





# Policy document

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Supply Chain Policy

October 2021

|   |                     |          |  |   |     |      |        |
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## B. Revision Table

This document is version controlled and revisions must be recorded in the table below.

| Reviewed Version Number | Review Date | Chapter & Section Number | Page # | Summary of Changes     | Approved by: | New Version Number |
|-------------------------|-------------|--------------------------|--------|------------------------|--------------|--------------------|
| Rev 0                   | 30/10/21    |                          |        |                        |              | Draft 1            |
| Rev1                    | 09/11/21    |                          |        | Review queries cleared |              | Draft 2            |
|                         |             |                          |        |                        |              |                    |
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## C. Definitions and Abbreviations

The table below shows a list of terms and abbreviations used this document with their corresponding definitions.

| Term                            | Definition   |
|---------------------------------|--|
| Approval strategy               | Signing authority or approval in which authorised job levels are coupled to the approval system (to release purchases)   |
| Bid                             | A quotation, proposal or information submitted by a supplier to ROMPCO in response to a Request for Quotation / proposal, either as a physical document or as an electronic document.  |
| Bidder                          | A supplier who has been requested to submit a proposal or quotation.   |
| Contract or Outline Agreement   | The written agreement between ROMPCO and supplier for the supply of goods and/or services, inclusive of all documents incorporated therein through reference, which details the rights and obligations of the parties under said contract.   |
| Contracted Goods and Services   | Goods and services available to be purchased under an executed agreement between ROMPCO and a supplier. These agreements shall detail the required scope of supply, pricing, commercial incentives, and performance indicators.  |
| Contract Term                   | The period from the effective date to the termination or expiry date of contract   |
| Contract Value                  | The estimated annual value in the case of a term contract or total value of contract in the case of once-off and project.  |
| Cost Centre Owner               | The end user / manager responsible for a budget per cost centre.   |
| Delegation/ Delegated Authority | Transfer of signing and/ or approval authority to another person or entity.  |
| End User                        | Any employee with delegated authority to whom Procurement and Supply Management role renders a service.  |
| Enterprise Resource Planning    | The integrated management of core business processes supported by SAP  |
| Exception Request Planning      | Document that authorizes and expenditure as an exception to the Procure-to-Pay process.  |
| Framework Order                 | A purchasing document used to procure materials or external services. Instead of stipulating a delivery date, this type of purchase order has an extended validity period.   |
| Goods                           | All materials, equipment, spare parts, and consumables necessary for the operations of the business.   |
| License/ Software Agreements    | All software, hardware, software licences and after-market services procured by ROMPCO from any provider of a software product, whether it be an "on premises" solution or software as a service (SaaS) solution. Licence / Software Agreements may be classified as either goods or service.  |
| Master Supply/Service Agreement | Master Supply/ Service Agreements are typically utilized for longer term procurement of Goods and Services and set out standard terms and conditions that apply to all transactions entered between a supplier and the company. Each time a new transaction is executed, the terms of the Master Supply/ Service agreement apply automatically and do not need to be negotiated. |

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| Term   | Definition  |
|--|---|
| Nominated (Preferred) Supplier                         | Instances where competitive bids or quotations for the supply of goods and/or services are available from more than one supplier, but due to motivated reasons relating to technology, efficiency, or other pro-competitive gains, a single supplier is approached to bid for the supply of such goods and/or services  |
| Once-off Contract                                      | A short to medium term contract for a limited scope of work that usually have a contract term less than a year.   |
| Off the shelf  | Off-the-shelf is a term used to describe the purchase of packaged solutions to satisfy the needs of a purchasing organisation, rather than commissioning of custom made or bespoke solutions.   |
| Purchase Order (PO)                                    | A commercial document generated by ROMPCO, incorporating ROMPCO terms & conditions, which authorizes a purchase transaction. The PO captures the commitment from the business to a supplier to purchase goods or services from the supplier.  |
| Procurement and Supply Management (PSM) or Procurement | <p>Entails the procurement and supply of goods and/or services and/or utilities where:</p> <ul style="list-style-type: none"> <li>Procurement means the purchase/rent/acquisition of goods and/or service and/or utilities</li> <li>Supply means the distribution and provision of such procured goods and/or services to the business.</li> </ul>  |
| PTP Process  | Procure to Pay (refer to Annexure 1)  |
| Purchase Requisition (PR)                              | An internal document generated in the PSM system that is used to enter detailed request for the procurement and supply of goods and/or services from supplier. The PR is approved by a person with the necessary approval authority.  |
| Purchasing Card  | A commercial credit card which allows ROMPCO to take advantage of a credit card to transact for a variety of approved lower risk, lower value and/higher purchase frequency goods and services.   |
| Services   | An activity provided by third parties that are intangible in nature (except for reports ad documentation) e.g., product of human effort, such as consultancy, engineering, repair, maintenance, etc, Services are typically used in engineering, design, licencing, construction, commissioning, installation, production or maintenance of assets, cannot be stored and or used immediately. |
| Service Acceptance/ Goods Receipt                      | An entry or action to approve the receipt of goods or services as per the PO by a duly authorised person.   |
| Sole source supplier                                   | Instances where only a single supplier exists from which the required goods and/or services can be practically procured and delivered to the full and exact specification of the goods and/or services as required by the business.   |
| Source-to-contract                                     | Refer to Annexure 2   |
| SOW  | Scope of Work   |
| Term Contract  | A long-term contract for a specific and re-occurring scope of work that usually has a contract term of six months or more   |
| Total Cost of Ownership                                | Is the total sum of cots and related savings incurred over useful life ("life cycle") of a good or service and includes as relevant: the initial purchase cost, all direct and indirect operating and   |

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|  | maintenance costs and benefits and disposal less and recovery value. May include intangibles on a qualitative basis. |
|--|--|

### Abbreviations

| Abbreviation | Explanation  |
|--------------|--|
| ERF          | Exception Request Form                             |
| ERP          | Enterprise Resource Planning System                |
| FO           | Framework Order                                    |
| GRN          | Goods Received Note                                |
| MRP          | Materials Requirement Planning (Inventory Control) |
| MSA          | Master Service Agreement                           |
| OA           | Outline Agreement                                  |
| OEM          | Original Equipment Manufacturer                    |
| PTP          | Procure to Pay                                     |
| PSM          | Procurement & Supply Management                    |
| PR           | Purchase Requisition                               |
| PO           | Purchase Order                                     |
| P-Card       | Purchasing Card                                    |
| RFQ          | Request for Quotation                              |
| RFx          | Request for quotation / proposal                   |
| RFI          | Request for Information                            |
| SAP          | Systems, Applications and Products                 |
| SC           | Supply Chain                                       |
| SCM          | Supply Chain Management                            |
| SOP          | Scope of work                                      |
| TOFA         | Table Of Financial Authorities                     |
| TCO          | Total Cost of Ownership                            |



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## ***Supply Chain Vision Statement***

To enable ROMPCO to achieve its vision of being the leading Southern African gas transmission and infrastructure company through active delivery of all transactions to support growth of the organisation, reduce complexity, cost, and risk in the supply chain.

## ***Supply Chain Mission Statement***

To support the delivery of customer centricity, value for money and collaborative services in fulfilment of Rompco's strategic objectives, through a systematic approach to procurement, good governance, and supporting economic development of SMME's in the communities in which we operate in.

