

Procurement Policy

1. Objectives

The purpose of this policy is to ensure that:

- The correct goods or services are purchased in terms of standard, quality and specification.
- Preferential Procurement goals are achieved.
- Best value for money is achieved.
- The process of procuring the services or goods is in line with internal control systems available to avoid the risk of fraud.
- The process for the procurement of the service or goods is both ethical and efficient.
- The code of conduct is followed.
- Where possible, suppliers are BEE accredited.

2. Core Principles of the Procurement Process

2.1. Obtaining value for money

Procurement officers should always strive for the best value for money when they procure the required goods or services.

- Value for money involves comparing different goods or services available in the specific market prior to a specific order being placed. This means comparing the costs against the benefits to be obtained from that item or service required for a specific purpose. The benefits should compare favorably with the price the contract would be paying for those goods or services.
- Value for money is an essential test against which the buyer must justify any purchase. It is, however, not the only factor to be considered when comparing the alternative solution.
- Other factors should include: the goods or service offered to meet the requirements of the department; HDI representatives and BEE status of the company bidding; the capacity of the company to deliver the required product / service within the required period and any other factor that may be appropriate to the particular contract.

2.2. Open and effective competition

Open and effective competition is the central operating principle behind the procurement process of Giza Minerals.

- All the required information is provided to all the prospective suppliers in an adequate and timely manner to enable them to bid or quote.
- Content of information on the specifications or task directive should be standard to all the prospective suppliers.
- A fair process of evaluating the bids or quotations must be followed.

- Procurement Officers must try to find ways of providing new entrants/suppliers an opportunity to bid, especially the companies owned by HDIs; small, medium, and micro-enterprises (SMMEs); or companies that are BEE compliant.

2.3. Business Ethics, Integrity and Fair Dealing

Giza Minerals is committed to ensuring its employees adhere to ethical standards and fair dealing, as set out in the Code of Conduct in the procurement process.

Employees must not use their official position to obtain private gifts or benefits for themselves during the performance of their duties nor accept any gift or benefit when offered, as these may be interpreted as bribes. Also, employees are not allowed to use or disclose any inside information for personal gain or for the gain of others.

Employees are to recuse themselves from any action or decision-making process that may result in improper personal gain and this should be properly disclosed.

It is therefore the requirement of every employee of Giza Minerals to ensure that:

- All the purchases are conducted in accordance with high ethical and moral standards.
- Employees must observe recognised standards of fair dealing and personal integrity.
- Employees should neither condone nor approve any known illegal or unethical act for any reason wilfully.
- Confidentiality of information must be always adhered to at all time.
- All transactions procured must be fully compliant with all requirements of competition legislation.
- Officials involved in the procurement process should always disclose any possible conflict of interest and/or fraud to the Procurement Manager, i.e., regarding procurement relating to bids or quotations.
- There must be impartiality in the conduct of bid evaluations.

2.4. Purchases from HDI/BEE suppliers

To fulfil the objectives of Giza Minerals in relation to Preferential Procurement, the following will be considered in terms of the Mining Charter when procuring goods/services:

- Preferential Procurement based on the BBBEE contributor level of the supplier.
- Giza Minerals will strive to promote the usage of QSEs, EMEs.
- Where possible, Giza Minerals will seek to utilise companies local to the area of a particular contract.
- Procurement Officers should strive to source quotations from the service-providers registered on our database. When the service-providers on the database are not able to provide the required service or item, the personnel requiring the service must ensure that the service-providers being approached complete the necessary database registration forms and supply valid BBBEE certificates

As approved by Management committee on 20th March 2020.

Signed: 
GT Selikoe
Director