

REF: SCM 06 OF 2012

To: The Chief Executive Officer

From: M.P Mabula

Branch: Finance

Unit: Supply Chain Management

Date: 06 February 2012

Subject: Annual General Exemptions for 2012/13

Enquiries: M.P Mabula – 012 400 2442

1. Purpose

To grant authority for utilizing Annual General Exemptions to procure goods and services for 2012/13 without following the normal procurement procedure for the acquisition of goods and services.

2. Discussion

Section 51 (a) iii of the PFMA, states, "that an Accounting Officer for a public entity has and maintains an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost-effective."

Even though goods and services are procured by quotations or competitive bidding, instances arise where it is impractical for the Agency to use three quotations to procure goods and services, or to invite bids.



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Branches and Units are to ensure that budget is available for such goods and services to be procured and a motivation must be submitted to obtain approval from Supply Chain Management.

An official order must be generated before the goods or services are acquired. As far as possible, suppliers listed on the database must be utilized.

The types of goods and services, which require exemption from normal procurement procedures, where expenditure will be incurred, are listed hereunder:

SASSA-12/01

CONFERENCE AND ACCOMMODATION BOOKING

The Chief Executive Officer and SASSA officials are required to convene meetings, workshops, host conferences and seminars away from their headquarters.

The request for exemption will exempt the Agency from obtaining three quotations with regard to areas where monopoly prevails or where it is not practical to obtain three (3) quotations.

SASSA-12/02

REGISTRATION FEES FOR TRAINING, WORKSHOP, CONFERENCES AND ORGANISATIONAL DEVELOPMENT.

The exemption seeks to exempt the Agency from obtaining three quotations in instances where it is not possible to obtain 3 quotes. This exemption is to cover expenditure for training and registration fees, for example, when officials attend seminars, training courses, conventions, etc. This is applicable in instances where one or many officials are required to attend courses offered by tertiary institutions and other registered training service providers.

Training courses that are attended overseas sometimes exceed the delegated amount because of the exchange rates, and, courses where more than one person or a group attends, costs more than the delegated amount.



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SASSA-12/03**ADVERTISING IN THE MEDIA**

The exemption will be used specifically for advertising and notification in the media. The advertisements are placed in specific newspapers and through a specific radio station, targeting a specific market. Hence only one quotation will be used.

In addition, the Agency has been engaged in community awareness and outreach programmes. To ensure successful marketing of these programmes, the Agency will utilize the media to disseminate information to targeted recipients.

SASSA-12/04**PAYMENT OF WATER, ELECTRICITY, REFUSE REMOVAL AND MUNICIPAL RATES.**

SASSA is responsible for the payment of municipal charges relating to the rendering of such services. It will not be possible to utilize quotations or bids, before incurring this expenditure, as some of these services are obtained predominately from municipalities.

SASSA-12/05**PURCHASING OF SERVICE AND PAYMENTS TO GOVERNMENT BODIES.**

This authority is required to enable SASSA to procure services and process payments to government bodies, such as the Deeds office, office of the State Attorney, Local Authorities, Government Printers, SITA, SABC, Government Communication and Information Services (GCIS), etc.

SASSA-12/06**TELE-COMMUNICATION EXPENDITURE**

This is required to enable SASSA to procure services from such service providers as TELKOM, SA POST OFFICE, POST NET, and others where a monopoly exists.

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SASSA-12/07**ACQUISITION OF SPECIALISED SERVICES FOR THE WORK PLACE HEALTH PROGRAMMES AND EMPLOYEE ASSISTANCE PROGRAMMES.**

The exemption is required to exempt SASSA from acquiring three quotations due to the specialized nature of the service, such as, medical examinations, treatment cost referrals to external counseling professionals and rehabilitation for substances abusers.

Due to the relatively small amounts involved in the acquisition of these services, an exemption is required to ensure that these services may be acquired at short notice.

