

SOUTH AFRICAN FOOTBALL ASSOCIATION	POLICIES & PROCEDURES MANUAL
SECTION: Procurement	REF: PRO2
SUBJECT: Procurement Guidelines	PAGE: 1 of 9
DOCUMENT OWNER: CEO	Date Created: 04/2010
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1 PURPOSE

- 1.1 This document describes the broad procurement policies and procedures as they relate to the different categories of expenditure, within SAFA.
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2 RESPONSIBILITIES

- Staff
 - Procurement Assistant
 - Procurement Manager
 - Finance Director
 - Chief Executive Officer (CEO)
 - National Executive Committee (NEC)
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3 POLICY

- 3.1 This policy must be read in conjunction with SAFA's Code of Ethics, Disciplinary Code, Nepotism and other procurement policies.
- 3.2 The procurement policies and guidelines outlined in this document are the default policies and procedures. All goods and services procured by SAFA for which there is not a specified policy document, must abide by the policies and procedures outlined herein.
- 3.3 No two persons may perform the same task, such that it becomes impossible during audits to determine accountability. There must be segregation of duties among the following functions:
- Requisitioning items to be purchased
 - Authorising purchase requisitions
 - Raising and authorising orders
 - Receiving inventory orders
 - Processing invoices and processing payments
 - Approving payments to suppliers
- 3.4 The Procurement Manager must ensure that goods and services to be procured are not in contravention with any our sponsorships and other partnership agreements.

SOUTH AFRICAN FOOTBALL ASSOCIATION	POLICIES & PROCEDURES MANUAL
SECTION: Procurement	REF: PRO2
SUBJECT: Procurement Guidelines	PAGE: 2 of 9
DOCUMENT OWNER: CEO	Date Created: 04/2010
DOCUMENT APPROVERS: National Executive Committee	Date Approved: 04/2010

- 3.5 The need for the goods and/or services to be procured must be checked against budgeted expenditure, and approved by Procurement Manager prior to the invitation to quote. The Finance Director must approve goods and services to be procured not within budget for Category B, while the CEO must approve goods and services to be procured not within budget for Category C and D.
- 3.6 SAFA must have an approved supplier list. The Procurement Assistant will source potential suppliers for the goods and services required, using suppliers that appear on the accredited supplier list. This list contains the details of potential service providers who have been pre-screened and approved to supply SAFA with goods and services. Refer to Supplier Management Policy.
- 3.7 Approved suppliers will be given preference, except where the tender process is followed.
- 3.8 For goods/services where there is no approved supplier on the accredited supplier list, the supplier to be used must meet the accredited supplier criteria stipulated in the Supplier Management Policy. The Procurement Manager and the Finance Director must review that all criteria have been met and approve the supplier to be added to the supplier database. Applications for additions to the database must be made on the Vendor Application form.
- 3.9 All procurement must comply with SAFA Procurement Strategy.
- 3.10 Procurement is categorised according to the rand value of the expense. The 4 categories of procurement are differentiated according to the value of the item/s being procured, namely:

- Category A** Items with a value less than R999 (VAT excluded)
- Category B** Items with a value between R1 000 and R49 999 (VAT excluded)
- Category C** Items with a value between R50 000 and R249 999 (VAT excluded)
- Category D** Items with a value equal to and greater than R250 000 (VAT excluded)

SOUTH AFRICAN FOOTBALL ASSOCIATION	POLICIES & PROCEDURES MANUAL
SECTION: Procurement	REF: PRO2
SUBJECT: Procurement Guidelines	PAGE: 3 of 9
DOCUMENT OWNER: CEO	Date Created: 04/2010
DOCUMENT APPROVERS: National Executive Committee	Date Approved: 04/2010

3.11 The Procurement Manager may:

- Lower, but not increase, the threshold limits as specified above.
- Request that formal written quotations be obtained for any general procurement relating to categories A and B.
- Request that only one verbal or written quotation be obtained for category B items.
- Request that a competitive bidding process be followed for any procurement below R250 000 (VAT excluded), irrespective of category.

