

## MEMORANDUM

**To :** Lesley Mtungwa, Centre Procurement Manager, Supply Chain Management

**From :** Leon Peach, Senior Procurement Officer: SM, Transnet Engineering

**Date :** 26 May 2024

**Subject:** **REQUEST FOR APPROVAL TO APPROACH THE MARKET VIA THE OPEN TENDER PROCESS (VALUE >R2MILLION): FOR THE SUPPLY, DELIVERY, REMOVAL OF OLD EQUIPMENT, INSTALLATION, TESTING AND COMMISSIONING OF THE NEW RMU UNIT AT SOUTH DUNES DEPOT, ELEANOR STREET, RICHARDSBAY PORT**

TE/2024/05/0009/67275/RFQ

### **PURPOSE:**

1. The purpose of this memorandum is to request approval from the Centre Procurement Manager, Supply Management:
  - 1.1. to approach the market for the appointment of a supplier via an open tender process for the Supply, Delivery, Removal, of old equipment, installation, testing and commissioning of the new RMU Unit at South Dunes Depot, Eleanor Street, Richardsbay Port: and
  - 1.2. sign off the Request for Quotation (RFQ) document to be issued to the open tender process as per approved Request for Service memo attached herein as Annexure A

### **BACKGROUND:**

2. *Brief description of the goods or service required and the reason(s) for the proposed acquisition.*

Replacement of 11kV RMU that supplies the TE South Dunes depot. Existing RMU was damaged due to the severe rain fall this area experienced.

3. *Objective - justify why the supplier must be appointed.*

Replacement of 11kV RMU that supplies the TE South Dunes depot. Existing RMU was damaged due to the severe rain fall this area experienced.

### **DISCUSSION/ MOTIVATION:**

4. *Include the detailed scope of work/requirements.*

As per attached Specification **FAI\_DBN\_SPEC\_047**

5. *Indicate the manner in which the approved list will operate – how are the suppliers are going to be awarded work – i.e. on a rotational basis or through an RFQ process)*

**THROUGH AN OPEN TENDER PROCESS/MECHANISM**

6. *Determine whether the goods/services required cannot be sourced internally.*

Transnet Engineering doesn't specialise in the for the Supply, Delivery, Removal, of old equipment, installation, testing and commissioning of the new RMU Unit at South Dunes Depot, Eleanor Street, Richardsbay Port.

7. *Provide a detailed overview of the type of goods required and reason for the appointment of the supplier(s)*

For the Supply, Delivery, Removal, of old equipment, installation, testing and commissioning of the new RMU Unit at South Dunes Depot, Eleanor Street, Richardsbay Port.  
The existing RMU sustained a electrical flash-over caused by the severe rains that the region experienced during the cyclone a few weeks ago. This area is low laying and susceptible to flooding. Currently the South Dunes depots are only being fed by only one of the two 11kV supplies.

8. *Provide a detailed motivation why the acquisition of supplier(s) should be supported.*

The existing RMU sustained a electrical flash-over caused by the severe rains that the region experienced during the cyclone a few weeks ago. This area is low laying and susceptible to flooding. Currently the South Dunes depots are only being fed by only one of the two 11kV supplies.

9. *Explain what the impact would be if the acquisition/ appointment of supplier(s) is not approved*

Currently the South Dunes depots are only being fed by one of the two 11kV feeds. There is extensive excavations being undertaken by TNPA within this area which may cause this cable from being damaged. Thereby leaving no alternative supply

10. *Indicate the expected outputs from the supplier(s)*

For the Supply, Delivery, Removal, of old equipment, installation, testing and commissioning of the new RMU Unit at South Dunes Depot, Eleanor Street, Richardsbay Port

11. *Performance management - Explain how the supplier(s) performance will be managed.*

Below are the steps to be used to manage and drive effective supplier performance management:

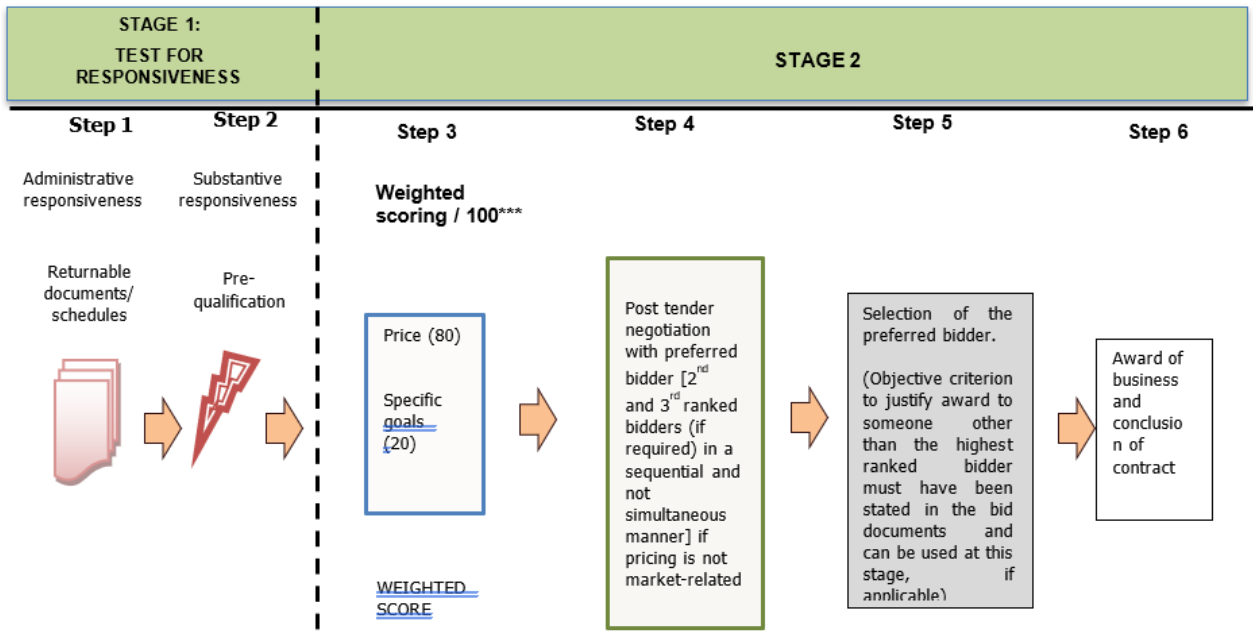
- On time delivery against raised purchase orders
- Quality of the products
- Resolution of raised NCR
- Innovative solutions to improve the product or improve the manufacturing process to reduce cost of the project.

12. *Confirm that this acquisition is not parceled to remain within a specific delegated authority.*

This acquisition is not parcelled and is within relevant DOA.

13. The approved Request for Service is attached as **Annexure A**.

14. *As per the GSPM, the following will be applicable:*



PRE-QUALIFICATION CRITERIA	MINIMUM THRESHOLD [%]
Compulsory site Briefing	
CIDB Grading	CIDB 1EP

EVALUATION CRITERIA	FINAL WEIGHTED SCORES
Functionality/Technical Evaluation	70 Points
Price and Total Cost of Ownership	80 %
Specific Goals -	20 Points
<b>TOTAL SCORE:</b>	<b>100%</b>

<i>Specific Goals</i>	<i>Number of points allocated (80/20)</i>
<i>B-BBEE Level of contributor – Level 1 or 2</i>	<i>5 Points</i>
<i>51% Black Youth Owned Entities</i>	<i>5 Points</i>
<i>Entities owned by people with disabilities</i>	<i>5 Points</i>
<i>30% Black Women Ownership</i>	<i>5 Points</i>
<i>Non-Compliant and/or B-BBEE Level 3-8 contributors</i>	<i>0</i>

**FINANCIAL IMPLICATIONS:**

15. It is anticipated that the cost for the goods will not exceed **R 400 000,00 excl. VAT, R 460 000,00 incl VAT** for a once off period.

The determined market related prices are as follows:

MAT DESCRIPTION	TOTAL QUANTITY	MARKET RELATED PRICE – LOWER RANGE MRP – HIGHER RANGE	PO NUMBER	PO VALUE	PO DATE
for the Supply, Delivery, Removal, of old equipment, installation, testing and commissioning of the new RMU Unit at South					

for the Supply, Delivery, Removal, of old equipment, installation, testing and commissioning of the new RMU Unit at South Dunes Depot, Eleanor Street, Richardsbay Port TE/2024/05/0009/67275/RFQ

**BUDGET IMPLICATIONS:**



16. The approved budget as stipulated in the Annual Procurement Plan is the R 400 000.00 exclusive VAT approved budget is available in cost center 7206 for the FY23/24 and adequate provision has been made for the requirement.

**APPROVALS AND DELEGATIONS:**

- 17. Transnet Delegation of Authority Framework of 01 February 2023, states that the TE Chief Procurement Officer (CPO) has been delegated authority to approve the approach the market for the "Open RFPs" for up to but not exceeding R500 million and up to 7 years contract period, the TE CPO has further sub-delegated powers to the Executive Manager authority to approve the approach the market for the "Open RFPs" for up to but not exceeding R250 million.
- 18. Approval for the final award of contract shall be referred to the Divisional Bid Adjudication Committee (DBAC) in line with the DOA framework – 1 February 2023.

**RECOMMENDATION:**

- 19. It is hereby recommended that the Centre Procurement Manager, Supply Management approves authority: to approach the market for the appointment of a supplier via the open tender process for the Supply, Delivery, Removal, of old equipment, installation, testing and commissioning of the new RMU Unit at South Dunes Depot, Eleanor Street, Richardsbay Port: and
  - 19.1. sign off of the Request for Proposal (RFP) document to be issued as per approved Request for Service memo attached herein as Annexure. A

<p><b>Complied by:</b></p> <p>Signature :  .....</p> <p>Name : Leon Peach Designation: Senior Procurement Officer, TE</p> <p><b>Date:</b> 30.05.2024 .....</p>	<p><b>Approved / Not Approved by</b></p> <p>Signature :  .....</p> <p>Name : Lesley Mtungwa Designation: Procurement Manager SM, TE</p> <p><b>Date:</b> 2024/05/30 .....</p>
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