

SARS PROCUREMENT POLICY

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1 SUMMARY OF MAIN POINTS

- a) The purpose of this policy is to:
 - i) Ensure that SARS procures its goods and services in accordance with a procurement system that complies with the provisions of Section 217 of the Constitution of the Republic of South Africa which requires all organs of state, including SARS, to contract for goods and assets or services in accordance with a system that is fair, equitable, transparent, competitive and cost effective;
 - ii) Standardise supply chain management activities within SARS;
 - iii) Prevent irregularities in the procurement of goods and services;
 - iv) Ensure that there is accountability in the supplier management process; and
 - v) Ensure suppliers deliver high quality products and services by generating strong contractual relationships based on clear performance expectations.

2 POLICY

2.1 Scope and applicability

- a) This policy applies to all the South African Revenue Service (SARS) employees and all suppliers that interact with SARS without exception, when procuring goods and services.
- b) All procurement of goods and services must be channelled through the SARS Procurement Unit, except for purchases which should be channelled through the Petty Cash System.

2.2 Procurement principles

2.2.1 Certain conditions for the procurement of goods and services

- a) Only goods and services budgeted for and approved by the relevant authority may be procured.
- b) National Treasury thresholds and applicable SARS delegation of authority must be adhered to when procuring goods and services.

2.2.2 Ethical standards and conflicts of interests

- a) SARS and the wider public service have the obligation to treat, and to be seen to be treating, all citizens objectively and fairly. SARS procurement and supply chain management activities must have the confidence and trust of the South African public in order to successfully administer the collection of Tax and Customs duties.
- b) All procurement transactions and interactions with suppliers, including supplier selection and evaluation, are subject to the provisions outlined in the SARS internal policies.
- c) No SARS employee may accept any gift, hospitality or other inducement that may influence them in their decision-making responsibilities, or that may be seen to influence them in their decision-making. Any such attempted inducements must immediately be reported to the Group Executive Procurement and / or the SARS Integrity Unit.

2.2.3 Declaration of interest

- a) All procurement committee members, and any person involved in the procurement, evaluation, adjudication or negotiation process, must complete and sign the applicable declaration of interest form.
- b) Any person with an interest that may affect or could be seen to affect their impartiality should immediately declare the conflict of interest, in writing and withdraw entirely from the process.

- c) All employees involved in procurement activities other than evaluation, adjudication, or negotiation, will only be required to declare an interest if they in fact have an interest in a particular matter. Should such an employee not make any declaration in a particular matter, he / she will be deemed not to have an interest in the matter. If it is later discovered that an employee did have an interest which he / she failed to declare, such employee will be found to have failed to comply with the duty to declare conflicts of interests.
- d) SARS reserves the right to conduct the necessary due diligence on employees, suppliers and bidders for procurement related matters and take the necessary steps to ensure compliance.

2.2.4 Confidentiality and accuracy of information

- a) The confidentiality of information received in the procurement process should be respected.
- b) Specific details of suppliers' bids must not be divulged, unless it is in accordance with the Promotion of Access to Information Act, 2000 (Act 2 of 2000) or court order or through the consent of the respective supplier. The disclosure can only be made in consultation with the SARS Corporate Legal Services.
- c) All employees of the SARS Procurement Unit, procurement committee members, and all officials attending procurement related meetings are bound by the SARS Confidentiality Agreement.
- d) Suppliers will be bound by the conditions of the SARS Oath / Affirmation of Secrecy.

2.2.5 No payment without an official purchase order and or contract

- a) The SARS official purchase order and / or duly authorised contract is an acceptable and binding contract between SARS and its appointed suppliers.
- b) No payment will be made to any supplier for goods delivered or services rendered if not supported by an official purchase order. It is the responsibility of the supplier to ensure that any additional work to be carried out outside of the official purchase order is duly authorised and that a new purchase order is generated prior to the delivering of the goods or services.
- c) It is essential that purchase orders be generated prior to the purchasing of goods or services. If an employee does not adhere to this provision, disciplinary action may be taken with a possible sanction of such employee being held personally responsible for these expenses.
- d) Certain exclusions are addressed in the SARS Internal Policy Accounts Payable.