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# 1. Introduction

This policy outlines the supply chain governance framework, procedures, and risk management processes for ROMPCO. In conjunction with the required Enterprise Resource Planning (ERP) systems, processes, and procedures, including risk management, this framework sets the standards as well as defines the roles and responsibilities required to procure goods and services for ROMPCO.

## 1.1. Purpose

The purpose of this policy is to provide the employees with clear procedural information, key controls, accountabilities, and responsibilities required for the execution of the SCM business processes to ensure efficient and effective achievement of the SCM mission.



## 1.2. Revision

This SC policy should be reviewed and updated every 3 years, or whenever a need arises triggered by changes in the organisation, legislation, business strategy, policy, industry trends, recognised good practice, as well as any other considerations required to maintain the efficiency and integrity of the supply chain management operations. All version revisions must be reviewed by the Chief Financial Officer, and such revisions are subject to approval from the Board of Directors.

## 1.3. Authority to approve

The ROMPCO Board of Directors has the authority according to the approved Delegation of Authority (DOA) to approve the adoption of this policy and any revision thereof.





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## 1.4. Authority to execute

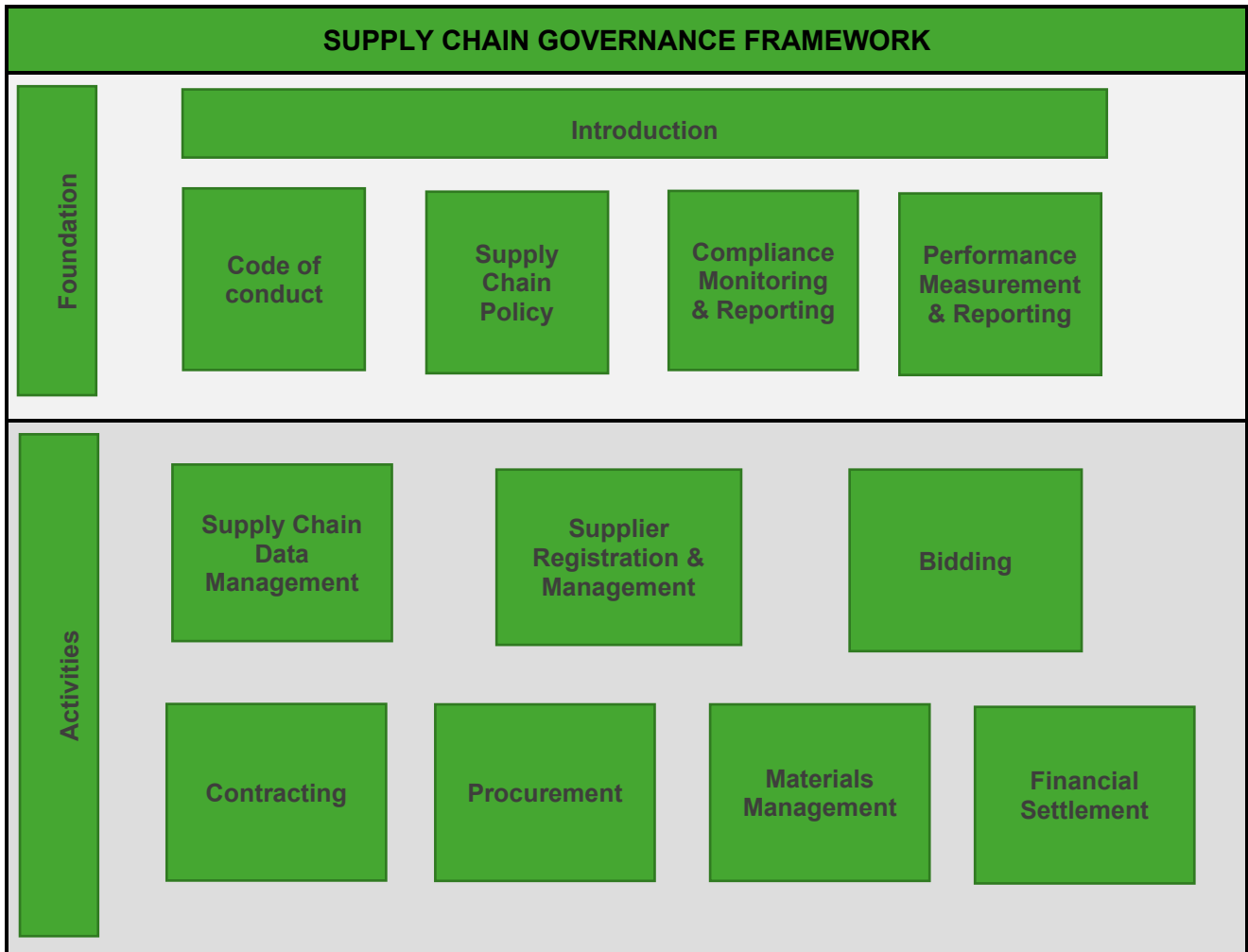
### Roles and responsibilities

| Role   | Responsibility   |
|--|--|
| Shareholders/Board/Audit and Risk Committee/Exco | Responsible to approve the funds to be used to purchase, and/or leasing of goods, services, and other assets for and on behalf of ROMPCO in terms of the approved Delegation of Authority which specifies the authority and decision-making rights. Spending to occur in accordance with the approved budget for the year and specific approvals for unbudgeted funds. |
| Chief Financial Officer                          | Accountable for the governance and revision of the framework   |
| Procurement Manager                              | Accountable to implement sound management practices to ensure fit-for-purpose procurement oversight and control. <ul style="list-style-type: none"> <li>Accountable for the implementation and execution of this framework; and</li> <li>Accountable to compile, implement and monitor compliance to standard operating procedures.</li> </ul>                         |
| End user   | End user is responsible for the adequate correct specifications, descriptions, and quantities for planning and procurement of business needs within the sphere of their responsibility.  |
| All employees engaged in procurement activities  | Must adhere to the minimum standards as set out in this framework and related work instructions.   |

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## 2. Governance framework for supply chain management



The Supply Chain Governance Framework provides minimum standards that ensure sound and standardised execution of ROMPCO's supply chain processes, within the applicable legal, regulatory and ROMPCO specific requirements. The Supply Chain Governance Framework consists of four foundation elements and seven activities.



### 2.1. Foundation Elements

#### Element 1: Code of Conduct

We conduct all our business engagements with integrity, respect, and transparency. All supply chain activities are conducted according to the highest standards of ethical business conduct in terms of the ROMPCO code of conduct and code of ethics.

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## Element 2: Supply Chain Policy

Supply Chain Policy to give effect to the objectives and principles of procurement and govern duties related to the procurement of goods or services. This policy should be read and applied in conjunction with any applicable laws, by-laws, rules and regulations.

### a. Objectives

The objectives of the Supply Chain policy are to ensure that:

- The correct goods or services are purchased in terms of quality and specification.
- Preferential procurement requirements and/or supplier development goals are achieved in the two countries where ROMPCO operates.
- Best value for money is achieved.
- The process is in line with internal control systems to avoid the risk of fraud.
- The process is both ethical and efficient.
- The code of conduct is followed.

### b. Core Principles of the Supply Chain Policy

#### • Obtaining value for money

Supply chain employees should, at all times, strive for the best value for money when they procure the required goods or services.

- Value for money involves comparing alternative goods / services available in the specific market prior to a specific order being placed. This means comparing the costs against the benefits to be obtained from that item / service required for a specific purpose. The benefits should compare favourably with the price the contract would be paying for those goods / services.
- Value for money is an essential test against which the supply chain employee must justify any purchase. It is, however, not the only factor to be considered when comparing the alternative solutions.
- Other factors should include: the goods or service offered in order to meet the requirements of the department; preferential procurement and local content of the applicable country, and the company to deliver the required product / service within the required period and any other factor that may be appropriate to the particular contract.



