

MEMORANDUM

To: All Procurement Teams in Distribution Reference:
From: Simphiwe Mboambi, Senior Manager – Version: 01
Procurement, Distribution Division
Date: 31 March 2026

SUBJECT: INSTRUCTION ON THE APPLICATION OF STANDARD RATES IN PANEL AND MULTI AWARD PROCUREMENT STRATEGIES

PURPOSE

1. The purpose of this memorandum is to formally instruct the Distribution procurement practitioners to discontinue prescribing rates to the market where such rates are not legislated.

BACKGROUND & DISCUSSION

2. Clause E1.3 of Eskom's procurement and supply chain management procedure, revision 5, stipulates that
 - 2.1. *"Depending on the panel strategy, prices and rates may be prescribed by Eskom (based on legislated rates) or may be negotiated with the suppliers at the panel's inception with the objective of standardising prices and rates across the panel. **Standardised rates are not mandatory.**"*
3. The business is required to follow this prescribed procedure at all times, unless a formal deviation has been obtained and approved by the General Manager Procurement.
4. Any deviation from this procedure without the required approval constitutes non-compliance with the procurement and supply chain management procedure.

INSTRUCTION ON THE APPLICATION OF STANDARD RATES IN PANEL PROCUREMENT STRATEGIES

CONTROL MECHANISMS

5. All procurement strategies that propose the use of standardised rates will continue to be subjected to the Panel Review Committee as part of the normal governance process.
6. Panel strategies **MUST** contain the following:
 - 6.1. The motivation for the use of standard rates
 - 6.2. Confirmation that rates are legislated or regulated where prescription is proposed; and
 - 6.3. Compliance with clause E1.3 and Eskom procurement prescripts.
7. Following review, all standard-rate panel strategies will continue to be supported by the P&SCM Distribution Centre of Excellence (CoE).
8. The P&SCM Distribution CoE will specifically verify that rates are not being prescribed outside of those that are legislated or formally regulated.
9. Any attempt to prescribe rates outside of these circumstances, without an approved deviation, is **NOT PERMITTED**.

Signed:



Simphiwe Mbonambi
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Distribution