2.2.6 Delegation of authority

- a) The Commissioner is the Chief Executive Officer and the Accounting Authority in terms of the SARS Act and the PFMA and is responsible for SARS performance of its functions, takes all decisions in SARS exercise of its powers and any such powers assigned to him / her in terms of any legislation or agreement.
- b) The Commissioner may, in terms of Section 56(3) of the Public Finance Management Act (PFMA), confirm or revoke any decision taken by an official as a result of a delegation or instruction in terms of sub-section 56(1), subject to any rights that may have become vested as a consequence of the decision.
- c) All procurement activities will be executed in accordance with the latest Commissioner's delegation of authority and any activity to be executed must be done in accordance with a delegation.
- d) Expenditure resulting from non-adherence to SARS delegations of authority constitutes an irregular expenditure.

2.3 Procurement objectives

- a) All costs and benefits of procurement must be taken into account in order to obtain the best value for money.
- b) SARS must do business with entities who can demonstrate that they can supply goods or deliver services that meet the required standards.
- c) SARS procurement activities must be aligned to and be integrated with national development goals, enabling legislation, and government supply management practices that are cost effective.
- d) SARS receives the benefits expressed in contracts and contractual relationships through their enforcement and management throughout their life cycle, management of supplier performance and risks posed by such suppliers.
- e) SARS staff manages suppliers in a manner which facilitates SARS responsibilities and minimises related risk.

2.4 Broad-Based Black Economic Empowerment

- a) SARS fully endorses and supports the Government's Broad-Based Black Economic Empowerment (B-BBEE) programme.
- b) SARS prefers to do business with local business enterprises who share its values and who are prepared to contribute to meaningful B-BBEE initiatives (including, but not limited to subcontracting and Joint Ventures) as part of their request for proposal responses.
- c) SARS allows "preference" in accordance with the Preferential Procurement Policy Framework Act No. 5 of 2000 and its regulations to companies who provide a verifiable B-BBEE Accreditation Certificate.
- d) SARS may, in the case of sectors that are designated by the Department of Trade and Industry, where in the award of bids, local production, or specific goals that are of critical importance, advertise such bids with a specific bidding condition that only locally produced goods, services or works or locally manufactured goods, with a stipulated minimum threshold for local production and content will be considered.
- e) Where respondents wish to enter into a Joint Venture or subcontracting portions of the contract to B-BBEE companies, their response must state the percentage of the total contract value to be allocated to such B-BBEE companies should they be awarded any business.
- f) Where applicable, a rating certificate in respect of such B-BBEE Joint Venture partners or sub-contractor(s), as well as a breakdown of the distribution of the aforementioned percentage must also be furnished with the response to enable SARS to evaluate and adjudicate all bids received on a fair basis.

2.5 Sourcing

- a) The Procurement Unit will apply a strategic sourcing approach when it receives a request from a SARS business unit.
- b) When procuring goods and services SARS must adopt optimum sourcing techniques by taking into consideration the nature of the commodity or service required, the conditions of delivery, just-in-time delivery, the prospective supplier and the goals to be promoted as contemplated in the Preferential Procurement Policy Framework Act No. 5 of 2000 and its regulations.

- c) The following sourcing options must be considered, among others, when a decision to procure is taken:
- i) Utilising existing SARS contracts that are already in place;
 - ii) Utilising National Treasury transversal term contracts;
 - iii) Participating in other state organs existing contracts;
 - iv) Local versus international sourcing;
 - v) Utilising a paper-based bidding system, which may include obtaining quotations, inviting competitive bids, pre-qualification of bidders and two-stage bidding;
 - vi) Utilising E-procurement; and
 - vii) Negotiations.
- d) Various procurement mechanisms may be applied where:-
- i) SARS invariably employs different procurement mechanisms as detailed from paragraph 2.5.1 depending on the circumstances of each and every case.
 - ii) Procurement assesses all requests and advice on the appropriate procurement mechanisms for procuring of goods and services.
 - iii) Sufficient justification and proper motivation must be provided for any chosen procurement path.

