	<b>TENDER CANCELLATION REPORT DUAL / TRIPLE / R300M SITE BASED PTC</b>	Document Identifier	240-169448751	Rev	1
		Effective Date	June 2022		
		Review Date	June 2025		

TO:	Triple Adjudication	Date:	22/02/2024
NAME OF COMPILER AND BUSINESS UNIT	Keneilwe Makoele Procurement Department	Tel:	016 457 5014
NAME OF END-USER BUSINESS UNIT	Lefaso Hlapane Materials management		
DESCRIPTION	Supply and delivery of couplings for a five-year period for stock replenishment to Lethabo Power Station		
PR NO.	1075356739		
ENQUIRY NO.	MWP2207GX		

## 1. INTRODUCTION

In accordance with Eskom Procurement Instruction Note 2 of 2021, approval is requested from the **Triple adjudicator** (who approved the strategy) as the relevant DAA, to cancel the above enquiry for the **Supply and delivery of couplings for a five-year period for stock replenishment to Lethabo Power Station**.


## 2. BACKGROUND

### 2.1 THE COMMERCIAL PROCESS

BUDGETED / ESTIMATED VALUE	R22 922 017.32
DATE ORIGINAL STRATEGY WAS APPROVED	27/09/2023
ENQUIRY ISSUE DATE	27 September 2023
PUBLISHED PLATFORMS	NT e-Tender and Eskom Tender Bulletin
ORIGINAL TENDER CLOSING DATE	01 November 2023 at 10:00 am
ORIGINAL VALIDITY END DATE	29/02/2024
NUMBER OF RESPONSES RECEIVED	0
NUMBER OF RESPONSES EVALUATED FOR FUNCTIONALITY	None

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## 2.2 TENDER CANCELLATION PROCESS

<b>FIRST TENDER CANCELLATION</b>	
<b>REASON FOR TENDER CANCELLATION (<i>Tick which is applicable</i>)</b>	
a) Changed business circumstances where there is no longer a need for the goods, works or services as described in the enquiry document;	
b) Improper / unrealistic specifications and functionality criteria in the enquiry document;	
c) Funds no longer being available to cover the whole envisaged expenditure for the goods, works or services;	
d) No acceptable tenders received;	
e) Material irregularities (such as non-compliance with legislation or where the constitutional principles of fairness etc is breached);	
f) A market-related price not being agreed after negotiating with the top three tenderers (see process under Post tender Negotiations section)	
g) If the Commercial Strategy was to establish a panel of consultants / service providers or to award the contract to more than one supplier (not a panel) due to the different regions or scope of work, and there were no successful supplier/contractor/service provider for every region or scope of work, the process should be concluded with the successful supplier and the enquiry should be re-issued for the remaining regions/scope of work.	
h) Where invited suppliers to a closed enquiry choose not to respond, but the tender list is valid, and all procurement processes have been fairly and correctly followed.	
i) Informal Tendering - If only one quote is received, the Procurement Practitioner must re-issue to the completed list of potential tenderers again.	
j) Informal Tendering - Should it be found that the outcome of the evaluation shows that the lowest acceptable tender is more than R1m, the process must be cancelled	
Other:	X
<b>State "Other" reasons in detail:</b> No responses received from the market	

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<b>DATE FIRST /SECOND TENDER CANCELLATION WAS APPROVED</b>	<b>Not yet approved, this is a request to cancel the tender for the first time.</b>
<b>RELEVANT DAA THAT APPROVED FIRST / SECOND TENDER CANCELLATION</b>	<b>N/A</b>
<b>IF SECOND TENDER CANCELLATION, STATE REASON FOR PREVIOUS CANCELLATION</b>	<b>N/A</b>
<b>DATE REVISED STRATEGY WAS APPROVED</b>	<b>N/A</b>
<b>ENQUIRY ISSUE DATE</b>	<b>27/09/2023</b>
<b>PUBLISHED PLATFORMS</b>	<b>NT e-Tender and Eskom Tender Bulletin</b>
<b>TENDER CLOSING DATE</b>	<b>NT e-Tender and Eskom Tender Bulletin</b>
<b>VALIDITY END DATE</b>	<b>29/02/2024</b>
<b>DATE THE MANDATE TO NEGOTIATE (POST TENDER) WAS APPROVED</b>	<b>N/A</b>
<b>DATE THE MANDATE (PT) WAS APPROVED</b>	<b>N/A</b>
<b>DID NATIONAL TREASURY APPROVE REQUEST FOR SECOND CANCELLATION?</b>	<b>N/A</b>