#### • Open and effective competition

Open and effective competition is the central operating principle behind the supply chain policy of ROMPCO.

- Adequate and timely information is provided to all suppliers to enable them to bid/quote.
- Content of information on the specifications/task directive should be standard to all the prospective suppliers.
- A fair process of evaluating the bids or quotations must be followed.
- Supply chain employees must seek ways of providing new entrants/suppliers an opportunity to bid, especially companies that are small, medium, and micro-enterprises (SMMEs).

#### • Business ethics, integrity, and fair dealing

ROMPCO is committed to ensuring its employees adhere to ethical standards and fair dealing, as set out in the Code of Conduct. In particular, employees must not use their official position to obtain private gifts or benefits for themselves during the performance of their duties nor use or disclose

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any inside information for personal gain or for the gain of others. (Also refer to the ROMPCO Anti-Bribery and Corruption Policy).

Employees are to recuse themselves from any action or decision-making process that may result in improper personal gain and this should be properly disclosed.

It is, therefore, the requirement of every employee of ROMPCO to ensure that:

- Procurement is conducted in accordance with high ethical and moral standards.
- Employees must observe recognised standards of fair dealing and personal integrity.
- Employees should neither condone nor approve any known illegal or unethical act for any reason wilfully.
- Confidentiality of information must be adhered to at all times.
- All dealings must be fully compliant with all requirements of competition legislation.
- Officials involved in the procurement process should at all times disclose any possible conflict of interest and/or fraud to the CFO, i.e. with regard to procurement relating to bids or quotations.
- There must be impartiality in the conduct of bid evaluations.

### **Element 3: Compliance Monitoring and Reporting**

Supply Chain ascribes to sound internal control principles of which monitoring, and reporting are integral components. Appropriate design and implementation of monitoring controls assist to:

- Identify and correct internal control problems on a timely basis.
- Produce more accurate and reliable information for use in decision-making.

### **Element 4: Performance Measurement and Reporting**

Supply Chain performance is measured, reviewed, and reported on to assess achievement of objectives and targets and to identify improvement opportunities. The process consists of a retrospective analysis to determine whether the proper process was followed and whether the desired outcomes were achieved.

An effective SCM Performance Management System should be developed and implemented in accordance with ROMPCO strategic objectives and supply chain key priorities. Broadly speaking, SCM Performance can be measured in terms of the following:

- Suppliers of goods and services
- Supply Chain Management unit
- Goods/service delivery and or value for money



#### **a. Supply Chain Reporting**

Supply Chain reporting is subdivided into health checks and spend.

##### **● Health Checks**

Supply Chain report monthly on the following, with regard to the purchases:

- Nominated Supplier PRs
- Approved Exception Request
- Overdue Purchase Orders
- New contracts

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- **Spend**

Supply Chain report monthly on the following, with regard to the purchases:

- Spend on contract
- Spend per supplier (to identify strategic suppliers)
- Preferential and /or local procurement

## 2.2. Supply Chain Activities

### 2.2.1. Supply Chain Data Management

Supply chain data is used in processes which mainly consists of Procure-to-Pay (PtP), sourcing and contracting. Supply chain data categories applicable at ROMPCO are master data, reference data and transactional data.

- Master data:- materials, services, and supplier
- Reference data:- material group, purchasing group and supplier (vendor) type etc.
- Transactional data:- purchase order, purchase requisition, sourcing list, outline agreement etc.

#### a. Minimum standards for data management

- New materials and services must be described and maintained at the level of descriptor plus required mandatory fields.
- Mandatory supplier information must be captured in accordance with the requirements of the country that we operate in and comply with anti-bribery and anti-corruption legislative requirements.
- Supply Chain must clean up master, reference and transactional data sets as per the data cleansing rules.

### 2.2.2. Supplier Registration and Management



Supplier registration and management facilitates fair and equal treatment of suppliers. It also drives effective as well as mutually beneficial supplier relationships. To maximize economy and efficiency, supply chain personnel should continually strive to identify new technically and financially sound vendors.

#### a. Supplier registration

Supply Chain is responsible for the creation and maintenance of a ROMPCO vendor database. All suppliers that supply goods or services or potential suppliers must be registered into the vendor database. The creation of the vendor must be approved by the Procurement Manager and submitted to the Finance Department for confirmation.

- To be registered as a new vendor all suppliers must submit to ROMPCO the vendor registration form.
- All vendors uploaded from the vendor database to SAP must have all required documents as requested in the registration form.
- The SAP vendor list will be reviewed twice a year and the suppliers that are not providing services to ROMPCO for the preceding 12 months will be blocked, except in case that the order cycle of the service is more than a year. The blocked vendor will be unblocked only once they resume services for ROMPCO after confirmation of details.

Registration as a vendor is subject to the following:

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- All information provided to ROMPCO must be certified as true and correct. ROMPCO may unilaterally seek at any time to clarify and/or conduct further research on any concern it may have regarding the eligibility of a vendor and to take such action that it may deem appropriate under the circumstances.
- Registration of a vendor in the database indicates that the vendor is eligible to participate in ROMPCO tender activities (subject to evaluation of eligibility criteria). Registration does not guarantee an invitation to a bidding exercise or contract award.

## **b. Pre-requisite for supplier selection**

Suppliers to Rompco must follow the applicable supplier application process. Suppliers must be accredited and screened periodically to ensure minimum qualification requirements are met prior to being considered to participate in an RFX process. Pre-qualification of suppliers is an ongoing process of creating, managing, and maintaining a broad base of suppliers that meet ROMPCO's supplier qualification requirements. This allows the RFX process to be expedited through a short-listing and invitation to participate of pre-qualified suppliers. For the purpose of this policy, the terms pre-qualified and qualified shall have the same meaning.



The purpose of supplier qualification is to:

- Develop an approved supplier list;
- Maintain an up-to-date database of qualified suppliers; and
- Allow for a shortlist of suppliers capable to provide goods and services to enable development of MSA's or standard contracts.

Criteria for qualifying suppliers is specific and include but not limited to:

- Safety, Health and Environment (SHE) requirements;
- Technical capability /expertise;
- Financial health;
- Quality Management;
- Legislative and legal requirements;
- Sanctions Compliance Policy;
- Local content requirements set by governments in the respective countries in which Rompco conducts its operations must be respected and adhered to; and  
Suppliers must be de-selected by means of specific criteria, e.g.in the case of unethical behaviour, serious and repeated breach of contract, continuous material under-performance and supplier liquidated or closed.

When a consortium or joint venture submits a joint proposal as a single bidder on behalf of all of its members, all of the members of the consortium/joint venture must meet the criteria requirements described for qualifying suppliers. In addition, should the contract be awarded to the consortium/joint venture, risk mitigation measures in the form of liability provisions, warranties, and/or other assurances are to be included into the contract as appropriate. It is preferred and strongly recommended that contracts be signed with a prime or lead vendor. Any partners acting as subcontractors in joint ventures can give rise to legal risk. If a joint venture is considered for an award, it is necessary for the General Manager Regulatory and Legal Affairs to review the joint venture agreement and provide advice before a decision is taken.

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### c. Supplier management

Supply chain is responsible for evaluation of vendor registration applications, creating and maintaining vendor records.

All registered vendors are required to update and inform ROMPCO immediately - in writing - of any material change in the information or documentation provided to ROMPCO, setting out all relevant details. All vendors must immediately update their manual/online application, submitting or uploading additional documentation. A follow-up communication or alert may be in the form of an online application update, letter, or email, and shall include all relevant documentation.

Upon ROMPCO's request, which may occur as part of a pre-qualification or solicitation exercise or through ROMPCO's automated periodical notifications, registered vendors are required to submit their updated financial statements and other relevant documentation.

If a vendor undergoes a legal name change, the vendor is required to submit to ROMPCO certified true copies of all legal documents relevant to the transactions that led to the name change, including new certificate of incorporation, or documents relevant to a merger, takeover, etc.

All exchange of information and documentation in support of the vendor registration should be submitted in a traceable format. The vendor is likewise informed of the status of their application through the e-mail notification system.

SC shall review compliance with the pre-requisites for eligibility and related documentation, to assess the continued eligibility of vendors both at the time of registration and after they have been registered.

### d. Supplier Screening



To avoid any distortion of competition and ensure a fair process, ROMPCO requires that vendors participating in a procurement process shall not have a conflict of interest. Vendors must disclose any actual or potential conflict of interest in their bid submissions, which renders them ineligible for that procurement process unless the conflict of interest is resolved in a manner acceptable to ROMPCO. Failure to disclose any actual or potential conflict of interest may lead to the vendor being sanctioned.

Supplier screening is designed to provide understanding of how entities and where applicable, individuals are screened using the applicable screening tool before any transaction should take place, to ensure that ROMPCO complies with sanctions legislation.

#### • Anti-bribery and Anti-corruption Screening

ROMPCO operates and transacts with entities as well as individuals in Mozambique, South Africa, and international organisations. The organisation could therefore be inherently exposed to sanctions violation risks. Controls need to be implemented to provide reasonable assurance that ROMPCO does not transact with a sanctioned person and/or country. The following or combination of them will be performed during screening:

- An online screening tool implemented by ROMPCO will be used to screen suppliers, shareholders, directors, and mandated officials against certain pre-identified criteria to determine compliance.
- ROMPCO will conduct a due diligence to identify the shareholders, directors, and mandated officials of counterparties to identify potential links to Sanctioned Persons.
- The following information is screened against the Sanctions List prior to the conclusion of any contracts or business transactions:
  - The relevant legal entity name or individual (if applicable) of the direct counterparty with whom ROMPCO contracts;

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- The operating address of the relevant legal entity; the shareholders owning more than 20% of the relevant legal entity (if any);
- The directors of the relevant legal entity (if applicable); and
- The name of the mandated official/s of the relevant entity who is/are authorised to interact with and conclude a transaction, contract, or service directly with ROMPCO on behalf of such legal entity.

### **e. Supplier Relationship Management (SRM)**

Supplier Relationship Management is a strategic approach to developing and maintaining supplier partnerships. The focus of SRM is to develop two-way, mutually beneficial relationships with supply partners to deliver greater levels of innovation and competitive advantage throughout ROMPCO's supply lifecycle than could be achieved by operating independently or through a traditional, transactional purchasing arrangement.

Through Supplier Relationship Management, Supply Chain shall:

- Identify and collaborate with key strategic suppliers;
- Enhance the relationship through the exchange of information, regular meetings, and formalized supplier Performance management;
- Leverage supplier knowledge, capabilities, and qualifications with the objective to deliver lifecycle cost savings;
- Strategically partner to maximize relevant supply chain visibility, improve security of supply, reduce supply risk exposure, ensure sustainable sourcing, promote mutual growth and maturity, and increase the agility of ROMPCO's Supply Chain by anticipating market dynamics and;
- Go on supplier visits to facilities to meet with internal stakeholders or supply chain personnel. At all times, care must be taken to ensure confidentiality and procurement process integrity are maintained.



### **f. Supplier performance management**

Supply Chain should conduct an evaluation of the vendor's performance, supported by the Technical Official if necessary. The evaluation must consider the experience with the vendor during the entire contract period. It is important to carefully document supplier performance and to be able to produce evidence of same in the event of disputes, in order to form an institutional memory, and for audit purposes.

In order to ensure contract compliance, supply chain is expected to monitor performance on an ongoing basis through reports, meetings, and, if applicable, inspections. The following topics can be addressed in evaluating performance:

- Fulfilment of delivery schedule/timely delivery;
- Quality of goods or services provided in accordance with the contract;
- Compliance with contractual terms and conditions;
- Adherence to warranty provisions;
- Timely response to ROMPCO requests;
- Undue delay of the performance under the contract;
- Any frivolous claims against ROMPCO



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Depending on the nature of the procurement, a process to evaluate vendor performance may include the following approaches:

- Creating performance evaluation questionnaires,
- Undertaking site visits;
- Using metrics and key performance indicators for contracts;
- Developing standard supplier performance criteria and using supplier scorecards to measure the specific contract/s.

## g. Supplier Performance Reporting

Key Performance Indicators (KPIs) are identified for continuous monitoring purposes. Progress information is requested from suppliers and site visits are done to verify this information, if necessary. This also includes the interpretation of detailed information / findings and the identification of possible performance gaps.

Findings are shared with suppliers and their responses obtained before recommendations are formulated to address findings / gaps. Implications of findings/gaps are shared with the business.



Early warning meetings are conducted with suppliers who continue to perform well below targets agreed and outcomes of meetings documented. Corrective action plans are put in place to support enhancing suppliers' performance and possibilities of supplier development is determined. If a supplier has shown significant or persistent deficiencies in performance that led to early termination, application of damages, or similar actions, Supply Chain, in consultation with the General Manager Legal and Regulatory Affairs, may refer the case of such supplier for potential sanctioning, along with supporting documentation and justification explaining such performance failures.

### 2.2.3. Bidding

Competitive bidding must be applied in all commercial undertakings unless explicitly excluded in terms of approved and directive exceptions e.g. uniquely applied suppliers. All allowable exceptions must be pre-determined, supported by concrete analytical evidence and directed in work instructions. To ensure competitive responses, qualified suppliers shall be invited to participate in the bidding process and will be evaluated against each other on the same criteria.

#### Request for Quotation/Proposal/Information Review Process:

- Before any process is triggered, the end user is responsible to submit confirmation that the expenditure has being included in the approved Opex/ capital budget. For unbudgeted expenditure – specific written approval in terms of the Delegation of Authority should be presented to the Procurement Manager.
- Supply Chain shall review the requirements and specifications contained in the description of the PR and clarify any unclear aspects with the end user in respect of requisitions;
- If the description is unclear on the PR, Supply Chain shall not process the PR and shall inform the end user and stating the reasons for the rejection.

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### a. Request for quotations (RFQ)

This process does not apply where there is an existing contract.

- For purchases estimated to be below R300,000 (Meticais equivalent), Supply Chain sends out the requests for quotations to possible suppliers via email;
- Quotations must be requested from at least three suppliers, unless there are not enough suppliers available in the market for the requested materials or services, or Original Equipment Manufacturers / Sole Suppliers / Nominated suppliers are involved;
- Suppliers send quotations to Supply Chain by the specified due date;
- Quotations submitted via e-mail / hand shall be submitted to Supply Chain in an un- editable format from the bidder;
- Upon receipt of such e-mail / hand delivered document, Supply Chain will file such quotation electronically on a personal computer to a dedicated folder before the closing date of the quotation;
- The file containing the quotations of the RFQ in question will be opened by Supply Chain on the closing date with all those submitted or received from the selected bidders;
- Supply Chain in consultation with the end user and / or cost centre manager evaluates the received quotations and decides on the accepted quotation;
- The cost centre manager signs for the acceptance of the agreed upon quotation, thus authorising Supply Chain to continue with the PO;
- Copies of the opened quotations will be attached to the corresponding PO when created;
- In instances where there is no previous purchase history or indication by the end user that the value exceeds R300,000 (Meticais equivalent) and supply chain proceeds with the RFQ process only to find on receiving replies to the RFQ that the quoted price is above R300,000 where no sealed bid process was followed, the Procurement Manager will ensure that the CFO is informed of the situation. The CFO is required to sign off on the quotations acknowledging the deviation.



### b. Request for proposals (RFP, RFx)

- For purchases estimated to be over R300,000 (Meticais equivalent), a sealed bid process must be followed whereby the proposals must be submitted by suppliers in sealed envelopes at a specified sealed receiving point or via email to a dedicated email address that will only be opened after the RFP/RFx closing date. Supply Chain must prepare all relevant information that will be sent to the bidders for generating a RFx to enable the bidders to submit complete and uniform proposals/quotation.
- The proposals/quotations received must be maintained, compiled and presented in a uniform basis so that the quotations can be compared with one another during the evaluation process.
- The RFP/RFx must be sent to at least three suppliers.
- Quotations/proposals must be treated as confidential and with discretion. Quotations/proposals shall not be discussed with or made available to other bidders or third parties.
- The proposals received are only opened after the RFP/RFx closing date.

### c. Receiving information proposals and/quotations

All information, proposals and/or quotations must be submitted in writing and receipt thereof managed formally, with distinction between requirements for unsealed and sealed bids. Unsealed bids may be received by means such as mail, electronic mail and/or office delivery. Sealed bids may be received electronically or physically through business approved means such as:

- A designated and secured electronic mailbox; or
- A ROMPCO approved electronic bid receipt platform; or
- Physical delivery of documents to a designated bid submission box.

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## Sealed bids must:

- Be received and contained securely, in a manner that restricts access to the received bids before the closing time, as well as offer traceable access- and activity logs;
- Not be released to the bid issuer/requestor before the closing date of the bid;
- Be opened in the presence of another ROMPCO employee and all pages containing prices must be dated and signed; and
- Handled confidentially and perusal contained to authorised Supply Chain employees only.

Bids submitted after the closing date and time and/or in contravention of bid submission instructions must be disqualified.

When the bid process is compromised (by mistakes, misalignment etc.) to the extent that fair and objective evaluation of the bids are impossible, the bid should ideally be retracted, followed by a suitable cooling-off period, and re-issued. Business requirements and special circumstances must be considered, and the decision taken at the time, reasons for it and/or circumstances must be clearly motivated and documented.

### d. Bid evaluation process

Following the opening of all submitted proposals, bids must remain in the possession of Supply Chain, who must ensure that the bids are not accessible to unauthorized persons. Supply chain must convene a panel of suitably experienced ROMPCO employees to perform an evaluation based on pre-determined bid evaluation criteria.

In the case of RFX's compiled and issued, the comparison and evaluation of bids will take place once the opening date as stated on the RFX have been reached, bid comparison of all the submitted bids that have been received as per the RFX is done. The evaluation is done according to the set supplier evaluation criteria and scoring is done accordingly.

Once a bidder has submitted a quotation, a bidder is not permitted to reduce or increase price(s) other than for identified written omissions or errors, unless all bidders are requested to re-evaluate and re-submit their bids. Revised bids requested from more than one bidder must be handled in the same manner as the original RFX and in accordance with the procurement procedure.



When only one bidder is requested (in approved circumstances) to submit a revised bid, it may be e-mailed to the responsible Supply Chain employee e-mail address.

All prices and / or terms stated in the bid of the successful bidder can be re- negotiated during contract negotiations; however, this may only be performed after the recommendation to award a contract with a specific bidder has been approved.

In certain instances, the bid evaluation process will consist of a commercial and technical evaluation (see sections f and g below) because of the pre-determined evaluation criteria set out in the approved sourcing plan. In such instances the relevant end user / s or technical subject matter experts are responsible for evaluating the technical bid evaluation criteria and for compiling a technical recommendation based on the findings of the technical evaluation. Details of the technical evaluation and the related recommendation must be provided to Supply Chain.

Supply Chain will be responsible for evaluating the commercial bid evaluation criteria. Supply Chain will decide what information contained in the bid documentation is required to be distributed, to which end user(s) and / or technical subject matter expert(s) and in what format.

The provision of pricing information to the end user(s) or technical subject matter expert(s) involved in the technical evaluation is prohibited as this information could influence the technical evaluation and recommendation. However, necessary technical information stipulated in the bids should be submitted

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to the end user(s) and technical subject matter expert(s) to enable them to properly perform the technical evaluation. Supply Chain should, however, ensure that they always impress upon the end user(s) and technical subject matter expert(s) the crucial requirement to treat all technical bid information with the utmost confidentiality and to refrain from discussing or providing related information to other personnel or external parties that are not involved in the technical evaluation.

The technical evaluation must be performed independently of the commercial evaluation, however, it should be noted that Supply Chain may participate in the technical evaluation discussion or sessions at his / her discretion, if deemed necessary, to ensure that a fair and equitable technical evaluation is conducted.

The technical recommendation should detail the outcome of the evaluation based on the pre-determined technical evaluation criteria and could consist of, but not be limited to, aspects such as the bidders' competence to perform the work, the experience and expertise of the bidders as well as whether quality and safety systems are in place as may be specifically pre-determined for the scope of work.(See section f below).

Should Supply Chain, during the commercial evaluation, determine that the successful bidder recommended in the technical recommendation is different from the successful bidder as indicated by the outcome of the commercial evaluation, Supply Chain should consult with the end user or requestor to obtain agreement on the consolidated recommendation emanating from the technical and the commercial evaluations.



Supply Chain must also refer to the scope of work / supply portion of the sourcing plan to ensure that the successful bid does not exceed the available budget of the end-user. Should there be any doubt or discrepancy regarding this, the end user should be consulted, and approval should be obtained from the end user or requestor that they have sufficient budget available and that the recommendation for the combined evaluation may be drafted and finalised for approval in order to proceed with contract negotiations with the successful bidder.

Care should be taken not to communicate the successful bidder's name at this stage of the process, but to only verify that the total cost of the successful bid is acceptable to the end user or requestor.

### **e. Bid clarification phase**

The bid clarification phase may be conducted through a bid clarification meeting/conference call/skype meeting or through an email sent to bidders with the questions for clarification. During the process of evaluation of bid submissions, Supply Chain as well as the end user(s) and technical subject matter experts involved in the technical evaluation must decide whether there are any matters that need to be clarified with bidders to ensure that the evaluations are performed accurately.

Matters that may need to be addressed could relate to the completeness of information submitted, deviations from the agreed nature and scope of work / supply as stipulated in the RFX and specific technical aspects that may need to be re-considered. It is preferable (but not mandatory) to prepare own questions, in writing, and to submit them to relevant bidders to respond within certain timeframe to be agreed between Supply Chain and the end user. This will ensure that bidders are presented with a fair opportunity to prepare and respond the required information at the bid clarification phase.

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The bid clarification request must be distinguished from the process of actual negotiation. The purpose of the bid clarification request is:



- To clarify issues that may have a cost, delivery, quality, inventory, or any other impact and that may, as a result, impact the evaluation of the bid;
- To determine whether the bidder fully understands the extent of the work and has made provision for all requirements stipulated in the RFx; and
- To determine the technical implications of alternative recommendations presented by the bidder;
- And / or scope of work / supply deviations.
- Under no circumstances may information received from a bidder during the bid clarification phase be disclosed to any other bidder.
- All attendees present at the bid clarification meeting must sign an attendance register which shall be kept in the applicable contract file.
- Minutes of all bid clarification meetings (if applicable) must be recorded by Supply Chain and distributed for comment and signature to all attendees. Minutes of all meetings convened should be filed in the applicable contract file following receipt of approval or attached to the RFx Bid Award where the RFx was compiled, issued, and evaluated.

During the bid clarification phase, all communication(s) entered into between ROMPCO and bidders must be documented by supply chain in writing. These communications must be kept in the contract file for record purposes or attached to the RFx Bid Award.

## **f. Technical evaluation**

Technical evaluations are required for all RFP/RFx processes. It is advisable that technical evaluations are performed by the end user(s) and / or technical subject matter expert(s), independently of the process adopted for performing commercial evaluations. The technical bid evaluation criteria may include but is not limited to the following:

- Criteria, weights, standards;
- Technical expertise of the bidder;
- Bidders' past performance;
- Bidder's performance in terms of their contracts with other parties;
- Materials and procedures used by bidders;
- Guarantees offered by bidders;
- Experience level of bidder's personnel;
- Awareness of and compliance with safety and health and environmental requirements;
- Bidder's quality control system;
- Technical accreditation (e.g., ISO and others)
- Bidder contingency plans including resourcing plans (e.g., suppliers, contractors, etc);
- Equipment proposed by the bidders and the availability thereof.

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## g. Commercial evaluation



Commercial evaluations must be performed by supply chain. The evaluation must consider the information inputs of the end user and/or technical subject matter experts. The commercial bid evaluation criteria may include, but is not limited to the following:

- Costing of the bid and related aspects:
  - Proposed price adjustment formula with exposure to exchange rates;
  - Other potential cost implications on ROMPCO resulting from concluding a contract with that particular bidder;
  - Total cost reduction opportunities; and
  - Premiums to be paid.
- Compliance with Standard Terms and Conditions on Contracting:
  - Indemnities and insurance offered by the bidder (or absence thereof);
  - Termination rights;
  - Payment terms;
  - Performance and retention bonds:
  - Adherence to the requirements of the RFX and
  - Ownership and management of the bidder.
- Availability and ability to comply with ROMPCO's schedule requirements, inclusive of lead times on own critical items;
- Safety systems and compliance to Service Provider Safety Accreditation Standards (where applicable, based on relevant legislation in Mozambique and/or South Africa);
- Quality systems, e.g. ISO 9000 accredited or similar as per requirements of the scope of work/supply;
- Bidder's financial stability (audited financial statements may be requested);
- Additional services or offers from the bidder:
  - Guarantees offered by bidder and its ability to honour its obligations under the guarantees offered;
  - Research & Development facilities;
  - Training and transfer of skills to ROMPCO; and
  - Stock control and stock control procedures

## h. Recommendation for contract award

Following completion of the bid clarification meetings, technical and commercial evaluations, Supply Chain must consolidate the technical and commercial evaluations into a combined evaluation and compile a recommendation based on the combined evaluation and the technical recommendation received from the end user.

- The recommendation should detail the history of the RFX process from receipt of the purchase requisition or request from the end user up to the bids received and the evaluation process. Relevant details relating to the proceedings at bid clarification meetings should also be included. The recommendation may include a bid summary to record the outcomes of the evaluation. The recommendation should thus motivate the selection of the bidder to whom the contract should be awarded to and should conclude a mandate to enter into contract negotiations with the recommended bidder if approved.
- Any deviations from Supply Chain policy and / or challenges encountered by Supply Chain shall be recorded in the recommendation.
- Recommendations for the award of contracts for all projects must be signed by the Finance Manager for budget confirmation.

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- Recommendations (inclusive of the commercial and technical evaluations) that will result in the award of contracts of any value must be approved by the General Manager of the department requesting the goods/service.
- In the event that the General Manager rejects a recommendation, the General Manager should indicate the reasons for the rejection, in writing, to Supply Chain, who should then take the necessary steps to address such issues. Supply Chain may re-submit the recommendations together with adequate responses to the issues raised by the General Manager and for subsequent approval. Upon receipt of approval of the recommendation from the General Manager, the recommendation and evidence of approval provided by General Manager must be filed for record purposes on the contract file. Where the RFx was compiled, issued, and evaluated and the bid award approved, records of the bid comparison, evaluation, award and bid award approval will be kept in the contract file.
- Supply Chain may then commence with contract negotiations with the successful bidder and inform the unsuccessful bidders of the outcome of the bid evaluation in accordance with the mandate that was approved as part of the recommendation



## 2.2.4. Contracting

### a. Contract Management (Negotiation, Conclusion and Administration)

The aim of the evaluation of bids and recommendations for the awarding of contracts is to have a structured and governed process that will ensure the fair and equitable award of contracts. Once the recommendation for award of contract is approved, Supply Chain must start the contract negotiation with the successful bidder.

- Negotiations and commitments with suppliers shall not be directly undertaken by internal Stakeholders without prior timely engagement of Supply Chain personnel.
- All contracts and agreements developed for the acquisition of Goods and Services must incorporate ROMPCO Terms and Conditions appropriate to the supply, be negotiated by Supply Chain in collaboration with internal stakeholders and be executed in accordance with the ROMPCO's Signing Authority.
- Deviation from ROMPCO Terms and Conditions must be reviewed and approved by General Manager Legal and Regulatory Affairs prior to execution of the contract.
- Any proposed amendment or exception sought to the contracting requirements must be reviewed and approved by General Manager Legal and Regulatory Affairs as facilitated through Supply Chain.
- Legal is responsible for creating and maintaining contract and agreement templates, and related General Terms and Conditions and Contract Management and Administration.
- In collaboration with relevant stakeholders within ROMPCO functions, Supply Chain is responsible for the commercial relationship with suppliers while internal stakeholders are responsible for the technical management of supplier performance, such as managing product and service specifications, safety, reliability, quality, availability, and work execution. Supply Chain is responsible for managing or otherwise coordinating all commercial matters with suppliers and internal stakeholders.
- When utilizing an agreement, internal stakeholders are responsible for the day-to-day performance and compliance of the supplier to all relevant ROMPCO policies and procedures, including SHE requirements.

The primary method to fulfill an End-user requirement is either an off take from a contract or as a direct purchase order. No work may commence without an approved PO. Work done without PO is deemed unauthorised.

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## 2.2.5. Procurement

Procurement is defined as a process which creates, manages, and fulfils acquisitions of goods, services and works, or any combination thereof. For the purpose of this policy, and unless specifically mentioned, the term 'procurement' is limited to the acquisition of goods, services, works, or real property via competitive bidding or through the exceptions outlined below.

The procurement process starts with the identification of the need by the End-user in line with business requirements or, where the need to place a new contract is identified by Supply Chain function. A PR is used by Supply Chain as an initial budget approval of ROMPCO's intent to enter into an agreement or do business with a third-party supplier of goods and services. Therefore, a PR must only be released by a duly authorised cost centre owner or a formally delegated representative.

PR approval is required for every request. If the value of the PR exceeds the cost centre owner's budget or approval threshold, the PR approval must be escalated to the next level for approval. All changes on a PR are the responsibility of the end user.

The End User must ensure that created PRs are comprehensive. A PR must at a minimum comply with or contain the following:

- Fully detailed Scope of Work or item description, where applicable relevant drawing or supporting documents must be attached.
- The item to be correctly identified as a good or services
- Budgeted amount
- Expected delivery date or lead time
- Cost allocation; Cost Centre or WBS element that will be responsible for the cost.
- Desired vendor if it a Nominated or Source vendor where applicable. An approved motivation must be attached.
- Reference to an Outline Agreement where applicable.

### • Procurement Channels in ROMPCO

#### a. Procure-to pay

At a transactional level, the PtP process has the following steps (also refer to Annexure 1)



- Creation of purchase requisitions
- Requisitioning is online and electronically approved
- Electronic RFQs are created and transmitted to suppliers; responses are electronically received and evaluated
- Electronic purchase orders are automatically created and transmitted to suppliers.
- Purchase order acknowledgements and responses are electronically received.

#### b. Source -to-contract

Source to contract is for strategic transactions, the contract duration maybe for more than a year. The following steps apply (also refer to Annexure 2)

- Profile the category (Commodity & demand analysis)
- Supply market analysis (Industry/sector analysis, supplier preferencing & supplier positioning)
- Develop the sourcing plan
- Select the sourcing process
- Negotiate and select suppliers
- Contract management and supplier relationship management



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### c. Uniquely applied suppliers

Goods, works or services can be procured from uniquely applied suppliers; defined and categorised as follows:



- **Nominated supplier:** may occur when more than one supplier exists in the market who is capable supplying the goods, works or services, but a particular supplier is identified as the nominated supplier for reasons of compatibility, technology, being on site or other technical reasons.
- **Sole source supplier:** the one and only source that possesses a unique product having singular characteristics or performance capability. Competition is not available in a sole source situation.
- **Original equipment manufacturer/supplier:** a manufacturer that manufactures products or components that are purchased by another company and retailed under that purchasing company's brand name.
- **Installed Base supplier:** the number of units of a system or product that are currently in use. A large and established installed base will constrain commercial ability to procure from alternative suppliers.
- **Technical standardisation supplier:** business entity process of developing and agreeing upon technical standards. These requests must be accompanied by documentary proof/ record of the process having been completed to reach the standardisation decision.
- **Exclusive distributor (agent/distributor/reseller):** Distributors have business relationships with manufacturers that they represent. This may be exclusive buying agreements that limits the number of participants in- or enables distributors to cover a certain territory. The distributor becomes the manufacturer's direct point of contact. The distributor can be exclusive or non-exclusive. An exclusive distribution agreement gives the distributor the sole right to distribute and sell the products in that territory – the principal will not appoint any other distributors. Appointment letters on sole agents and distributors need to be obtained from the OEM. In instances where ROMPCO deals directly with the OEM this appointment letter is not required.

The end user must complete the motivation form that must be signed by the cost centre manager before the PR can be approved in the system. This appropriately signed form must accompany the PR.

### d. Alternative Procurement Channel

- **Sundry expenses**

Sundry payments are for expenses which typically have pre-regulated or public rates; those for which the procurement process does not add material value. These types of expenses are exempt from the standard procurement process and are enabled via direct payment of an invoice. No SAP Purchase Orders are required. Only invoices for the supply of goods and / or services which are defined and pre-approved under the sundry expense list shall be paid via the sundry payment process. Sundry payment process will be more detailed on Finance accounts payable procedures. Refer to Annexure 3 for sundry examples

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## • Procurement cards

Procurement credit card (P-Card) is intended as a means of streamlining the standard PTP process for low value, low risk and non-frequent needs. P-Card transactions are orders placed directly by business and charged to a credit card managed by Finance personnel. No SAP PO is required for transactions that are paid using a P-Card.

This channel may only be used in the following circumstances:

- Transaction not exceeding R30 000 or metical equivalent in value.
- Off the shelf.
- Internet purchases.
- No Safety Health and Environment (SHE), technical or operational risk.

The cardholder is responsible for all transactions that are made on the P-Card. The cardholder must ensure that the items procured using the P-Card comply with this procedure. Supporting documentation such as invoices, till slips, credit card speed point slips, online transaction confirmation are kept. The expense must be budgeted / or if unbudgeted approval according to the DOA must be attached.



## e. Preferential procurement and Local Content

### • Preferential procurement – South Africa

ROMPCO supports the intent of South Africa's Broad-Based Black Economic Empowerment Codes of Good Practice and has adopted the requirements of the Codes in our applicable policies & procedures. ROMPCO Suppliers must at all times maintain their BBBEE certificates/affidavits to ensure accurate reporting to Accreditation agencies and the Department of Trade and Industry.

Our Preferential Procurement Philosophy states that:

- Supply Chain Management is positioned and aligned with the revised 2013 Codes of Good Practice, and related legislation in order to offer optimal supply chain solutions; enhance our competitive advantage and ensure that we remain relevant in the industry.
- Given the changes to South African market conditions - specifically relating to the new revised codes, new legislation, and supplier constraints - Supply Chain has a responsibility for the development and transformation of suppliers to enhance its competitiveness.
- We support the development of exempted micro enterprises and qualifying small enterprises, as these entities play an important role in the economic growth and development of any economy.
- Supply Chain will develop and implement procurement strategies which will be used as instruments to promote Black Economic Empowerment (BEE) in the economy. Included in strategy development are the following objectives:
  - Supplier Development
  - Localisation
  - Skills Development
  - Job Creation
  - Industrialisation
- In the sourcing process, the principles of the Codes of Good Practice will be a criterion in selecting suppliers. Performance, as measured under the Codes of Good Practice and other relevant legislation, will impact the competitiveness of ROMPCO in South Africa, and its ability to ensure growth and sustainability.

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## • Local Content – Mozambique

Our overarching philosophy with regard to the procurement of goods and services is to maximise local content where possible. Local content will be entrenched into our tender process to ensure that preference is given to Mozambican owned businesses and that the local content element of tenders is appropriately rated and assessed as an integral part of the overall bid evaluation process.

Local content will be integrated into our process of contracting goods and services by giving preference to Mozambican companies to ensure that the local content component in the evaluation of proposals is properly classified and evaluated as an integral part of the entire process.

The promotion of local content and development of local suppliers is one of the most effective ways of stimulating economic growth, transformation, and the creation of jobs in the communities close to our areas of operation. In addition, a growing SMME sector is vital for broadening economic participation and delivering on Mozambique's socio-economic development objectives.

We will achieve this by promoting local skills, supplier development, advancing local content and optimising the procurement of Mozambican goods and services.