2.5.1 Transversal term contracts

Unless exempted by National Treasury, SARS shall, for purposes of acquiring common goods and services, procure goods and services through National Treasury transversal term contracts in order to promote uniformity in supply chain management practices.

2.5.2 Participation in other organs of state initiated contracts

Where other organs of state have existing contracts with relevant suppliers arranged by means of a competitive bidding process, SARS Accounting Authority or duly delegated officer may, where it is cost-effective, opt to utilise such contract by obtaining approval from the Accounting Authority / Officer or duly delegated officer of a particular organ of state, in accordance with Treasury Regulation 16A6.6. Should approval be granted, SARS may wish to contract under the same terms and conditions or agree to enter into a new contract with the supplier. SARS must confirm that the initial procurement of such goods and services had been through an open and fair process.

2.5.3 Request for information (RFI)

- a) Where information on the procurement requirement is insufficient or is not readily available, SARS may issue an RFI as a solicitation sent to a broad base of potential suppliers for purposes of conditioning, gathering information, preparing for an RFP or RFQ, developing strategy, or building a database.
- b) The RFI is used to gather information, and not to make a selection or an award. The information collected in this fashion may not be used to lead to sourcing from one supplier only nor may it be used to write the ultimate specification in a manner that would suit just one specific supplier.
- c) The RFI may be published in the media to research or determine inter alia:
- i) What products are available in the market?
 - ii) What specifications do the products have?
 - iii) What is the availability of the product in the market place?; and
 - iv) What are possible rates / indicative pricing and timing of delivery?
- d) The RFI is merely focused market research and not a competitive bid and cannot be used for placing a contract or purchase order and does not constitute a commitment.

2.5.4 Request for quotation (RFQ)

- a) A request for quotation may be used where SARS wishes to procure goods and services for less than the amount prescribed by the National Treasury. If all quotes received are above the prescribed threshold as determined by the National Treasury, SARS will not proceed to award on the RFQ.
- b) All goods and services procured through quotations should be sourced from suppliers registered on the Central Supplier Database administered by the National Treasury. If it is not possible to obtain price quotations from the list of prospective suppliers recorded in the Central Supplier Database, the Procurement Unit must conduct a market analysis to identify possible supplier(s), record the process and submit to the relevant authority for approval. Before purchase orders are processed the identified supplier(s) should be registered on the Central Supplier Database.
- c) All quotations must be processed through the Procurement One Point of Entry.
- d) SARS does not accept late quotations.

2.5.5 Request for proposal (RFP)

- a) A request for proposal may be used where SARS wishes to procure goods and services in excess of the amount prescribed by the National Treasury.
- b) SARS may use an RFP if it faces a challenge which it would like to approach with flexibility and innovation by using the expertise available in the marketplace.
- c) Where required, a site meeting may be requested and conducted in order to share information and to inspect the proposed solution or product.

2.5.6 Limited bidding

- a) SARS may use a closed selection process where there are a limited number of potential suppliers of the goods and services or where the open tender is unlikely to provide significant benefits for SARS or potential suppliers.
- b) The limited bid is distributed to selected suppliers inviting them to respond to a request for information, credentials, quotes or proposals. SARS will not advertise limited bidding to the general public and may also request a shorter period of responses from the respective suppliers.
- c) Limited bidding shall be based on thorough analysis and market research.
- d) Procurement will obtain the necessary approvals from the relevant governance structures to participate in a limited bid to comply with its own internal procurement procedures. The business unit procuring the goods and services must submit a well-motivated request to the Procurement Unit for conducting due diligence before the request to go on limited bidding is submitted to the relevant bid adjudication committee for approval.

2.5.7 Deviation

- a) Should it be impractical to invite competitive bids for specific procurement, SARS may procure the required goods and services by other means other than through the invitation of competitive bids in accordance with Treasury Regulation 16A6.4 read together with the National Treasury Practice Note No. 6 of 2007 / 2008.
- b) All motivations for deviation shall be written by the Procurement Unit for approval by the relevant authority prior to procuring the required goods and services.
- c) All deviation requests must be signed by the appropriate business unit in terms of the delegation of authority.