3.12 Goods and services may not be deliberately split into parts or items of a lesser value merely to avoid complying with the requirements. When determining transaction values, a requirement for goods or services consisting of different parts or items must as far as possible be treated and dealt with as a single transaction.

3.13 The Procurement Manager must take all reasonable steps to ensure that the procurement of goods and services in all categories shall not be misused.

3.14 The optimisation of the parameters of cost, time, quality, risk and empowerment targets will be the basis for all procurement decisions.

3.15 SAFA will not be bound to accept the lowest or any tender or quotation.

3.16 The Procurement Assistant must record the names of the potential suppliers requested to provide quotations as well as their quoted price and all received documents.

3.17 All relevant details must be placed on the Purchase Order form and the Purchase Order form must be completed correctly. Refer Purchase Order Policy.

3.18 All Purchase Order forms must be e-mailed or faxed to relevant suppliers. Telephonic orders are not allowed.

3.19 SAFA reserves the right to procure goods and services from suppliers via closed invitations.

3.20 In certain instances, procurement by negotiation may be the only practical option for the following reasons:-

- A sole supplier situation exists because of legal or propriety rights such as patents; registered designs and licences.
- There is insufficient time to follow the competitive procurement route.
- Previous RFP's/Tenders/Quotations have failed to elicit any acceptable responses.

SOUTH AFRICAN FOOTBALL ASSOCIATION	POLICIES & PROCEDURES MANUAL
SECTION: Procurement	REF: PRO2
SUBJECT: Procurement Guidelines	PAGE: 4 of 9
DOCUMENT OWNER: CEO	Date Created: 04/2010
DOCUMENT APPROVERS: National Executive Committee	Date Approved: 04/2010

In such circumstances the Procurement Manager will prepare a proposal identifying the scope, budget cost, technical details and commercial terms and conditions. The Procurement Manager will motivate to the Finance Director for a mandate to enter into negotiations. The specific terms of the mandate to enter into negotiations shall be specifically identified in an NEC resolution.

3.21 Policies applicable to Category A only:

3.21.1 Procurement of goods and services with a value below R 999 excluding VAT will be treated as Petty Cash Purchases. Refer Petty Cash Policy.

3.22 Policies applicable to Category B only:

3.22.1 At least three written or verbal quotations must be obtained from three different suppliers, that appear on the accredited supplier list (refer to Supplier Management Policy).

If there are no approved suppliers on the accredited supplier list for the specific goods/services required, the supplier to be used must meet the accredited supplier criteria stipulated in the Supplier Management Policy. The Procurement Manager and the Finance Director must review that all criteria have been met and approve the supplier to be added to the supplier database.

The details (i.e.: date, supplier, quote amount and contact person) of all verbal quotations must be documented.

Note: The Procurement Manager has the authority to request that only one written or verbal quotation be obtained (refer to 3.11 above).

3.22.2 Should the Procurement Manager, in attempting to obtain goods and services, be unable to obtain quotations from at least three different providers, the reasons must be recorded and reported to the Finance Director.

3.22.3 Written quotations from suppliers should be submitted by fax or e-mail.

3.22.4 Should a quotation be obtained verbally and the supplier is selected, he must submit a written quotation via fax or e-mail.

3.22.5 Any quote that is accepted must be approved in writing by the Procurement Manager. The Manager's signature is required in order to raise a purchase order.

3.22.6 Orders may only be placed against a written quotation received from the selected supplier.

SOUTH AFRICAN FOOTBALL ASSOCIATION	POLICIES & PROCEDURES MANUAL
SECTION: Procurement	REF: PRO2
SUBJECT: Procurement Guidelines	PAGE: 5 of 9
DOCUMENT OWNER: CEO	Date Created: 04/2010
DOCUMENT APPROVERS: National Executive Committee	Date Approved: 04/2010

3.23 Policies applicable to Category C only:

3.23.1 At least three formal written quotations must be obtained from three different suppliers that appear on the accredited supplier list (refer to Supplier Management Policy).

If there are no approved suppliers on the accredited supplier list for the specific goods/services required, the supplier to be used must meet the accredited supplier criteria stipulated in the Supplier Management Policy. The Procurement Manager and the Finance Director must review that all criteria have been met and approve the supplier to be added to the supplier database.

3.23.2 Suppliers may be requested to submit quotes via invitation. In such instances, the written invitation to quote must be approved by the Procurement Manager.

3.23.3 Should the Procurement Manager, be unable to obtain written quotations from at least three different suppliers, the reasons must be recorded.

3.23.4 Any quote that is accepted must be approved by both the Procurement Manager and the Finance Director. The Procurement Manager's and the Finance Director's signature is required in order to raise a Purchase Order.

3.24 Policies applicable to Category D only:

3.24.1 Goods and services falling into Category D must be procured by the SAFA only through a competitive tender / bidding process as described in the Tender Process Policy.

3.24.2 A written standard service level agreement must be entered into between the SAFA and the successful supplier.

3.24.3 Approval:

- For tenders with a value between R250 000 and R999 999 (VAT excluded) - The supplier selected is approved by the Bid Adjudication Committee and the CEO. The Financial Director will review the supplier approved to ensure that it has met all of the selection criteria.
- For tenders with a value equal to and greater than R1 000 000 (VAT excluded) - The supplier selected is approved by the Bid Adjudication Committee and the NEC. The Financial Director will review the supplier approved to ensure that it has met all of the selection criteria.

SOUTH AFRICAN FOOTBALL ASSOCIATION	POLICIES & PROCEDURES MANUAL
SECTION: Procurement	REF: PRO2
SUBJECT: Procurement Guidelines	PAGE: 6 of 9
DOCUMENT OWNER: CEO	Date Created: 04/2010
DOCUMENT APPROVERS: National Executive Committee	Date Approved: 04/2010

4 PROCUREMENT ETHICS

Honesty, integrity and transparency are integral to the business practice of anyone associated with SAFA. Should there be any evidence of corrupt or fraudulent practices or canvassing, SAFA will take action as described in terms of the SAFA's Disciplinary Code.

'Corrupt practice' is defined as:

- The offering, giving, receiving or soliciting of any advantage by a supplier, service provider or contractor to influence the action of an employee of SAFA in the selection process or in a contract execution; and
- The offering, giving, receiving or soliciting of any advantage by a SAFA Employee to influence the action of a supplier, service provider or contractor in the tender/pricing/selection process or in a contract execution.

'Fraudulent practice' is defined as:

- A dishonest misrepresentation of facts in order to influence a selection process or in the execution of a contract to the detriment of SAFA; and
- Collusive practices amongst suppliers/service providers/contractors prior to, or after submission of, Proposals/Tenders/Quotations designed to establish prices at artificial levels and deprive SAFA of the benefits of free and open competition.

'Canvassing' is defined as:

- An attempt to influence the outcome of the procurement process by communicating with an employee/s of SAFA.
- Such communication can be direct or indirect (via a third party) and include verbal exchanges, telephonic exchanges and written exchanges.

5 MISCONDUCT OF SUPPLIER/SERVICE PROVIDER/CONTRACTOR

SAFA will seek appropriate remedy from any supplier/service provider/contractor who, in the opinion of SAFA, has engaged in corrupt or fraudulent practice or has canvassed in competing for or in executing an awarded contract. The remedy may involve termination of the contract and/or prosecution. Additionally, the supplier/service provider/consultant may be declared ineligible to supply any goods, works or services to SAFA or any projects managed

SOUTH AFRICAN FOOTBALL ASSOCIATION	POLICIES & PROCEDURES MANUAL
SECTION: Procurement	REF: PRO2
SUBJECT: Procurement Guidelines	PAGE: 7 of 9
DOCUMENT OWNER: CEO	Date Created: 04/2010
DOCUMENT APPROVERS: National Executive Committee	Date Approved: 04/2010

and administered by SAFA.

6 PROCEDURE

The Procurement Manager shall evaluate into which category the necessary goods/services fall, and thereafter determine which procedure needs to be followed.

6.1 Procedure applicable to Category A:

6.1.1 Refer to Petty Cash Procedure.

6.2 Procedure applicable to Category B:

6.2.1 A SAFA Employee completes a Purchase Requisition Form (refer to Purchase Requisition Procedure).

6.2.2 The need for the goods and/or services to be procured and confirmation that the expenditure is budgeted, is to be certified by the Procurement Manager prior to quotations being obtained. The Finance Director must approve goods and services to be procured not within the budget.

6.2.3 The Procurement Assistant contacts potential providers and establishes price and the availability of the goods/services required.

6.2.4 Written or verbal quotations must be obtained from at least three different providers. Note: The Procurement Manager has the authority to request that only one written or verbal quotation be obtained.

6.2.5 If a quotation was obtained verbally and the supplier is selected, he must submit a written quotation via fax or e-mail.

6.2.6 The Procurement Assistant selects the supplier, completes and signs the Purchase Order form (refer to Purchase Order Procedure).

6.2.7 The SAFA Procurement Manager reviews the quotations received. The Purchase Order form is checked and signed as evidence of approval by the Procurement Manager (refer to Purchase Order Procedure).

SOUTH AFRICAN FOOTBALL ASSOCIATION	POLICIES & PROCEDURES MANUAL
SECTION: Procurement	REF: PRO2
SUBJECT: Procurement Guidelines	PAGE: 8 of 9
DOCUMENT OWNER: CEO	Date Created: 04/2010
DOCUMENT APPROVERS: National Executive Committee	Date Approved: 04/2010

6.2.8 The Procurement Assistant submits the Purchase Order to the selected supplier via fax or e-mail.

6.2.9 Any problems that may be encountered with the efficient delivery of the requested goods must be documented in writing and submitted to the Procurement Manager. The resolution must be documented.

6.3 Procedure applicable to Category C:

6.3.1 The SAFA Employee completes a Purchase Requisition Form (refer to Purchase Requisition Procedure)

6.3.2 The need for the goods and/or services to be procured and confirmation that the expenditure is budgeted, is to be certified by the Procurement Manager prior to the written quotation being obtained. The CEO must approve goods and services to be procured not within the budget.

6.3.3 Invitation to quote requested.

- The written invitation to quote is prepared by the Procurement Assistant and approved by the Procurement Manager before it is issued to potential suppliers.
- As soon as possible after the closing time for quotations via invitation, a short list of the potential providers will be compiled by the Procurement Assistant.
- The short list shall contain the order of preference of the potential providers; with a written motivation justifying the order of preference (refer Procurement Strategy Policy).
- The Procurement Assistant selects the supplier, completes and signs the Purchase Order form (refer to Purchase Order Procedure).
- The Finance Director and the SAFA Procurement Manager review the short list of potential providers. The Purchase Order form is checked and signed as evidence of approval by the Procurement Manager and the Finance Director. Refer to Purchase Order Procedure).

6.3.4 Invitation to quote not requested

SOUTH AFRICAN FOOTBALL ASSOCIATION	POLICIES & PROCEDURES MANUAL
SECTION: Procurement	REF: PRO2
SUBJECT: Procurement Guidelines	PAGE: 9 of 9
DOCUMENT OWNER: CEO	Date Created: 04/2010
DOCUMENT APPROVERS: National Executive Committee	Date Approved: 04/2010

- The Procurement Assistant contacts potential providers and establishes the price and the availability of the goods/services required.
- Written quotations must be obtained from at least three different providers.
- The Procurement Assistant selects the supplier, completes and signs the Purchase Order form (refer to Purchase Order Procedure).
- The Finance Director and the Procurement Manager review the written quotations received. The Purchase Order form is checked and signed as evidence of approval by the Procurement Manager and the Finance Director. Refer to Purchase Order Procedure).

6.3.5 The Procurement Assistant submits the Purchase Order to the selected supplier via fax or e-mail.

6.3.6 Any problems that may be encountered with the efficient delivery of the requested goods must be documented in writing and submitted to the Procurement Manager. The resolution must be documented.

6.4 Procedure applicable to Category D:

6.4.1 The need to procure goods and/or services via a competitive tender process is identified.

6.4.2 The SAFA Employee completes a Purchase Requisition Form. Refer Purchase Requisition Procedure.

6.4.3 Refer to Tender Process.