The normal route of obtaining three quotations and utilizing the tender procedure will not be appropriate in this instance, as professional services are sought as an immediate intervention.

SASSA-12/08**PURCHASE AND ACQUISITION OF LIBRARY RELATED MATERIAL AND NEWSPAPERS.**

This exemption is sought to procure Library purchases, such as, books, magazines, journals, newspapers, periodicals, audiovisual materials as well as other library related materials, such as, book pockets, issue cards, and catalogue cards.

In many instances, it is not possible to get three quotations, where a sole proprietorship exists. An exemption is therefore required to enable SASSA to acquire such library materials.

SASSA-12/09**PAYMENT ON SOFTWARE LICENSING**

The Agency uses various systems that require annual software license renewal, to permit the Agency to legally use applicable software. These



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licenses are based on the systems that are usually supplied by a single software provider.

SASSA-12/10

**ACQUISITION OF SERVICES FOR SPECIAL INVESTIGATIONS,
COMMISSION OF ENQUIRY, FORENSIC AUDITS AND LEGAL
OPINION.**

To enable the CEO and the Minister to appoint a commission of enquiry, special investigating units, forensic auditors and also to enable the Agency to procure services to seek legal opinion from Legal firms without following the procurement process due to the sensitivity of the nature of the service.

Submitted for your approval.



**MR THULAGANYO MOTHUSI
ACTING CHIEF FINANCIAL OFFICER**

DATE: 08/05/2012



APPROVED/~~NOT APPROVED~~

**MS VIRGINIA PETERSEN
CHIEF EXECUTIVE OFFICER**

DATE: 14/02/2012

Comments:



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AMENDMENT



sassa
SOUTH AFRICAN SOCIAL SECURITY AGENCY

REF: SCM 05 OF 2013- AMENDMENT

To: THE CHIEF EXECUTIVE OFFICER

From: M.P. MABULA

Branch: Finance

Unit: Supply Chain Management

Date: 13 August 2013

Subject: Procurement General Exemptions

Enquiries: M.P Mabula- 012 400 2442

1. Purpose

To request approval for utilizing Procurement General Exemptions to procure goods and services without following the normal procurement processes and procedures for the acquisition of goods and services.

2. Discussion

Section 51 (a) iii of the PFMA, states, "that an Accounting Officer for a public entity has and maintains an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost-effective."

Even though goods and services are procured by quotations or competitive bidding, instances arise where it is impractical for the Agency to use three quotations to procure goods and services, or to invite bids.



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Branches and Units are to ensure that budget is available for such goods and services to be procured and a motivation must be submitted to obtain approval from Supply Chain Management.

An official order must be generated before the goods or services are acquired. As far as possible, suppliers listed on the database must be utilized.

The Procurement General Exemptions will be reviewed as and when required and not annually.

The types of goods and services, which require exemption from normal procurement procedures, where expenditure will be incurred, are listed hereunder:

SASSA-01

CONFERENCE AND ACCOMMODATION BOOKING.

The Chief Executive Officer and SASSA officials are required to convene meetings, workshops, host conferences and seminars away from their headquarters. The request will exempt the Agency from obtaining three quotations.

This will apply to team building and events organised by SASSA or its different Branches/Departments/Units. It will also cover the facilitators, motivational speakers and comedians. This exempts SASSA from obtaining three quotations.

SASSA-02

REGISTRATION FEES FOR TRAINING, WORKSHOP, CONFERENCES AND ORGANISATIONAL DEVELOPMENT.

The SASSA officials might require attending seminars, conventions and conferences in their line of work. These are usually organised by a specific company or organisation. This exemption is to cover expenditure for registration fees.

The SASSA officials might require attending tertiary and higher learning institutions to further their studies. This exemption will cover registration fees, course fees and books (according to HR policies).

SASSA-03

ADVERTISING IN THE MEDIA.

