBSA may utilise digital mechanisms and platforms which are available at its disposal, to facilitate and optimise certain areas of spend during its procurement processes. These may include amongst others:
 - 15.1.1. E-procurement, which is an electronic procurement for the purchase and sale of goods and services, and may include electronic systems to facilitate the RFQ, RFI, RFP, or any other procurement processes.
 - 15.1.2. A dynamic purchasing system, which is an electronic system that is open for suppliers to join at their discretion and allows DBSA access to a pool of prequalified suppliers at any given time, to afford the suppliers with increased market opportunities.
- 15.2. DBSA must ensure that the regulatory requirements are complied with during its procurement processes, irrelevant of the mechanisms utilised.

16. CONTRACT MANAGEMENT

- 16.1. Contract management is an end-to-end process to ensure that contracts entered into by the DBSA are managed in a manner which minimizes risks and optimises business performance. In addition, contract management is utilised to ensure that the contractual obligations are fulfilled, roles and responsibilities are clearly defined while ensuring that the DBSA deliver services and projects efficiently within scope, schedule and budget.
- 16.2. Contract management covers all service provider agreements in the categories of acquisitions, disposals and lease contracts.
- 16.3. **Expansions, variations, and extensions of contracts**
 - 16.3.1. The DBSA may vary a contract by expanding, modifying, and/or increasing the scope of goods, services, or work in line with the DoA.
 - 16.3.2. If an expansion or variation in the scope of work requires an extension in the period of the contract, the motivation must distinguish between the changes in the scope of work and the period for which the contract is extended.
 - 16.3.3. In the event where the DBSA opts to participate in a transversal contract arranged by National or Provincial Treasury, it shall not expand, vary, or extend the transversal contract by relevant Treasury..

17. ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

- 17.1. The DBSA is committed to integrating Environmental, Social, and Governance (ESG) considerations into all Supply Chain Management (SCM) processes in order to promote

sustainable, responsible, and ethical procurement and inclusive and sustainable economy.

These may include but not limited to:

- 17.1.1. Promote environmentally sustainable practices, including energy efficiency, waste minimisation, and the responsible use of resources.
- 17.1.2. Encourage suppliers to adopt fair labour practices and advance diversity, equity, gender-inclusive practices and inclusion within their operations.
- 17.1.3. Require compliance with all applicable environmental, labour, and social legislation, standards, and regulations.
- 17.1.4. Embed governance principles of transparency, accountability, and ethical conduct throughout supplier engagement and contract management.
- 17.1.5. Where feasible, preference shall be given to suppliers and service providers that demonstrate strong ESG performance or commitments, provided this does not compromise fairness, competitiveness, or cost-effectiveness.
- 17.1.6. ESG requirements may be incorporated into bid specifications, evaluation criteria, and contract conditions, in alignment with the DBSA's sustainability objectives and the applicable regulatory framework.

18. DISPOSAL MANAGEMENT

- 18.1. Disposal Management will be managed as per the DBSA's Asset Management Policy.

19. PERFORMANCE MANAGEMENT AND REPORTING

- 19.1. The Performance Management function allows for monitoring, managing, reporting, evaluating, and auditing of the performance of each SCM strategic objective. The performance evaluation system can influence effective and efficient service business performance and how it supports the DBSA's strategic objectives.

20. RISK MANAGEMENT

- 20.1. When managing SCM risk and mitigation strategies, management and all stakeholders should take certain risk principles into consideration in line with the DBSA's strategic risk register and risk management and compliance programme policy (RMCP).
- 20.2. The DBSA shall conduct ongoing risk assessment and due diligence on SCM processes to ensure that procurement activities are conducted efficiently, transparently, and with minimal risk.
- 20.3. The DBSA shall assess the likelihood and impact of each identified risk and develop mitigation strategies to reduce or eliminate it.

21. COST CONTAINMENT MEASURES

- 21.1. DBSA shall from time-to-time institute cost containment measures were deemed necessary.

22. PROHIBITION OF AWARDS TO PERSONS

- 22.1. Irrespective of the procurement process followed, no award may be made to persons in terms of the following:
 - 22.1.1. Who is in the service of the state.
 - 22.1.2. If that person is not a natural person, of which any director, manager, principal shareholder, or stakeholder is a person in the service of the state; or
 - 22.1.3. Any employee who is contracted with the DBSA in any capacity.
 - 22.1.4. DBSA Ethics Policy shall apply.

23. SUPPLIER DEBARMENT

- 23.1. Suppliers may be restricted from current and future business with DBSA and/or the State for a term determined and recommended by the Supplier Debarment Committee (SDC) in accordance with the DBSA Supplier Debarment Policy.

24. SANCTIONS

- 24.1. The DBSA may consider not conducting business with any individual / companies where debarments have been imposed by South Africa, World Bank, SADC, African Union, the United Nations, the European Union, the government of the United States of America, the government of the United Kingdom, the government of France and any of their governmental authorities, SLA / MOA partners, etc whilst the debarments are still in force. The assessment will be reviewed based on the nature of partnerships that exist with DBSA at the time of award.
- 24.2. DBSA may consider doing business with individuals or companies that are nearing the end of their imposed sanction period, provided that when the contract is awarded, they are no longer under sanction.
- 24.3. The DBSA will perform due diligence and consider the reasons for the sanctions and may elect not to do business with an individual or company after such sanctions have lapsed or expired.

