

# Supply Chain Management Policy

## AREA OF APPLICABILITY

ACROSS AIRPORTS COMPANY SOUTH AFRICA SOC LIMITED

DIVISION

**Finance**

Next Revision Date

**08<sup>th</sup> April 2024**

**Control Disclosure**

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P010 001P  
Version: 2  
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## Supply Chain Management Policy

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### 1. Scope

This establishes the Airports Company South Africa SOC Limited's policy for Supply Chain Management (hereinafter "SCM") as a public entity listed in Schedule 2 of the Public Finance Management Act, Act 1 of 1999. Airports Company South Africa SOC Limited performs its operations within the parameters of both private and public laws applicable to Schedule 2 public entities.

### 2. Objective

The policy aims to ensure that SCM activities meet the following key objectives:

- To give effect to Section 217 and 33 of the Constitution of the Republic of South Africa by implementing a SCM system that gives due consideration to the principles of just administrative action, fairness, equity, transparency, competitiveness and cost- effectiveness;
- To comply, to the extent required by law, with the legislative and regulatory procurement framework for Schedule 2 public entities as listed in clause 4.1.2;
- To promote administrative justice to the extent required by SCM for a Schedule 2 public entity by the Promotion of Administrative Justice Act;
- To promote the transformational goals, to the extent required by law, within the legislative and regulatory procurement framework for Schedule 2 public entities as listed in clause 4.1.2;
- To implement procurement practices and systems in an integrated, uniform manner and in line with Airports Company South Africa SOC Limited's strategic goals;
- To abide by the Ethics and Compliance Department [Code of Ethics - J060MAN](#) and the Ethics and Compliance Department [Whistleblowing Policy - J060 001P](#); and
- To prevent any irregularities in the procurement process whilst fully complying with the applicable Irregular Expenditure Framework, as amended.

### 3. Definitions and Abbreviations

#### 3.1 Definitions

**Business/Company/Organisation/Group**

Airports Company South Africa SOC Limited

**Agent**

Anyone other than an Airports Company South Africa SOC Limited employee who is acting on behalf of Airports Company South Africa SOC Limited with the relevant authority

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Broad-Based Black Economic Empowerment as defined in the Black Economic Empowerment (B-BBEE) Act

#### **Contract**

A written agreement duly signed and witnessed by relevant parties, which results from a SCM process, which is a mutually binding legal relationship obligating the Service Provider/Supplier to deliver the goods and/or services and Airports Company South Africa SOC Limited to furnish payment for services rendered and/or goods supplied.

#### **Contractor**

Any natural or juristic person whose bid has been accepted by Airports Company South Africa SOC Limited

#### **Day**

Unless otherwise specified, a calendar day

#### **Delegated Authority**

Assigning responsibilities of tasks to an Airports Company South Africa SOC Limited executive, Airports Company South Africa SOC Limited employee, Airports Company South Africa SOC Limited committee or Board of Directors.

#### **Procurement/Sourcing**

Actions required to obtain goods, services and/or infrastructure delivery for Airports Company South Africa SOC Limited

#### **Group Manager SCM**

The head of Supply Chain Management division

#### **Regulatory procurement framework**

All laws applicable to Schedule 2 State Owned Companies procurement

#### **In Writing or "Written"**

Any worded or numbered expression that can be read, reproduced and later communicated, and includes electronically transmitted and stored information.

#### **SCM Activities**

Processes required to source and acquire goods, services, works (infrastructure), concessions and disposals of assets during the SCM lifecycle.

#### **Signature or "Signed"**

The discrete and verifiable symbol of an individual which, when affixed to a writing with the knowledge and consent of the individual, indicates a present intention to authenticate and/or

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approve the writing. This includes electronic symbols.

**3.2 Abbreviations**

Abbreviation	Description
SOC	State Owned Company
CFO	Chief Financial Officer
DLA	Delegated Level of Authority
PFMA	Public Finance Management Act
SCM	Supply Chain Management
ToR	Terms of Reference
TPEC	Tender Preparation and Evaluation Committee
BAC	Bid Adjudication Committee
CFO	Chief Financial Officer
NBAC	National Bid Adjudication Committee
CBAC)	Central Bid Adjudication Committee

**4. Procedure General**

This policy document sets out the minimum standards that shall be adhered to by those involved in SCM activities and is specifically binding on all employees, including, but not limited to, temporary staff, contractors, service providers and/or consultants at Airports Company South Africa SOC Limited. This shall also include entities in which Airports Company South Africa SOC Limited has fifty (50) plus one (1) percent (%) shareholding and their employees, including, but not limited to, temporary staff, contractors, service providers and/or consultants; and SCM activities that specifically include the procurement of goods and services for Airports Company South Africa SOC Limited and any related items.

**4.1 Main Principles of Conduct**

**4.1.1 Airports Company South Africa SOC Limited SCM activities**

Airports Company South Africa SOC Limited SCM activities specifically include the procurement of goods, services, works (infrastructure), concessions and disposals of assets for Airports Company South Africa SOC Limited and any related:

- Contract Management;
- Governance;
- Systems and Data Integration;

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- Supplier Performance Management; and
- Supplier Development

This Policy shall be read with the corresponding [Supply Chain Management Procedures Manual P010 001M](#) and [Delegated Level of Authority Procedures Manual - F010MAN](#)

### 4.1.2 Appointment of Supply Chain Management (SCM) Committees

- Tender Preparation and Evaluation Committee (TPEC) members shall be appointed and/or by the GM - SCM or duly delegated person/authority.
- National Bid Adjudication Committee (NBAC) member/s shall be appointed by the Chief Executive Officer (CEO).
- Central Bid Adjudication Committee (CBAC) shall be a sub-committee of NBAC. CBAC members shall be appointed by the NBAC chairperson.

The TPEC and BAC shall be governed by this Policy, Supply Chain Management Procedures Manuals, their specific Terms of Reference (ToR) and all applicable Legislative Frameworks.

Airports Company South Africa SOC Limited's SCM activities shall comply, to the extent required by law for Schedule 2 public entities, with the following legislation and other related regulations (as amended):

- Constitution of the Republic of South Africa, 1996 ("the Constitution");
- Public Finance Management Act, Act 1 of 1999 ("PFMA");
- Preferential Procurement Policy Framework Act 5 of 2000 ("PPPFA");
- Broad Based- Black Economic Empowerment Act 53 of 2003 ("B-BBEE");
- Competition Act 89 of 1998;
- The National Small Business Act 102 of 1996;
- State Information Technology Agency Act No. 88 of 1998 ("SITA");
- Occupational Health and Safety Act 85 of 1993 ("OHS");
- Promotion of Administrative Justice Act 3 of 2000 ("PAJA");
- Prevention and Combating of Corrupt Activities Act 12 of 2004;
- The Promotion of Access to Information Act 2 of 2000;
- Protection of Personal Information Act 4 of 2013(POPIA);
- The Protected Disclosures Act, Act 26 of 2000;
- Promotion of Equality and Prevention of Unfair Discrimination Act 4 of 2000;
- Construction Industry Development Board Act (CIDB);
- Framework for Infrastructure Delivery and Procurement Management (FIDPM) and
- Any other legislation applicable to Airports Company South Africa SOC Limited SCM Activities.

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Airports Company South Africa SOC Limited's SCM activities shall also comply, to the extent required by law for Schedule 2 public entities, with the latest:

- King Report on Corporate Governance (Latest Version);
- National Treasury Instructions, Circulars, and Practice Notes; and
- Any applicable common law provisions relating to procurement.

All Airports Company South Africa SOC Limited SCM staff shall be vetted by the State Security Agency in the prescribed manner in line with the 2014 Cabinet Memorandum and National Key Points Act 102 of 1980 as amended.

Enterprise Security may approach the Group Manager - Supply Chain Management (GM-SCM) to make direct payment for goods/services related to Airports Company South Africa SOC Limited Security Measures where, and only where:

- Following the normal procurement processes in the [Supply Chain Management Procedures Manual P010 001M](#), would result in the Security Measure being ineffective; and
- The direct payment is properly condoned by the applicable governance structure, according to the procurement processes in the [Supply Chain Management Procedures Manual P010 001M](#), after the Security Measure completion.

Where any conflicts exist between the laws of South Africa and this policy and any other Airports Company South Africa SOC Limited related documents or National Treasury Prescripts, the law of South Africa shall take precedence.

### 4.1.3 General SCM Principles

- Airports Company South Africa SOC Limited SCM activities shall comply with a procurement system that is fair, equitable, transparent, competitive, and cost-effective.
- Where there is considered administrative action, Airports Company South Africa SOC Limited SCM activities shall comply with the principles of rationality and reasonableness;
- All Airports Company South Africa SOC Limited SCM activities covered by this policy shall be conducted by the SCM function and SCM appointed persons only.
- The [Supply Chain Management Procedures Manual P010 001M](#) shall include detailed procedures which provide for all Airports Company South Africa SOC Limited SCM activities;
- The [Supply Chain Management Procedures Manual P010 001M](#) shall comply with

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this policy and where any conflict exists, the policy shall prevail.

#### 4.1.4 Ethics

In addition to the Ethics and Compliance Department's [Code of Ethics Policy - J060MAN](#), all employees and agents of Airports Company South Africa SOC Limited engaged in Airports Company South Africa SOC Limited's SCM activities shall:

- Behave fairly, honestly and transparently;
- Discharge duties and obligations timeously and with integrity;
- Comply with all applicable legislation and related regulations;
- Satisfy all requirements established in this policy and the Supply Chain Management Procedures Manuals;
- Furnish information in the course of their duties that is complete, true and fair worded and not intended to mislead;
- Ensure that resources are administered responsibly and cost-effectively;
- Be fair and impartial in the performance of their functions;
- Do not afford any undue preferential treatment to any individual, group or unfairly discriminate against any individual, group or company;
- Keep matters of a confidential nature in their possession, confidential unless a provision of the law requires otherwise, and only through Airports Company South Africa SOC Limited Legal Service;
- Avoid Conflicts of Interest according to the Ethics and Compliance [Conflict of Interest Policy - J060 004P](#)
- Not unlawfully gain any form of compensation, payment or gratification from any person for either themselves, a family member or an associate, directly or indirectly;
- Not make false or misleading entries in reports or accounting systems;
- Not place themselves under any financial or other obligation to external individuals or firms that might seek to influence them in the performance of their duties;
- Not abuse the power vested in them;
- Not maliciously or recklessly damage or attempt to damage the reputation of Airports Company South Africa SOC Limited or an associated 3rd party;
- Not use their position for private gain or to improperly benefit another person; and;
- Not amend or tamper with any submission, tender or contract in any manner whatsoever.

All employees and agents of Airports Company South Africa SOC Limited shall without delay report to their line manager, GM-SCM or CFO, depending on the nature of the incident, any incidences of an Airports Company South Africa SOC Limited employee, a

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respondent to a bidding process, tenderer or supplier who directly or indirectly offers a gratification to them or any other person to improperly influence in any way a procurement process, procedure, or decision.

All employees and agents of Airports Company South Africa SOC Limited shall promptly report to their line manager, GM-SCM or CFO, depending on the nature of the incident, any alleged improper conduct which they may become aware of, including any form of fraud or corruption.

All employees agents of Airports Company South Africa SOC Limited and any member of the public shall have access to the Airports Company South Africa SOC Limited whistleblowing processes as provided in the Compliance and Ethics [Whistleblowing Policy - J060 001P](#).

#### 4.1.5 Non-Compliance

The Supply Chain Management Department's [Supply Chain Management Procedures Manual P010 001M](#) shall provide detailed procedures for all non-conformance and non-compliance of relevant legislation, regulations and this policy

The relevant line manager, GM-SCM or CFO, depending on the nature of the incident, shall investigate all allegations of corruption, improper conduct or failure to comply with the requirements of this policy against an employee, agent, company, contractor or any other person and, where relevant:

- Take appropriate steps against the person, agent, company, or contractor in line with the relevant legislation, regulation, and regulatory frameworks.
- Ensure that all transgressions are investigated internally first as per the Forensic Investigations Framework before referring them to the South African Police.
- The SCM Supplier Performance and Monitoring shall report on a quarterly basis, any conduct that may constitute a criminal offence to SCM Compliance and Internal Audit for further determination and pronouncement.
- Cancel a Contract if:
  - A supplier has made a misrepresentation, submitted falsified documents or has been convicted of a corrupt or fraudulent act in competing for a particular contract or during the execution of that contract;
  - An employee or other role player committed any corrupt or fraudulent act during the tender process or during the execution of that contract.

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### 4.1.6 Disputes and Remedies

The [Supply Chain Management Procedures Manual P010 001M](#) shall provide procedures for internal resolution of disputes by persons aggrieved by SCM activities.

### 4.1.7 Personal Information and Data Storage

All information gathered by SCM shall follow the approved processes and procedures in terms of the Protection of Personal Information Act No.4 of 2013.

## 5. Process for monitoring

The effective implementation and monitoring of this Supply Chain Management Policy shall be done through relevant committees. Internal Audit shall be conducted to determine compliance and implementation. This procedure shall be reviewed accordingly to reflect the environmental changes or regulation requirement in order to ensure that is relevant and current to the organisation.

MONITORING CONTROLS	PURPOSE	RESPONSIBLE	FREQUENCY
Internal Audits	Determine the effectiveness of the procedure and test the outcome of the procedure.	Internal Audit	Bi-annually
Self-assessment & Reviews	To determine adherence to certain implementation of the procedure	Assurance Department	Annually

**Note:** This policy will be review in three-years circle and if there is a need to review the policy before three-years circle laps due to any circumstances being legal requirements, changes in the businesses, the need to reflect current practices or activities, the procedure will be unlocked for review accordingly.

**Disclaimer:** In instances where document links are not accessible, directly access the documents on the Policy Management Document Store on the Airports Company South Africa SOC Limited intranet.

## 6. Accountabilities and Responsibilities

The overall accountability for adherence to this procedure lies with the Chief Executive Officer with the support of Chief Finance Officer as a responsible person for implementation of this procedure.

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However, in the absence of the CEO or CFO, a delegated person shall assume responsibility as per delegation of authority.

**RACI Matrix: Responsibility, Accountability, Consulted and Informed.**

**6.1 Accountabilities**

Authorities	Employees	Senior or Managers	Group Manager/s	Group Executive/s	Board Committee
Has overall accountability for development and implementation of this procedure	-	<i>Responsible</i>	<i>Responsible</i>	<i>Accountable</i>	-
Has overall responsibility for implementation and adherence of this procedure	<i>Responsible</i>	<i>Responsible</i>	<i>Responsible</i>	<i>Responsible</i>	-
Consulted at the time of an exception and adherence of this procedure.	<i>Consulted</i>	<i>Consulted</i>	<i>Consulted</i>	<i>Consulted</i>	-
Has overall responsibility for adherence, implementation and performance of a given task.	<i>Informed</i>	<i>Informed</i>	<i>Informed</i>	<i>Informed</i>	
Has responsibility for approval and authorisation	-	-	-	<i>Responsible</i>	<i>Accountable</i>
Communicate the procedure to all impacted stakeholders or employees.	-	<i>Responsible</i>	<i>Responsible</i>	<i>Accountable</i>	-

**7. Non-Conformance**

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Any deviation from this policy shall be identified and registered with corrective and preventative measures for continual improvement in accordance with [Non-Conformance and Non-Compliance Policy Documents Z001 001M](#).

### 8. Related Policy Documents

Document Control Procedure - Z001 006M  
Record Keeping Requirements Procedure - Z001 008M  
Supply Chain Management Policy – P10 001P  
Supplier Performance and Development Policy – P010 003P  
Compliance Management Procedure

### 9. Related Legislation and Standard

Quality Management System ISO 9001  
Constitution of the Republic of South Africa, 1996 (“the Constitution”);  
Public Finance Management Act, Act 1 of 1999 (“PFMA”);  
Preferential Procurement Policy Framework Act 5 of 2000 (“PPPFA”);  
Broad Based- Black Economic Empowerment Act 53 of 2003 (“B-BBEE”);  
Competition Act 89 of 1998;  
The National Small Business Act 102 of 1996;  
State Information Technology Agency Act No. 88 of 1998 (“SITA”);  
Occupational Health and Safety Act 85 of 1993 (“OHS”);  
Promotion of Administrative Justice Act 3 of 2000 (“PAJA”);  
Prevention and Combating of Corrupt Activities Act 12 of 2004;  
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Protection of Personal Information Act 4 of 2013(POPIA);  
The Protected Disclosures Act, Act 26 of 2000;  
Promotion of Equality and Prevention of Unfair Discrimination Act 4 of 2000;  
Construction Industry Development Board Act (CIDB);  
Framework for Infrastructure Delivery and Procurement Management (FIDPM)

### 10. Change Control

This policy shall only be changed with the authorisation of the Chief Executive Officer for Policy and Group Executive: Division if Procedure and in accordance with [Change Control Policy Document - Z001 003M](#).

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**11. Revision History**

Date last revised	Revision Status	Compiler	Summary of changes
New Document	Version: 1	<b>Senior Manager:</b> SCM Performance Monitoring and Governance <b>NAME AND SURNAME</b> Joel Motaung	New Issue
08/04/2021	Version: 2	<b>Senior Manager:</b> SCM Performance Monitoring and Governance <b>NAME AND SURNAME</b> Joel Motaung	Align to new and revised National Treasury regulations and guidelines

**12. Records**

Record Name	Storage Location	Record Number	Responsible Person	Retention Time
Supplier Performance and Management Procedure	Master in Corporate Policy Management Storeroom	P010 002M	Policy Assurance Officer	Three (3) Years
Code of Ethics	Master in Corporate Policy Management Storeroom	J060MAN	Policy Assurance Officer	Three (3) Years
Whistleblowing Policy	Master in Corporate Policy Management Storeroom	J060 001P	Policy Assurance Officer	Three (3) Years
Supply Chain Management Procedures Manual	Master in Corporate Policy Management Storeroom	P010 001M	Policy Assurance Officer	Three (3) Years

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Delegated Level of Authority Procedures Manual	Master in Corporate Policy Management Storeroom	F010MAN	Policy Assurance Officer	Three (3) Years
Conflict of Interest Policy	Master in Corporate Policy Management Storeroom	J060 004P	Policy Assurance Officer	Three (3) Years

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**13. Endorsement (See Master in Corporate Policy Management Storeroom)**

Activity	Name	Signature	Date
Compiled by	<b>Senior Manager: SCM</b> Performance Monitoring and Governance <b>NAME AND SURNAME</b> Joel Motaung		17 September 2021
Quality Assurance: Policy Documents	<b>Manager:</b> Policy and Assurance <b>NAME AND SURNAME</b> Thabana Mahlo		14 September 2021
Supported by	<b>Acting Group Manager:</b> SCM <b>NAME AND SURNAME</b> Percy Sithole		06 October 2021
Supported by	<b>Chief Finance Officer</b> <b>NAME AND SURNAME</b> Siphamandla Mthethwa		26 October 2021
Authorised by	<b>Chief Executive Officer</b> <b>NAME AND SURNAME</b> Nompumelelo Mpofo		05 November 2021

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