- d) The Procurement Unit must report within ten (10) working days to the National Treasury and the Auditor-General all cases where goods and services above the required threshold were procured in terms of Treasury Regulation 16A6.4. The report must include the description of the goods or services, the name(s) of the supplier(s), the amount(s) involved, and the reasons for dispensing with the prescribed competitive bidding process.
- e) All repetitive deviation requests must be evaluated, monitored and reported to the Group Executive Procurement and the Chief Officer of the procuring business unit.

2.5.8 Condonation

- a) In instances where goods or services were procured in contravention of a provision contained in the PFMA, Treasury Regulations, National Treasury Instructions issued in terms of section 76 of the PFMA, or any other applicable legislation, condonation of the irregular expenditure may be required from the relevant authority to regularise the expenditure, and enable payment to the supplier.
- b) Any condonation request must be supported by the relevant business owner in terms of the delegation of authority, prior to submission for approval by the relevant authority. All requests must be submitted to the relevant authority through the Procurement Unit and must be accompanied by an investigation or enquiry into the alleged irregular expenditure.
- c) If the business owner in terms of the delegation of authority does not approve the expenditure as well as the process followed to procure the goods or services, the expenditure will remain irregular and the appropriateness of disciplinary steps against the responsible individual(s) should be determined.

2.5.9 Expansion or variation of orders against original contract

- a) It is recognised that, in exceptional cases, SARS may deem it necessary to expand or vary orders against the original contract.
- b) Expansions or variation orders against original contracts are when the scope of the contract is increased resulting in additional costs being incurred or the value of the original contract being increased. The expansion or variation must not amount to the material alteration of the original contract in a manner that constitutes a new award of a contract.
- c) Any variation or expansion of a contract must be done in accordance with the applicable thresholds as prescribed and the relevant delegation of authority.
- d) Any increase in the contract period or contract sum that may become necessary as a result of exceptional circumstances, or which are considered to be in SARS' and the public's interest, may be approved by the relevant authority. Such approval must be obtained prior to the contract period expiring or contract sum being exceeded.
- e) Any unapproved increases in the contract sum that have become necessary as a result of exceptional circumstances, or which have been considered to be in SARS' and the public's interest, must be explained in a report to the relevant authority requesting condonation and approval for such unapproved increase.

2.5.10 Emergency procurement

- a) An emergency procurement occurs when there is a serious and unexpected situation that poses an immediate risk to the:
 - i) Health and safety;
 - ii) Life; and/or
 - iii) Property or environment.
- b) Serious and unexpected emergencies must have already materialised or will materialise within the next twenty four (24) hours.

- c) Emergency procurement approval requests must be submitted to the Procurement Unit by the business unit that “procured” the goods and services within twenty four (24) hours after the incident occurred. In cases of the emergency occurring on a weekend or public holiday, this must be reported on the first working day thereafter.
- d) The procurement Unit will regard the case of emergency as a deviation as detailed in paragraph 2.5.7 and will follow the delegation of authority for emergency procurement.
- e) To the extent that the Procurement Unit determines that the procurement was not warranted by a case of emergency as defined, a condonation must be sought for the procurement as detailed in paragraph 2.5.8.

2.6 Bid specification

2.6.1 Determining specifications

- a) All bid specifications and bid documentation must be compiled by an ad-hoc Bid Specification Committee constituted for each procurement activity.
- b) A cross functional team made up of internal, or where appropriate, external subject matter experts, will be constituted for the purposes of determining specifications.
- c) No person, advisor or corporate entity involved with the Bid Specification Committee, or director of such corporate entity, may bid for any resulting contracts.
- d) It is the responsibility of the Bid Specification Committee to compile detailed, clear and unambiguous specifications with which to source proposals. The specifications should be written in an unbiased manner to allow all potential bidders to offer their goods and services.
- e) SARS has preference for the segregation of duties between the members of the Bid Specification Committee and the Bid Evaluation Committee, unless where such segregation is not practically possible.