25. CURRENT AND PENDING LITIGATIONS

- 25.1. Should a tenderer be under litigation and submit a tender, the tender process must proceed to conclusion. The risk associated must be noted and submitted to the delegated authority for consideration at award.
- 25.2. This measure is particularly applicable in cases where the allegations under investigation may negatively impact the tenderer's performance or compromise the effectiveness of risk mitigation measures implemented by the DBSA.

26. ADVERSE MEDIA AND REPUTATIONAL HARM

26.1. Adverse Media

- 26.1.1. The DBSA reserves the right to make a decision on any contract award based solely on the information received in the responses to any tender issued out.
- 26.1.2. The DBSA further reserves the right to use relevant information not contained in any tender but which, in the ordinary course of business, is within the knowledge of any employee or Board member of DBSA or its advisors, agents or representatives to be noted and submitted to the delegated authority for consideration at award.

26.2. Reputational Harm

- 26.2.1. DBSA shall review a bidder's reputation in terms of its actions, decisions, or failures within its' course of business, which may arise from various factors including, but not limited to, quality issues, ethical concerns, transparency failures, delays or disruptions, communication failures and any non-compliance with regulations.
- 26.2.2. This measure is particularly applicable in cases where the adverse media may negatively impact the tenderer's performance or compromise the effectiveness of risk mitigation measures implemented by the DBSA.

27. PERSONAL INFORMATION AND DATA STORAGE

- 27.1. All information gathered by SCM shall follow the approved processes and procedures in terms of the Protection of Personal Information Act No.4 of 2013 and Promotion of Access to Information Act, No. 2 of 2000.

28. UNDUE INFLUENCE

- 28.1. Any inducement that may be seen to influence decision-making responsibilities of officials involved in supply chain processes should be reported and dealt with in accordance with the DBSA Gift and Hospitality Policy and if applicable, the DBSA Code of Ethics.

29. DECLARATION OF INTEREST

- 29.1. In keeping with the DBSA Employees' Policy on Conflict of Interest any person with an interest (i.e. financial, personal, professional, ownership and close relationship) that may affect or could be perceived to affect their impartiality with regards to any part of the procurement process or could influence a procurement decision, shall immediately declare the conflict of interest in writing to the SCM Unit and the relevant Bid Committee.

30. POLICY NON-COMPLIANCE

- 30.1. Non-Compliance principles that apply to this policy:
 - 30.1.1. Any non-compliance with this policy and any other related polices will lead to action being taken against the respective person/s in line with the DBSA Code of Ethics.
 - 30.1.2. Any irregular expenditure and SCM non-compliance will be managed as per the DBSA's irregular expenditure policy.
 - 30.1.3. The SCM Standard Operating Procedure provides detailed procedures for compliance to relevant legislation and regulations. Failure to comply to this policy and relevant legislation and regulations may result in, but not limited to, determination tests, investigations, warnings, suspensions, and/or dismissals.

31. POLICY ENFORCEMENT

- 31.1. The CEO is accorded the power to enact and enforce decisions in accordance with the provisions as detailed in this policy.
- 31.2. The CFO is accountable for overseeing the implementation of the policy and ensuring that the policy is enforced. Any deviation from the policy must be supported by the CFO and approved by the CEO.

32. REVIEW AND AMENDMENTS TO THE POLICY

- 32.1. This policy shall be reviewed every three years or when circumstances, legislation or regulations change.
- 32.2. No amendment shall be made to, or any deviation undertaken from, the SCM Policy without the approval of the CEO.

33. DISTRIBUTION OF THE POLICY

- 33.1. The SCM Policy shall be available and maintained as documented information, communicated, understood, and applied within the DBSA through workshops and regular internal communications available to relevant interested parties on request, and available on the Intranet for all staff to access.

34. RELATED DBSA POLICY DOCUMENTS

- 34.1. The SCM Policy must be read together with the following documents and policies:
 - 34.1.1. BSC Terms of Reference
 - 34.1.2. BEC Terms of Reference.
 - 34.1.3. Board of Director's Policy on Conflict of Interest.
 - 34.1.4. Code of Ethics Policy.

- 34.1.5. DBSA Transformation Strategy.
- 34.1.6. Delegation of Authority Matrix.
- 34.1.7. Employees Policy on Conflict of Interest.
- 34.1.8. Gift and Hospitality Policy.
- 34.1.9. Irregular, Fruitless and Wasteful Expenditure Policy and Procedure.
- 34.1.10. Management of Politically Exposed Persons Policy.
- 34.1.11. Promotion of Access to Information Manual.
- 34.1.12. Protection of Personal information Policy.
- 34.1.13. Supply Chain Management Committee (SCMC) Terms of Reference.
- 34.1.14. Supply Chain Management Standard Operating Procedure.
- 34.1.15. Environmental and Social Safeguard Standards.
- 34.1.16. Risk Management and Compliance Programme Policy.
- 34.1.17. Other policy that may be approved by the DBSA.