The exemption will be used specifically for advertising and notification in the media. The advertisements are placed in specific newspapers and through specific radio stations, targeting a specific market. Hence only one quotation will be used. This procurement will be direct to media houses not agencies or middleman. This doesn't cover the marketing and branding procurements, they should go through the normal procurement process.

SASSA-04

PAYMENT OF WATER, ELECTRICITY, REFUSE REMOVAL, MUNICIPAL RATES AND RENTING OF MUNICIPAL, CHURCH AND SCHOOL VENUES.

SASSA is responsible for the payment of municipal charges relating to the rendering of such services. It will not be possible to utilize quotations or bids, before incurring this expenditure, as some of these services are obtained predominately from municipalities.

SASSA from time to time might be required to utilize municipal, church and school venues for events. It will not be possible to utilize quotations or bids due to the size of the venue required and the closeness of the SASSA office to the relevant venue where the event needs to be hosted.

SASSA-05

PURCHASING OF SERVICE AND PAYMENTS TO GOVERNMENT BODIES.

This is required to enable SASSA to procure services and process payments to government bodies, such as the Deeds office, Office of the State Attorney, Government Printers, Government Communication and Information Services (GCIS).

SASSA-06

COMMUNICATION EXPENDITURE.

This exemption enables SASSA to procure services from sole service providers for communications service. These will include but not limited to Telkom, Pitney Bowes and Frama, and SA Post Office.

SASSA-07

ACQUISITION OF SPECIALISED SERVICES FOR THE WORK PLACE HEALTH PROGRAMMES AND EMPLOYEE ASSISTANCE PROGRAMMES.

This is required to exempt SASSA from acquiring three quotations due to the specialized nature of the service, such as, medical examinations, and consultation fees.

The normal route of obtaining three quotations and utilizing the tender procedure will not be appropriate in this instance, as professional services are normally sought as an immediate intervention.

SASSA-08

PURCHASE AND ACQUISITION OF LIBRARY RELATED MATERIAL AND NEWSPAPERS.

This exemption is sought to procure library purchases, such as, journals, periodicals as well as other library related materials.

SASSA-09

PAYMENT ON SOFTWARE LICENSING.

The Agency uses various systems that require annual software license renewal, to permit the Agency to legally use applicable software. These licenses are based on the systems that are usually supplied by a sole provider. Evidence should be obtained to proof that the service provider is the only one who can provide (sole provider) that software.

SASSA-10

ACQUISITION OF SERVICES FOR SPECIAL INVESTIGATIONS AND COMMITTEE OF ENQUIRY.

To enable the CEO to appoint a service provider to assist with special investigations, committee of enquiry and to serve as advisory board without following the proper procurement process due to the sensitivity of the nature of the service.

SASSA-11

ACQUISITION OF SERVICES FOR PLUMBERS, ELECTRICIANS AND CARPENTERS.

This exemption is sought to enable the Agency to procure the services of plumbers, electricians and carpenters in an emergency only.

RECOMMENDATION

The following is recommended to the Chief Executive Officer:

- All procurement under these exemptions will be accompanied by submission detailing the reasons for exemption and duly authorized by the relevant authority; and
- To approve the above Procurement Exemptions.



MS GOPOLANG SEFARA

ACTING GENERAL MANAGER: SUPPLY CHAIN MANAGEMENT

DATE: 13 August 2013

RECOMMENDATION

The following is recommended to the Chief Executive Officer:

- All procurement under these exemptions will be accompanied by submission detailing the reasons for exemption and duly authorized by the relevant authority;
- To approve the above Procurement Exemptions.

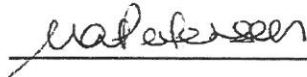


MR THULI MOTHUSI

ACTING CHIEF FINANCIAL OFFICER

DATE: 13 August 2013

APPROVED / ~~NOT APPROVED~~



MS VIRGINIA PETERSEN

CHIEF EXECUTIVE OFFICER

DATE: 13 August 2013

Comments:
