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		Issue No. 2 January 2024

PROCUREMENT POLICY

The Royal Eswatini Sugar Corporation Limited (RES) requires certain goods and services in the execution of its production processes. It is the responsibility of the Procurement Department to ensure the efficient, effective, fair and uniform procurement of capital assets, goods and services required for the proper functioning of the business, while consolidating its buying power in the marketplace.

1. Quality, Safety and Environment

- 1.1 All procurement decisions and actions must reflect RES's quality, safety and environmental, sustainability requirements together with its desire to implement and develop procurement "best practices".
- 1.2 Procurement Officers must give preference to suppliers who have implemented adequate quality, safety, sustainability and environmental conservancy standards. This preference must be made known to all potential suppliers and may serve as a condition of technical acceptability of a quotation or tender.
- 1.3 RES's commitment to the preservation of the environment must be reflected in preference being given to environmentally friendly products and to suppliers with proven environment friendly, safe and acceptably cost-effective processes.

2. Authority to Purchase

- 2.1 Procurement, which entails the sourcing, offer evaluation and acceptance processes, shall generally only be carried out by RES appointed Procurement Officers and not by any other RES functionaries.
- 2.2 A person is a Procurement Officer by virtue of a written delegation of authority (either separate written letter of appointment or job description), to solicit, adjudicate offers and place purchase orders as determined by the General Manager Commercial (GMC).
- 2.3 Authority to purchase requirements is delegated to the procurement personnel by means of the purchase requisition duly authorised by the Head of Department or Cost Centre Holder.
- 2.4 The Procurement Officer's motivation and instruction to procure essentially stems from a particular RES originator's needs and budget. In the case of inventory-controlled items, the Inventory Management Specialist and the Warehouse and Materials Manager shall act on behalf of the originator HOD.
- 2.5 Procurement is carried out to fulfil the originator's requirements with regards to; description, quality, quantity, delivery time and budgetary constraints as communicated to the Procurement Officer in the prescribed authorized requisition.

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- 2.6 Such purchase requisitions shall be authorised by the originator's functionary responsible for expenditure against the particular project or cost centre budget involved and in accordance with the originator's signing authority and within the limits authorised by the General Manager from time to time.
- 2.7 Procurement Officers shall ensure that RES always receives the best possible value for money spent and shall take due cognisance of the concept of Total Cost of Ownership or Acquisition (TCO or TCA) when acquiring goods and services.
- 2.8 Procurement Officers shall play a significantly proactive and fully participatory role in making and processing procurement decisions. It is the responsibility of every Procurement personnel to know and apply these policies and procedures accurately and professionally.
- 2.9 Procurement Officers shall ensure that they are relevant to the functional operation, they timeously communicate and liaise with all manner of individuals, businesses and organisations, both inside and outside of RES, to competently and professionally execute the requirements of the purchase requisition and purchase order or contract.

3. Business Ethics

- 3.1 This policy is aimed at setting and maintaining an unimpeachable standard of conduct, integrity and ethical behaviour for all employees that interact with current and potentially new suppliers. This will ensure that all procurement activities undertaken by any employee are carried out in a professional and competent manner, which supports and conforms to the RES Code of Ethics and will withstand the highest and most stringent standards of scrutiny by an external auditor.
- 3.2 The RES Code of Ethics (State site of publication), in both its literal content and spirit, shall be used as the reference authority in matters regarding ethics.
- 3.3 An exemplary standard of ethics will be maintained by the Procurement and originator functions involved in making and processing procurement decisions on behalf of RES. Similarly, RES requires the same high standard of ethical conduct from its existing and potential suppliers.
- 3.4 Any personal interest which may impinge or might reasonably be deemed by others to impinge on a member's impartiality in any matter relevant to his duties should be declared. In the event of conflict of interest becoming an issue in a procurement transaction, the Procurement Manager and the General Manager Commercial shall be notified for a final decision.
- 3.5 The confidentiality of information received in the course of duty should be respected and should never be used for personal gain; information given in the course of duty should be true and fair and never designed to mislead. Information and pricing from suppliers will be kept confidential unless otherwise agreed, in writing with the supplier concerned.

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- 3.6 Procurement Officers will procure without prejudice, objectively seeking to obtain the best cost effective and competitive value for RES.
- 3.7 The Procurement Department shall ensure that every unit within the supply chain complies, both with the spirit and letter of the laws of Kingdom of Eswatini. The Procurement Department shall also comply with all written contractual obligations that have been agreed in good faith and shall reject any business practice, which might reasonably be deemed improper.
- 3.8 While bearing in mind the advantages to RES engaging single sources and maintaining relationship with one supplier, any arrangement which might, in the long term, prevent the effective operation of fair competition by other equally capable suppliers should be avoided.
- 3.9 Tenders or quotations shall only be invited or solicited from those potential suppliers whom, in the event that they submit the best quotation or tender, RES would be prepared to award the purchase order or contract.
- 3.10 Tenders or quotations received after the scheduled closing date and time shall not be considered in the award of purchase orders or contracts.
- 3.11 Other than with the express approval of the Procurement Manager and Departmental Tender Adjudication Committee, Requests for Quotation (RFQ) or Tenders shall not be re-issued after the scheduled closing date, if at least one acceptable offer has been received. Essentially only if the originator significantly changes the requirements should a new enquiry be issued.
- 3.12 Enquiries shall not be re-issued with the sole purpose of changing the outcome that would otherwise have arisen from the original enquiry.
- 3.13 If a supplier makes a genuine error in its bid, offer or tender, and it is obvious that it was not the supplier's intention to commit itself in the erroneous manner, RES will not evaluate that portion of the offer and will bring the error to the attention of the supplier for clarification without changing the price.
- 3.14 In order to promote the RES core values of; Integrity, Respect and Delivery, the following guidelines are essential when dealing with suppliers;
 - a. To procure without prejudice and to provide equal opportunities to all suppliers to compete for RES business.
 - b. Information given to suppliers should be accurate, consistent, timely and should contain the appropriate level of detail in terms of scope and delivery schedule.
 - c. Being objective and transparent in dealings with suppliers and when making decisions, without unduly favouring any one supplier.

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- d. On request, to debrief successful and unsuccessful bidders, constructively as this may assist suppliers to improve their service and become more competitive in future enquiries. Debriefing does not include the disclosure of prices or rates from other suppliers.
- e. To accord prompt and courteous reception, fair and equal treatment to all who call on legitimate business matters.
- f. To respect the confidential nature of business-related information when interacting with suppliers and their competitors.
- g. Invitation for tenders must clearly reflect the evaluation criteria to be used and the ranking of the criteria in order of priority.
- h. Due to the cost involved in the submission of tenders and to indicate RES's intention to act in good faith, the request for quotations or tenders must clearly indicate the intent to award a purchase order or contract in the event a bidder is successful.
- i. In sourcing quotations, Procurement Officers must give suppliers reasonable time to prepare quotations and are made aware of the closing date. In the rare event, that the closing date has to be extended, all suppliers who were invited to quote must be informed before the original closing date. All quotations received after the stipulated deadline are not supposed to be accepted.
- j. Working to secure appropriate business relationships with suppliers, including developing longer-term collaborative and strategic partnerships where it is in the interest of RES to do so, in order to ensure long term supply of critical items or services and a reduction in total cost of ownership.
- k. To encourage and cooperate with strategic suppliers in the sharing of technology and being receptive to innovative solutions from suppliers, if such actions reduce RES's total cost of ownership and improves RES's competitive position in the marketplace.
- l. Meet all our contractual and other commitments timely, including the prompt settling of accounts as agreed with our suppliers.
- m. Promoting the use of electronic enabling technology if it brings about cost effectiveness and efficiency.
- n. Reducing the supplier base by selecting, screening and approving only those suppliers that have demonstrated the technological and logistical ability and cost effectiveness to satisfy RES requirements.

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- o. Measuring the performance of suppliers and providing regular feedback to suppliers, based on agreed performance criteria so that suppliers may consistently strive to improve knowledge of the goods or services they supply.
- p. To co-operate with all government organizations and individuals engaged in procurement activities designed to enhance the development and standing of the procurement function within RES and externally.
- q. To counsel and assist colleagues and internal customers in the acquisition of resources and also be receptive to competent counsel from colleagues and to be guided by such counsel without impairing the dignity and responsibility of the Procurement Office.
- r. To support only suppliers that demonstrate and maintain an acceptable standard of safety, health, quality, ethical practices and those that subscribe to and practice acceptable environmental and food safety policies.

4. Supplier Management

- 4.1 Suppliers will initially be approved upon them applying for registration to be listed in the RES List of Approved Suppliers and after meeting specific criteria set out in the formal supplier assessment process. Generally, the criteria will be based on Capability which includes, but not limited to; Responsiveness, Resources, Technical, Risk and Safety, Health, Environment, Sustainability, Governance Quality and Food Safety
- 4.2 The Procurement Department shall strive to have a more manageable supplier base and do business with fewer but more appropriate, well considered and positioned suppliers who have a proven track record within the range of commodities and services.
- 4.3 The Procurement Department shall develop and maintain an up-to-date list of all approved suppliers. The suppliers on the “approved” list shall be subjected to periodic formal supplier monitoring and performance evaluations every after three-years. If a supplier does not meet the required standards during the re-assessment, the Procurement Manager may remove a supplier from the list of approved suppliers.
- 4.4 Suppliers outside the approved suppliers list may be used, subject to the express approval of the Procurement Manager, provided the Senior Procurement Officer has supplied documentary proof that none of the suppliers on the approved list are able to provide the required goods and services.
- 4.5 It is in RES’s best interest to maintain good relations with each of its suppliers. The relationship has to be based on; trust, fairness, and high ethical standards. All personnel who have personal relations with RES’s suppliers are to be conscious of this at all times.

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- 4.6 RES will actively pursue a policy of developing already registered selected suppliers into world class suppliers.
- 4.7 Former RES employees who venture into business and become directors of potential suppliers to RES, shall only be considered for vendor registration only after a cool-off period of two (2) years from the date of exit.
- 4.8 All potential suppliers shall be subjected to a comprehensive formal assessment and approval process which shall include all of the commercial and technical requirements of RES.
- 4.9 Preference when issuing enquiries or awarding purchase orders or contracts will be given to “approved” suppliers. Formal enquiries for the supply of goods and services will generally not be sent to “un-proven or un-approved” suppliers, unless the rationale behind the decision has been well considered and has been approved by the Procurement Manager.
- 4.10 Contracts for the supply of goods or services shall only be entered into with “approved” suppliers. Where goods are manufactured or repaired or specifically processed or packaged for RES, the development of long-term alliance relationships with “approved” suppliers will be the preferred method of procurement.
- 4.11 Suppliers of critical goods or raw materials must be “approved” before purchase orders or contracts are placed on them. New sources of supply for raw materials shall be sufficiently tested against the specification and subjected to a significant process trial and subsequently proven to be acceptable and cost effective before a purchase order is issued.
- 4.12 Where a supplier is willing to supply goods on special arrangements (consignment or vendor managed inventory), effective administrative control measures and payment procedures must be instituted to ensure that RES suffers no loss.
- 4.13 Suppliers that enjoy good relations with RES may on occasions make suggestions regarding products and services that they supply, which will result in benefits accruing to RES. In such instances, they may be allowed to retain RES's business in those areas until they have been fairly compensated, after which the business will be placed with whichever supplier that offers the most favourable terms.
- 4.14 Every attempt must be made to maximise and leverage RES`s buying power by consolidating requirements and contracting for such combined requirements from an optimal number of selected, proven and approved suppliers.
- 4.15 After conducting extensive and periodic spend and commodity analysis, due consideration and deliberation, where appropriate, RES will issue tenders and negotiate long-term supply or service contracts with suppliers for an appropriate range of goods and services.

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SUPPLIER MANAGEMENT PROCEDURE

This procedure seeks to outline the guidelines to be followed in assessing the capability of suppliers in a standardized way in order to ensure that quotations or tenders are only requested from suppliers that have the capability to satisfy RES requirements and in order to ensure that the suppliers meet the following criteria;

1. Assessment Overview

- 1.1 The suppliers have sufficient capability in meeting RES` quality, cost, delivery, environmental, food safety, sustainability and standardization requirements.
- 1.2 The suppliers have the production capacity to provide the required amount of goods/services as and when required;
- 1.3 To identify the supplier's strengths and weaknesses, and to develop the supplier in order to reduce the identified weaknesses in such a way that the supplier can meet RES requirements and also develop a relationship based on trust and honesty that will endure the test of time and that will add value to RES;
- 1.4 To ensure that the supplier has the required resources, including financial stability in order to minimize the risk of failure to deliver;
- 1.5 Considering the complexity of the purchase order, to ensure the likelihood of any problems arising during the execution of the order / contract is minimized;
- 1.6 Considering the value of the purchase order or contract compared to the turnover of the supplier, ensure that the supplier is not entirely reliant on RES for survival.

2. Responsibilities and Authorities

- 2.1 The Procurement Manager is responsible for classifying vendor applications in accordance with vendor account groups; Once-off, Unassessed and Trade Vendors.
- 2.2 The Procurement Manager or his designate will be responsible for organizing the assessment and ensuring that a multi-functional committee, with satisfactory representation is assigned to do the assessment.
- 2.3 The Procurement Manager shall ensure that this procedure is followed and that adequate records of the initial and any subsequent assessments are kept in a readily retrievable manner.
- 2.4 The total control of the supplier base, sourcing management and procurement contracting are the primary responsibilities of the Procurement Department.

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3. Evaluation Approach

- 3.1 Selection of a supplier may be a multi-stage process which includes preparation and issue of an appropriate questionnaire to obtain information on such points as;
 - a. Capacity,
 - b. List of Agencies held,
 - c. Range of goods held or manufactured or offered,
 - d. Range of Services Offered,
 - e. Major Customers,
 - f. SHEQ, Food Safety and Sustainability Systems
- 3.2 Checking returned Self-Assessment Questionnaires to shortlisted possible suppliers, rejecting those who, from their own information submitted, would not be capable of handling the envisaged RES purchase order or contract.
- 3.3 Where the situation demands and circumstances allow, visiting the supplier's premises for an on-the-spot investigation.
- 3.4 A large portion of information can be verified by physical checking, while other information will require personal judgement.
- 3.5 Information, once obtained, essentially builds the supplier profile and such profile may reveal an unacceptable weakness.
- 3.6 The collection of the information should follow the prescribing of the required profile. The qualifying/disqualifying criteria, for the critical factors, should be established first.
- 3.7 There can be, at least, five distinct categories of suppliers to be considered for onsite evaluation;
 - a. Original Equipment Manufacturers (OEM),
 - b. Manufacturers of materials linked to food safety,
 - c. Stockist or distributors of critical production raw materials
 - d. Suppliers who repair factory equipment for RES, both on-site and off-site.
 - e. Critical suppliers who involved in critical installations, eg fabrication, electrical and instrumentation.
- 3.8 It is recommended that Procurement Officers should devise the appraisal systems to cater for the different categories of suppliers and operate a wide-ranging scrutiny of potential suppliers.

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4. Involvement of Personnel

- 4.1 The Procurement Officer must be capable and confident to undertake supplier assessments. Where the 'team approach' is necessary, he should co-ordinate the team.
- 4.2 Supporting staff, to check on points relative to their own particular expertise and who can use their judgement on a supplier's capabilities and shortcomings, for any supplier appraisal may include;
 - a. Integrated Management Systems (IMS)
 - b. Technical staff, such as Mechanical, IT, Electrical or Instrumentation, etc
 - c. Commercial staff, such as Accountants, Stores, Logistics or Legal

5. Selection of Suppliers

- 5.1 This procedure and guide are intended for RES to investigate, assess and approve new supplier applications before committing purchase orders or contracts to them.
- 5.2 Supplier appraisal is both an 'art' and a 'science'. The different elements of a trade supplier appraisal fit together, ultimately must give RES a near complete picture of the supplier, his capabilities and limitations.
- 5.3 A vital piece of the jigsaw which cannot neatly be fitted into place by RES is probably supplier commitment. 'How important is RES's business to the supplier' and 'what priority rating would the supplier give the RES businesses are questions procurement needs to satisfactorily ascertain.
- 5.4 It should be acknowledged that a supplier might be rated highly in an appraisal but still fail to meet his commitments. The realistic point of view to take is that a highly rated supplier is certainly less likely to fail than a poorly rated one. Knowing a potential supplier's possible weaknesses forewarns the Procurement Department of possible failure to deliver.
- 5.5 Supplier's selection is one of the key prerogatives of the Procurement function. When the Procurement Department is selecting a supplier, especially for raw/production materials and other business critical goods and services, they should check that the supplier has the necessary capability, commitment and financial viability to process the purchase order or contract in order to meet RES's requirements.
- 5.6 Suppliers should be viewed as a resource and properly utilized. Suppliers are actually a source of expertise, machinery and manpower. Just as RES takes care in selecting sources of finance, equipment, materials and personnel, so it must take care in selecting suppliers, particularly those that supply major and business critical items and services.

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- 5.7 The Procurement Department should make the most efficient use of suppliers, for the benefit of RES and help develop their potential.

6. Supplier Off-site Assessment

- 6.1 The total control of the supplier base, sourcing management, is a prime responsibility of the Procurement Department. During the appraisal of suppliers, Procurement should seek satisfactory answers as to the capability and alignment to SHEQ, Food Safety and Sustainability requirements of the supplier for RES to continue to use?
- 6.2 Supplier appraisal should be an on-going exercise rather than a once-and-for-all task. It should be viewed as a cumulative exercise whereby the understanding of a supplier increases along with confidence in being able to evaluate their potential.
- 6.3 Any supplier that has not been active (no purchase order) for a period of twelve months shall be flagged for deletion. Once flagged for deletion, a supplier will have to re-apply and be assessed as if it is a new application.
- 6.4 The motivation for RES to undertake supplier assessment may include the following key reasons;
- a. to assess a supplier's capability to meet quality, delivery, price and after sales requirements,
 - b. to seek out a supplier's possible weaknesses so that necessary supportive action may be taken should an RES purchase order or contract be placed on them,
 - c. to use appraisal information gained as an aid to subsequent negotiations.
- 6.5 The extent to which time, effort and cost is incurred in carrying out a supplier appraisal will depend on a number of factors, including; the value and complexity of the purchase order or contract and hence the degree of probability for significant problems to arise during the execution of the purchase order, subsequent purchase orders or contract.
- 6.6 RES's knowledge and experience of a supplier – does he have a good, fair or bad reputation or previous record? The prevailing economic, industrial or political climate and the constraints which may affect a particular supplier's performance.

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7. Supplier On-site Evaluation

- 7.1 The evaluation should have more bias and flavour of an investigation. The procurement function, with the necessary assistance from technical and IMS, , must adopt the role of investigator. There must be a determination to uncover the whole and true picture.
- 7.2 What is likely to be the total cost of doing business with him? How could they help RES reduce or contain costs?
- 7.3 If the nature of the requirement is such that there must be a long-term relationship, will the supplier be capable of meeting increasing demand for increased quantities or higher specification and quality requirements?
- 7.4 Has the supplier the financial resources to hold stock for RES, arrange a prolonged delivery schedule, and also, do they have the facilities to allow this to happen?
- 7.5 What risks are there, or would be, associated with RES doing business with this supplier? Are they normal or extra-ordinary - are they acceptable?
- 7.6 Should we be trying to develop this relationship once it is entered into, or has the supplier the capabilities and willingness to “Align” with RES?
- 7.7 Since time is usually of the essence, Procurement must view a supplier Evaluation as a three-stage exercise;
 - a. issue an appropriate questionnaire when necessary,
 - b. initiate investigations into particular aspects of the evaluation, which do not necessitate making a visit to the supplier`s premises,
 - c. visit the supplier`s premises with the necessary support from; Production, Engineering, IMS, Finance and any other relevant colleagues.

8. Classification

Suppliers shall be classified and approved into the following vendor accounts groups;

8.1 Once-off Vendor

- a. In the best interest of RES, a supplier who is offering a unique commodity or service which is not offered by the approved registered trade vendors may be registered upon motivation by the senior Procurement Officer to the Procurement Manager. The motivation may also involve a significant cost saving in utilising a once-off supplier as opposed to a trade vendor.

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- b. A once-off vendor may only be used once in twelve months. Should a need arise that the supplier be used within this period, then a full supplier evaluation must be commissioned. The vendor account must be blocked for purchase order placement, immediately after the requested purchase has been placed in order to prevent unauthorised use.

8.2 Unassessed Vendor

- a. Suppliers who provide goods and services which are not directly linked to the total production cycle may be registered as unassessed vendors. These may include, but not limited to; consultants, hospitals, hotels, training institutions, suppliers of corporate wear (but not PPE).
- b. The Procurement Manager will determine the nature of the scope of supply and approve the vendor application accordingly without a full supplier assessment.

8.3 Trade Vendors

- a. Suppliers who will be assessed as trade vendors must go through the full assessment process. A trade vendor is assessed in accordance with the trade he is proposing to provide to RES.
- b. The appropriate trades or line of businesses must be assigned to the supplier at vendor creation on SAP for easy of sourcing.
- c. Should an existing supplier expand or diversify to other trades, then another assessment must be arranged to evaluate the supplier holistically.

9. Approval of Suppliers

- 9.1 Applications for registration into the RES Approved list of Trade Suppliers shall be approved or declined after taking into account the quantitative results of **both** the Self-Assessment Questionnaire and the Non-Financial Assessments in accordance with the following guidelines;
 - a. A supplier that scores less than **50%** on Responsiveness of the Assessment shall not be approved.
 - b. A supplier that scores less than **70%** on the Capability shall not be approved. Capability is a combination of the Resources, Technical and Risk Assessment.
 - c. A supplier that scores less than **40%** on the Self-Assessment Evaluation shall not be approved.

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9.2 Non-Financial Evaluation

In addition to the Self-Assessment, the Supplier Assessment Team shall use the following evaluation criteria in assessing the capability of trade suppliers;

a. Responsiveness Assessment

The document compliance shall be assessed first. Any supplier application that obtains less than 50% of the points in this category shall be deemed non-responsive and shall be disqualified from participating any further in the supplier evaluation process. This will determine whether all required attachment and information have been submitted in accordance with the supplier document compliance check list.

b. Resources Assessment

This will address the experience of the supplier as well as the capability and qualifications of the key personnel who will be operating under the purchase order or Contract, including the management and supervisory back up. Where appropriate, reference checks are essential and must cover aspects such as:

- i. The supplier's track record: i.e. past performance of similar contracts; industry knowledge;
- ii. The availability of trade reference (A list of suitable references is to be developed to support this process);
- iii. The supplier's financial capacity to obtain adequate funding for the works up to E500,000.00 (to be ascertained through audited financial statements no more than 2 years old and/or confirmation letter from the contractor's bank);
- iv. The supplier's managerial capacity (as evidenced by sound management practices as well as qualifications, experience and extent of involvement/availability of key personnel and supervisory staff) to deliver the goods and services. Curriculum vitae's of the proposed managerial team setting out in detail their function and technical expertise.

c. Technical Assessment

The technical assessment will establish whether the supplier meets the requirements for the trade or services or product class they are proposing to supply. Particular focus should be on quality of service/product; standard of performance; post service support/after sales service; training and related issues.

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d. Risk Assessment

The assessment will establish all risk factors which may be prejudicial to RES and performance of the purchase order/contract. This may include ascertaining the integrity and general conduct in business dealings, professional conduct of the supplier's directors and senior management; compliance with the law and encumbrances which may hinder due performance under the contract. This may involve investigations into whether any of the directors and senior managers have criminal records in connection with corruption, fraud, theft or forgery; financial track record of the contractor etc. The assessment will also establish the degree to which the supplier complies with Environmental, Sustainability and Governance principles.

10. Compliance

- 10.1 Suppliers are required to comply with all legislations and regulations governing their operations in the Kingdom of Eswatini. RES registered supplies are required to keep the following valid documents;
 - a. Eswatini National Provident Fund Compliance Certificate (ENPF)
 - b. Eswatini Labour Compliance Certificate or RSA Letter of Good Standing
 - c. Eswatini Trading Licence
 - d. VAT Registration Certificate
 - e. Eswatini Construction Industry Council Certificate (CIC)
 - f. Workmen's Compensation Insurance Certificate
 - g. Public Liability Insurance Certificate
 - h. ERA Tax Clearance Certificate or SARS Tax Clearance Certificate
- 10.2 Failure to keep the above listed valid documents may led to de-registration of the supplier from the List of Approved Suppliers.
- 10.3 No supplier is authorized to supply goods or services to RES without a written purchase order or contract. A supplier who supplies goods or service to RES without a written purchase order, RES shall not be obliged to pay the supplier for goods or services supplied.
- 10.4 All goods delivered to the depots or directly to any RES warehouse shall be accompanied by a tax invoice and delivery note. RES reserves the right to reject deliveries which do not have tax invoices or delivery notes.

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- 10.5 Suppliers are required to comply with RES IMS Rules and Regulations at all times. The Procurement Department may suspend or ban a registered supplier who has failed to close non-conformance (NCR) or deviations within the specified time.
- 10.6 Registered supplier may be suspended or banned for the following offences;
- a. Submitting falsified documents
 - b. Failure to pay employees as per their employment contract.
 - c. Failure to pay employees the minimum wage as prescribed by the Eswatini Employment Act of 1980 as amended from time to time.
 - d. Failure to provide the necessary Personnel Protective Equipment and Clothing.

11. Suspension and Banning of Suppliers

The Procurement Manager shall ban or suspend a supplier from consideration for award of future contracts. The causes for such a ban or suspension shall include, but are not limited to, any or all of the following;

- 11.2 Repeated failure to deliver goods or render services as specified in the contract/purchase order.
- 11.3 Violating any state law, ordinance, regulation, or RES Procurement Policy, in the performance of a contract or purchase order. The particular provision shall be specifically identified in the notice to supplier.
- 11.4 Wilfully failing to perform in accordance with the terms and requirements of a contract/purchase order. Such actions shall include deliberate failure without good cause to perform in accordance with the specifications or within the time frame provided in the contract and/or a record of non-performance or unsatisfactory performance in accordance with the terms of one or more contracts.
- 11.5 Intentionally providing false or misleading information, or wilfully omitting substantive information on an application, in a bid/proposal, or in correspondence or communication to RES.
- 11.6 Colluding with other suppliers to restrain competition or fix prices.
- 11.7 Attempting to obtain information, by whatever means, related to a bid/proposal submitted by a competitor in response to a procurement solicitation in order to obtain an unfair advantage prior to a contract award.

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- 11.8 Contacting proposal/bid evaluators or any other person who may have influence over the award regarding a bid or proposal under consideration, without authorisation from the Procurement Department, for the purpose of influencing the award of a contract; or
- 11.9 Giving gifts, (other than incidental advertising items), meals, or trips to an RES employee or promising to provide a personal benefit to that employee in order to influence the award of a contract or purchase order.

12. Notice of Suspension

- 12.1 The suspended supplier shall be mailed a formal written notice of suspension outlining the reasons for the specific conditions of and the effective period of the suspension.
- 12.2 If the suspension is to apply to other suppliers, then reasons for and the specific conditions of the suspension shall be set out for each.
- 12.3 After the time to appeal the decision has passed, the suspended supplier shall be removed from all solicitation mailing lists and any bids or proposals submitted by the supplier.
- 12.4 The suspension of a supplier may be for a period of up to one (1) year. Upon completion of the suspension period it shall be the responsibility of the supplier to request reinstatement. Such request for reinstatement shall be made in writing together with new supplier application forms.
- 12.5 The Procurement Manager may reinstate a suspended supplier when it is demonstrated that the cause for the suspension has been corrected and a new full supplier assessment has been conducted and the supplier has been successful.

13. Banning of Suppliers

- 13.1 Supplier may be banned for a single incident of serious misconduct or after multiple less serious incidents.
- 13.2 The Procurement Manager shall notify the supplier of the reason for the ban and any action that the supplier must take in order to be eligible to contract again.
- 13.3 If the ban is to apply to other suppliers, then the reasons for ban and action that the supplier must take in order to be eligible to contract again shall be set out for each.
- 13.4 After the time to appeal the decision has passed, the ban shall continue until such time as the supplier takes corrective action as indicated in the banning notice. The banned supplier shall be removed from all solicitation mailing lists and any bids/proposals submitted by the supplier shall not be considered.

	<h1 style="text-align: center;">SUPPLIER PROCEDURE MANUAL</h1>	Procurement PRO PR 1.3
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14. Supplier Appeal Process

- 14.1 A banned or suspended supplier may appeal the suspension or ban by the Procurement Manager by submitting a written request to the General Manager Commercial within fourteen (14) days after receipt of the formal notice of ban/suspension.
- 14.2 If the supplier requests an appeal, the General Manager Commercial shall set a date for a hearing, not more than 30 days after the supplier's request has been received.
- 14.3 If the General Manager Commercial has been involved in the decision to suspend or ban the supplier, or if for any reason the General Manager Commercial chooses not to hear the appeal, then he shall appoint a neutral individual to hear the appeal.
- 14.4 The General Manager Commercial has the burden of going forward with the evidence relied on by the Procurement Manager in making the decision to suspend or to ban.
- 14.5 The supplier shall have the right to see the evidence, cross-examine the witnesses, if any, who present testimony in support of the suspension/ban and be given the opportunity to contest the evidence by producing documents, or adducing witness testimony in support of the supplier's position.
- 14.6 Ultimately, the supplier must provide specific evidence and reason why the ban/suspension is unwarranted. Based on this information, the ban/suspension may be modified, rescinded, or affirmed by the General Manager, or the appointed fact finder.
- 14.7 Within fourteen (14) days of the conclusion of the hearing, the decision of the General Manager Commercial, or the appointed fact finder, shall be sent by certified mail to the supplier.
- 14.8 If the determination by the General Manager Commercial, or the appointed fact finder is not satisfactory to the supplier, the supplier may file an appeal with the Managing Director.
- 14.9 A letter requesting a review must be sent to the Managing Director within (30) days of the date indicated on the decision by the General Manager or the appointed fact finder.
- 14.10 The Managing Director shall send a certified letter indicating the outcome of the appeal. If it is not practical for the outcome to be made within thirty (30) days, the supplier shall be so informed. The decision of the Managing Director shall be final.