### 2.2.6. Materials Management

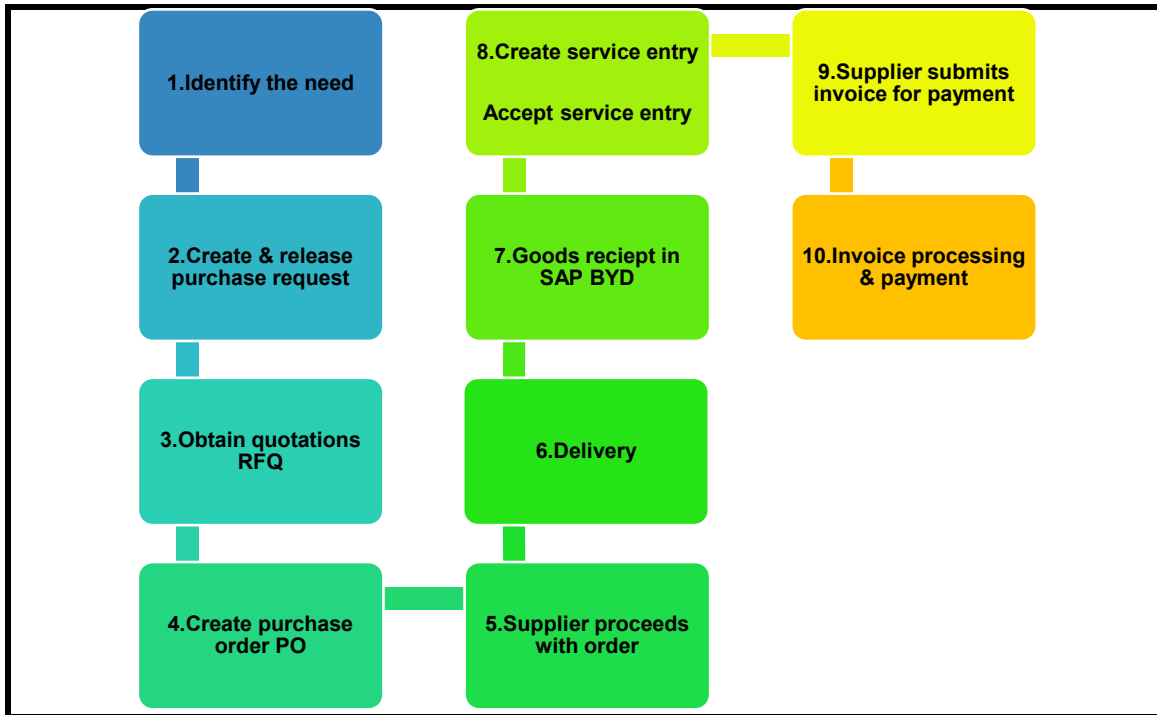
Supply Chain, working jointly with ROMPCO functions, is responsible for ensuring the balancing of goods' demand and supply to support safety and reliability objectives of the ROMPCO's operations, proactively preventing disruptions to the procurement process, effectively managing the forward and reverse flows of materials in the supply chain, and enabling and optimizing ROMPCO inventory management processes, techniques, systems relative to industry best practices.

### 2.2.7. Financial Settlement



Financial settlement includes the accurate processing of valid invoices to enable timeous payment to suppliers. This occurs within contracted payment terms, governance guidelines and utilising current systems in place. Financial settlement controls are detailed on the Finance Standard Operating Procedures for Accounts Payable.

### 3. Annexure 1: Procure-to-pay

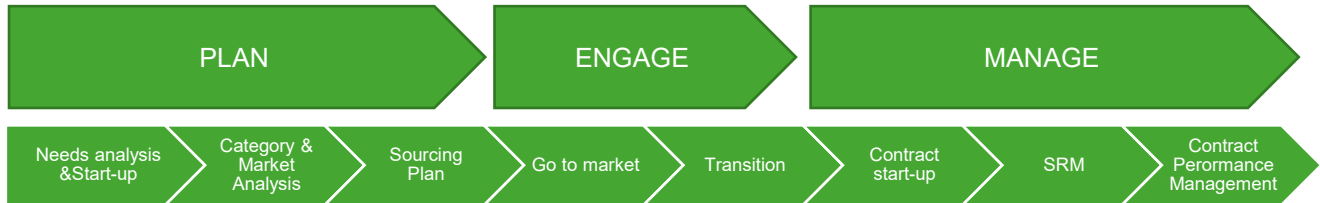
A high level procure to pay process, executed in SAP BYD in accordance with segregation of duties.





- Steps 1,2,7 and 8 done by business
- Step 3 and 4 done by SCM
- Step 5, 6 and 9 done by suppliers
- Step 10 done by accounts payable

|   |  |                 |  |                     |   |             |         |
|---|--|-----------------|--|---------------------|---|-------------|---------|
|  | <p align="center"><b>Supply Chain Policy</b></p> |                 |  |                     |  |             |         |
| <b>STATUS</b>   |  | <b>REVISION</b> |  | <b>DOCUMENT No.</b> | TBD   | <b>PAGE</b> | 28 / 31 |

## 4. Annexure 2: Source-to-contract





|   |  |                     |  |              |   |      |         |
|---|--|---------------------|--|--------------|---|------|---------|
|  |  | Supply Chain Policy |  |              |  |      |         |
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## 5. Annexure 3: Sundry Expenses

The below list, although not exclusive, depicts services considered, sundry expenses

| Sundry item  | Description   |
|--|---|
| Card payments  | Bank fleet cards; credit cards; procurement credit cards.   |
| Courier services   | Delivery of goods, documentation, etc.  |
| Donations, grants, sponsorships  | Aid; contributions; gifts; financial assistance; scholarships; awards.  |
| Electricity accounts   | Accounts of electricity usage.  |
| Employee refunds   | Refunds to employees; employee reimbursements.  |
| Functions (non-contract)   | Long service- and year-end functions; restaurants, golf day bookings, etc.  |
| Government institutions / statutory payments                                       | Payments to government institutions; legal and legislative payments.  |
| Insurance  | Insurance claims and insurance payments.  |
| License renewal fees   | Vehicle licenses; DSTV; TV, etc., excluding software and data licenses.   |
| Medical / doctors accounts   | Optometrist; physiotherapist; pathologist and other medical related expenses.   |
| Membership fees, club fees, subscription fees                                      | E.g. professional bodies; newspapers, etc.  |
| Municipal accounts   | Including rates and taxes; pre-paid meters; approval of architect drawings; requesting drawings and other related municipal expenses. |
| Port authorities, border clearance, shipment cost for foreign imports              | Not for logistics invoices with PO's or customs VAT payments.   |
| Post box renewal   |   |
| Property leases or rentals   | Exceptional instances where no contract exist.  |
| Prospecting rights, damage compensation, servitudes, deeds                         | Excavation; mining rights; leases; charters; compensation for damages.  |
| Seminars; conferences; speakers & once-off or unique / specialized training events |   |
| Study aid, bursaries & tuition fees  |   |
| Telephone bills and expenses   | Land line rentals; mobile phones; satellite phones.   |

|   |                     |          |  |              |   |      |         |
|---|---------------------|----------|--|--------------|---|------|---------|
|  | Supply Chain Policy |          |  |              |  |      |         |
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## 6. Annexure 4: Scorecard template – supplier performance

| SCORECARD TEMPLATE - SUPPLIER PERFORMANCE |  |                                       |   |                                       |                                      |  |                  |
|---|--|---------------------------------------|---|---------------------------------------|--------------------------------------|--|------------------|
| Supplier                                  | KPI 1<br>Percentage of acknowledgements received within 24 hours | KPI 2<br>Number of on time deliveries | KPI 3<br>Percentage of defects per delivery | KPI 4<br>Percentage of overdue orders | KPI 5<br>% price reduction per month | KPI 6<br>Is the supplier contributing towards local procurement? | Supplier Score % |
| A   |  |                                       |   |                                       |                                      | Yes  |                  |
| B   |  |                                       |   |                                       |                                      | No   |                  |
| C   |  |                                       |   |                                       |                                      |  |                  |