2.6.2 Bid specifications must be prepared free of interference by bidders

The Bid Specification Committee must approve specifications before they are published and where necessary, the bid specification may be referred to a Bid Adjudication Committee for approval.

2.7 Evaluation

2.7.1 Pre-qualification of bidders

- a) The pre-qualification and evaluation criteria must be approved by the Cross Functional Sourcing Team (CFST) before the bids are opened. This may include mandatory requirements where applicable.
- b) After the closing date and time of the bids, the Procurement Tender Office must open and record all bids received. The recording is followed by qualifying or disqualifying bidders based on the minimum criteria approved upfront.
- c) SARS will not accept late bids.

2.7.2 Technical evaluation

- a) The need to invite and evaluate bids on the basis of functionality depends on the nature of the commodity or service that is required. Where functionality is an evaluation criterion, this must be communicated to the bidders. The bids should indicate the following:
 - i) The evaluation criteria for measuring functionality; and
 - ii) The applicable value as well as the minimum threshold set for functionality.
- b) Bids that do not meet the minimum threshold on functionality shall be disqualified.

2.7.3 Pricing and B-BBEE evaluation

- a) Bidders that meet the minimum threshold on functionality must be evaluated on the 80/20 or 90/10 principle in accordance with the Preferential Procurement Policy Framework Act No. 5 of 2000 and its regulations, where 80 or 90 points must be used for price, and 20 or 10 points are used for Broad-Based Black Economic Empowerment (B-BBEE). National Treasury may from time to time amend the proportions and the points
- b) The formulae prescribed from National Treasury shall be used to calculate the points awarded for pricing.
- c) SARS is not obliged to accept the lowest price, as price is not the only consideration.
- d) Where necessary, SARS may invoke s2 (1) (f) of the Preferential Procurement Policy Framework Act No. 5 of 2000.

2.7.4 Supplier development

- a) The supplier development programme is an initiative of the Department of Small Business Development and is supported by SARS. The aim of the supplier development programme is to increase competition, capability, and capacity of the South African supplier base where there are comparative advantages and potential for local and regional supply.
- b) Where supplier development is used as a prequalification criterion, bidders will not be scored for supplier development, but will instead be requested to provide a commitment that the monetary value of all supplier development initiatives to be undertaken by them will not be less than a certain stipulated percentage of the contract value, such as where bidders may be asked to provide an undertaking that no less than 30% of the contract value will be spent on supplier development initiatives.
- c) SARS will leverage the provisions of the Preferential Procurement Policy Framework Act No. 5 of 2000 and its regulations to effect supplier development initiatives.

2.7.5 Rights reserved by SARS regarding bids

- a) SARS reserves the following rights regarding the acceptance of bids:
 - i) To accept, at its sole discretion, any bid in its entirety or only partly;
 - ii) To accept any bid, irrespective of whether or not it is the lowest bid; and
 - iii) Not to award a bid.
- b) SARS reserves the right to disqualify a bidder whose bid contains a misrepresentation which is materially incorrect or misleading.
- c) SARS will not be liable for any financial expenditure incurred in drawing up the bid, or in respect of any steps taken by the bidder in drawing up such bid.

2.8 Cancellation of bid before award

- a) SARS may cancel a bid at any time after the bid has been published to the market and before the awarding process in line with the Procurement Policy Framework Act No. 5 of 2000 and its regulations.
- b) Competitive bids cannot be cancelled with the purpose to re-issue in order to influence the outcome that would have arisen from valid responses to the original bid.
- c) Should it be necessary for a formal bid to be cancelled, approval needs to be obtained from the relevant authority. After approval has been obtained, the Procurement Unit must inform all participating suppliers of the cancellation.
- d) Where the invitation to bid was to a closed list of suppliers, then written notification of the cancellation must be sent to each of the invited suppliers.

2.9 Exclusion of bidder from further business

SARS may, at its discretion, decide to exclude a bidder from further procurement processes in line with the Procurement Policy Framework Act No. 5 of 2000 and its regulations.

2.10 Communication of tender decision

- a) All tenders that were awarded will be published on the SARS website.
- b) The successful supplier(s) will be notified in writing through a letter of acceptance signed by the relevant delegated authority of the award within the original validity period of the tender. The correspondence shall be provided as per the details submitted with the initial tender.
- c) Once the successful supplier(s) has been advised of the award, the Procurement Unit will inform the unsuccessful supplier(s) in writing that their tender(s) were unsuccessful. On written request, any supplier should be provided with the reasons why their own tender was unsuccessful, without disclosing any of the other tenderers information.
- d) The end-user may not engage with suppliers in the absence of an official from the Procurement Unit prior to a contract being awarded. Post-contract award end-user engagements with suppliers must be in strict accordance with the provisions of the relevant contract.

2.11 Signing of contracts

Contracts may only be signed by authorised SARS employees who have been delegated the authority to do so by the Accounting Authority in accordance with the various levels of signing authority set out in the Procurement delegation of authority.

2.12 Tax Status

- a) It is necessary to ensure that a supplier conducting business with the SARS is tax compliant at the date of submission and award of a bid, as well as for the full duration of their respective contracts.
- b) No bid may be awarded to a bidder whose tax matters have not been declared by the SARS to be in order. SARS reserves the right to withdraw an award made, or cancel a contract concluded with a successful bidder in the event that it is established that such bidder was in fact not tax compliant at the time of the award. SARS further reserves the right to cancel a contract with a successful bidder in the event that such bidder does not remain tax compliant for the full term of the contract.

2.13 Central Supplier Database

- a) Suppliers who wish to render services to SARS will no longer register at SARS directly. Suppliers will have to register on the National Treasury Central Supplier Database, and National Treasury will maintain the database for all suppliers for Government and its institutions.
- b) All SARS tenders will be published on the National Treasury's e-Tender Publications Portal.

2.14 Public Private Partnership and National Industrial Participation Programme

Where applicable, SARS will adhere to the Public Private Partnership, National Industrial Participation Programme and any other relevant programme in accordance with the National Treasury Regulations and other state department policies.

2.15 Contract Management

2.15.1 SARS Contract Management Objective

- a) SARS receives the benefits expressed in contracts and contractual relationships through contract enforcement and management throughout the contract life cycle, management of suppliers' performance and risks posed by such suppliers. This is to ensure that there is accountability in the supplier management process, and that suppliers deliver high quality products and services by generating strong contractual relationships based on clear performance expectations.
- b) The contract management approach and engagement processes should be shared with all SARS suppliers, both during the commercial process and as part of the supplier engagement.
- c) Suppliers will be classified according to a SARS defined approach and supplier interaction will be shaped according to this classification.
- d) Suppliers will not assist in developing business requirements unless through a competitive procurement process. Suppliers may only share product capabilities and use-cases to demonstrate capability.
- e) No budget information will be shared with suppliers.

2.15.2 Contract / sub-contracting

A contract is entered into only with the bidder and the contract, or any portion thereof, or any share or interest therein, may not be transferred, assigned, ceded or granted to someone else without the specific written permission and conditions of SARS.

2.15.3 Screening and vetting of suppliers

Suppliers may be subject to the condition that both the contracting supplier and its personnel providing the service may be screened and cleared by the appropriate authorities to the grade of clearance in line with classified information, intelligence in the possession of SARS and areas designated as National Key points that they may have. Obtaining a positive recommendation is the responsibility of the contracting supplier concerned. If the principal contractor appoints a subcontractor, the same provisions and measures will apply to the subcontractor.

2.15.4 Unsatisfactory performance

- a) Unsatisfactory performance occurs when performance is not in accordance with the contract conditions.
- b) The business unit procuring the goods or services must identify unsatisfactory performance in terms of the contract timeously and must, in consultation with the Procurement Unit and Corporate Legal Services assistance bring unsatisfactory performance to the attention of the supplier in writing.
- c) The supplier must be afforded a reasonable period in terms of the contract to rectify its performance. If the performance is not rectified, the business unit procuring the goods or services must inform the Procurement Unit of this fact.
- d) The Procurement Unit, with Corporate Legal assistance, shall give notice to the contractor of action to be taken in line with the contract due to non-performance.

2.16 General

- a) Goods and services may not be deliberately split into parts of items of lesser value in order to circumvent the legislated threshold values.
- b) The following can be applied in terms of procurement governance to determine whether the officer is complying with legislation and regulations:

- i) Never allow a supplier to deliver goods or render a service without a valid purchase order number;
 - ii) Buyers have been trained to only create a purchase order if due process has been followed;
 - iii) Only SARS Procurement staff members who have the required training are allowed to facilitate the evaluation processes. This process is done through cross functional teams involving the relevant business owners; and
 - iv) All procurement processes and related documentation can be found on the Procurement Portal on the SARS intranet.
- c) As the above is legislated requirements and not internal procurement rules, non-compliance with the above may result in disciplinary action being instituted against the responsible individual(s).
- d) The recovery of losses or damages resulting from irregular or fruitless and wasteful expenditure must be dealt with in accordance with Treasury Regulation 12.
- e) All irregular, fruitless and wasteful expenditure must be disclosed as a note to the annual financial statements.
- f) No tender shall be awarded to a bidder (or any of its members, directors, partners or trustees) whose names appear on the Register of Tender Defaulters kept by National Treasury, or who have been placed on National Treasury's List of Restricted Suppliers. SARS reserves the right to withdraw an award, or cancel a contract concluded with a bidder should it be established, at any time, that a bidder has been blacklisted with National Treasury by another government institution.

2.17 Compliance, Monitoring and Evaluation

- a) This policy shall be reviewed from time-to-time to ensure its continued relevance, effectiveness and alignment to applicable legislation and regulations.
- b) Non-compliance with, or failure to adhere to, the provisions of this policy may constitute grounds for disciplinary action, and will be dealt with in line with the provisions of the SARS Disciplinary Code and Procedure.
- c) Compliance breaches will be reviewed by Internal Audit and SARS Procurement in conjunction with line management. Action plans to ensure that the risks associated with a breach are adequately mitigated must be submitted, with a breach report, to the Compliance Risk Committee for acceptance.

3 RELATED INFORMATION

3.1 Legislation

TYPE OF REFERENCE	REFERENCE
Legislation and Rules administered by SARS:	South African Revenue Service Act No. 34 of 1997
Other Legislation:	Constitution of the Republic of South Africa 1996: Sections 9(2) and 217 Broad-Based Black Economic Empowerment Act No. 53 of 2003: Sections 9 and 11 Code of Good Practice under section 9(1) of the Broad-Based Black Economic Empowerment Act No. 53 of 2003: All Preferential Procurement Policy Framework Act No. 5 of 2000: All Public Finance Management Act No. 29 of 1999: Sections 44; 49; 50; 51(1) (a) to (d); 56; 57 and 76 and 77 Government of the Republic of South Africa General Procurement Guidelines: All Treasury Regulations issued in terms of PFMA, 1999 Regulations in terms of the PFMA, 1999 - Framework for Supply Management Chain: All Companies Act No. 71 of 2008: Sections 30 and 75 Promotion of Access to Information Act, 2000 (Act 2 of 2000)
International Instruments:	None.

3.2 Quality Records

a) None.

4 DEFINITIONS AND ACRONYMS

B-BBEE	Broad-Based Black Economic Empowerment
Original Contract	Original contract means a contract that is still valid, has not expired and the funds have not been depleted.
PFMA	Public Finance Management Act
PPPFA	Preferential Procurement Policy Framework Act
RFI	Request For Information
RFP	Request For Proposal. An RFP is a document setting out the desired outcome in as much detail as possible, without unnecessary limitations in terms of a possible solution. The suppliers are requested to propose a solution or viable alternatives that might result in a solution, based on the available information.
RFQ	Request For Quotation. An RFQ is a solicitation sent to potential suppliers containing in detail a list or description of all relevant parameters of the intended purchase.
SARS	The South African Revenue Service
VAT	Value-Added Tax