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### 3. INTERNAL CONTROL DEFICIENCIES


ROOT CAUSE			
No responses were received at the closing of the tender.			
IMPACT			
Materials Management will not be able to ensure that these spares (Couplings) are available to satisfy the requirements of the users at the need date and in the quantities required.			
RISKS			
Risk	Risk Description	Risk Mitigation	Likelihood
Spares availability	Maintenance/ Outages Project execution time will be delayed	Placing interim Purchase Orders	Medium
CORRECTIVE ACTIONS REQUIRED AVOIDING SIMILAR FUTURE INCIDENCES			
Investigate the possibilities of this being a Sole Source transaction, and if it is a Sole Source, use the correct Procurement mechanism which is restricted tendering.			
RECOMMENDATION			
It is recommended that the tender be cancelled, market analysis be conducted to determine if it's a sole source, if the transaction is of a sole source nature, then use restricted tendering to execute this transaction.			

### 4. MANAGEMENT'S RESPONSE

MANAGEMENT COMMENT ON CANCELLATION		
Management supports the cancellation of this tender		
MANAGEMENT COMMENT ON INTERNAL CONTROL DEFICIENCIES		
Supported		
MANAGEMENT COMMENT ON ROOT CAUSE AND IMPACT		
Conduct a market analysis to determine if the materials can be sourced via OEM		
MANAGEMENT COMMENT ON RECOMMENDATION		
It is recommended that the tender be cancelled and be re-issued to the market.		
REMEDIAL ACTION		
WHAT ACTIONS WILL BE TAKEN?	BY WHOM	BY WHEN
Liaise with Engineering to investigate whether all Couplings are of a Sole source nature or not.  Separate Sole source and non-sole source couplings	Cross Functional Team	Before going out on the market for re issue

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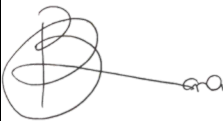

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
<b>NAME OF MANAGER WHO RESPONDED</b>	
<b>NAME:</b>	Esther Seshabela
<b>POSITION:</b>	Manager procurement
<b>GRADE:</b>	M16
<b>DATE:</b>	22/02/2024

## 5. SIGNATURES

### 5.1 COMPILED BY:

NAME	DESIGNATION	SIGNATURE	DATE OF SIGNATURE	REASON FOR SIGNING
<b>Contract Manager:</b> Boitumelo Shikwambana	Senior Advisor Contracts		2024/02/26	Appointed Contracts Manager
<b>Buyer:</b> Keneilwe Makoele	Officer Procurement		22/02/2024	Delegated Procurement Practitioner


### 5.2 SUPPORTED BY:

NAME	DESIGNATION	SIGNATURE	DATE OF SIGNATURE	REASON FOR SIGNING
Esther Seshabela	Procurement Manager		22/02/2024	Manager in Support
Donald Thaba	Line Manager of End User		22/02/2024	Manager in Support

### 5.3 MANAGEMENT RESPONSE RECOMMENDED BY:

NAME	DESIGNATION	SIGNATURE	DATE OF SIGNATURE	REASON FOR SIGNING
Lefaso Hlapanne	Middle Manager P&SCM (Acting)		2024-02-28	Middle Manager responsible for Management Response

### 5.4 ACCEPTED BY:


NAME	DESIGNATION	SIGNATURE	DATE OF SIGNATURE	REASON FOR SIGNING
Esther Seshabela	Line Manager		22/02/2024	Accepted on behalf of transgressor

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**5.5 ACKNOWLEDGED BY:**

<b>NAME</b>	<b>DESIGNATION</b>	<b>SIGNATURE</b>	<b>DATE OF SIGNATURE</b>	<b>REASON FOR SIGNING</b>
Karabo Rakgolela	Power Station General Manager		2024/03/05	In Acknowledgement thereof

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