

Addendum 17

**BUSINESS CASE FOR PROCUREMENT NEEDS
(Included on the Annual Procurement Plan)**

Paragraph 5.5.2 of the Accounting Officer's System requires Responsibility Managers to document their procurement needs in the form of a business case. This template must also be used in ALL instances where Limited Bidding, as is contemplated through Provincial Treasury Instruction 16A5.2.1.5 & 6, is to be used as the procurement method.

GUIDE TO COMPLETE THE FORM					
<p>All sections must be completed. Ensure that all information is visible and in printable format by:</p> <ul style="list-style-type: none"> a) Increasing the row height to show all information, and b) Adjusting the print area before printing c) Where the space provided is not enough, additional sheet(s) may be used. The additional sheet(s) must be marked as an Addendum to this Business Case template. <p>Save the document using the "Save as" function and use the name of the service as reflected on the approved Procurement Plan/services required.</p> <p>The approved Business Case must be accompanied by the duly completed Requisition form (LOG 1), PGWC002 (BAS entity) form, a detailed specification when requesting the goods/services and where required, the duly completed and approved Limited Bidding Application form.</p> <p>In the event that the procurement need was not included in the Annual Procurement Plan, this Business Case template and Change Request Form must also be completed. However, in this instance, approval must be sought from the Accounting Officer or delegated official.</p>					
A.		DETAILS OF REQUESTOR			
RESPONSIBILITY MANAGER					
DIRECTORATE					
CONTACT NUMBER					
SIGNATURE			DATE		
INDICATE WHETHER THE ITEM IS..... (by ticking the appropriate box)		ON THE APPROVED PROCUREMENT PLAN		ADDITION TO THE PROCUREMENT PLAN	
		YES	NO	YES	NO
REQUISITION NUMBER				ITEM NUMBER ON THE PROCUREMENT PLAN	
B		ITEM DETAILS			
B1.		DESCRIPTION OF THE GOODS/SERVICES AS REFLECTED ON THE REQUISITION			

B2.	WHAT IS THE AIM/GOAL OF PROCURING THE GOODS/SERVICES?			
B3.	WERE THESE GOODS/SERVICES PROCURED PREVIOUSLY BY YOUR DIRECTORATE?	YES	NO	
B4.	IF YOU HAVE ANSWERED <u>YES</u>, PLEASE PROVIDE US WITH THE FOLLOWING INFORMATION:			
	HOW OFTEN DO YOU REQUIRE THE GOODS/SERVICES? TICK THE APPLICABLE BOX	ANNUALLY	WHEN THE NEED ARISES?	
	WHEN LAST DID YOU PROCURE THE GOODS/SERVICES AND FROM WHICH SERVICE PROVIDER?	<i>For example:- Date, Name of Service provider and or Contract number(if applicable)</i>		
B4.1	IF YOU HAVE ANSWERED <u>NO</u>, PLEASE PROVIDE US WITH THE FOLLOWING INFORMATION:			
B4.2	MARKET ANALYSIS	YES	NO	
	Are the goods/services readily available in the open market?			
B4.3	PLEASE PROVIDE DETAILS OF THE MARKET RESEARCH AND ANALYSIS CONDUCTED IN RESPECT OF THIS PROCUREMENT NEED (This must be provided in order to establish whether the goods/services are readily available)			
	<i>For example:-Supply Market Analysis within the Strategic Procurement Framework(SPF) developed by National Treasury for strategic sourcing in the Public Sector, Porter's Five Forces Model framework for market and business strategy, PESTLE and SWOT analysis. Value chain analysis</i>			
B4.4	WHAT IS THE TOTAL COST BENEFIT TO THE DEPARTMENT IF THE REQUIRED GOODS/SERVICES ARE PROCURED?			
<i>For example:-economies of scale ,value for money, ensuring the legality of contracts, intellectual property and copyrights, improved work methods and processes that ensure the efficient and effective service delivery to clients, reduced expenditure on repairs and maintenance due to planned and scheduled maintenance</i>				

B5.	WHAT ARE THE ESTIMATED COSTS?	R	
B6.	WHAT IS THE ALLOCATED BUDGET?	R.....	
B7.	IF THE ESTIMATED COSTS OR ALLOCATED BUDGET EXCEEDS R10 MILLION, PLEASE PROVIDE INPUT ON WHETHER IT WILL BE FEASIBLE OR NOT TO SUB-CONTRACT A MINIMUM OF 30% OF THE CONTRACT. (As per the Preferential Procurement Regulation 9.1 read in conjunction with the Provincial Treasury requirements)		
B8.	COULD THERE BE ANY RISK/POTENTIAL RISKS IN NOT PROCURING SUCH GOODS/SERVICES? IF SO WHAT ARE THE RISK MITIGATION PLANS FOR THIS PROCUREMENT INITIATIVE?		
B9.	WHO IS THE DESIGNATED PROJECT MANAGER?		
B10.	HAS THE PROJECT MANAGER ATTENDED CONTRACT MANAGEMENT TRAINING?	YES	NO
C1.	PROCUREMENT METHODOLOGY (tick the appropriate box)		
Quotations via the Integrated Procurement Solution (IPS) (estimated cost not exceeding R500 000.00)			
Formal tender to conclude a departmental contract (estimated cost to be in excess of R500 000.00)			
Piggy-back on an existing departmental contract (Provincial or National)			
Use of existing State Information Technology Agency (SITA) contracts			

Participation in Provincial/National Transversal Contracts								
Quotations or formal tenders via Limited Bidding (Provincial Treasury Instruction 16A5.2.1.5 & 6)								
Single source		Multiple source		National Treasury prescripts states that a deviation from the normal procurement process may only be followed if it is impractical to follow competitive bidding. Limited Bidding can thus only be embarked on where it is an emergency or sole service provider.				
Sole source		Emergency						
Motivate and substantiate why limited bidding is the most appropriate form of procurement and how it was determined? (This must be accompanied by the Limited Bidding Application form)								
In the case of a sole service provider, the identified supplier/service provider must submit a certification that the relevant supplier/service provider is indeed the manufacturer/distributor/reseller/ of the goods (product)/service.								
					Certification			
					YES		NO	
A copy of the certification must be submitted together with the duly completed and approved Business Case.								
PROGRAMME / SUB-PROGRAMME MANAGER RESPONSIBLE FOR BUDGET (Not lower than Director level)								
NAME: DESIGNATION: PERSAL NO: SIGNATURE: DATE:								
APPROVAL OF BUSINESS CASE (by relevant Branch Head or Accounting Officer)								
NAME IN PRINT: SIGNATURE: DDG: DATE:								