

South African Airways (SAA)

SMME Opportunity Roadshow Johannesburg 2016

Procurement Presentation

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SOUTH AFRICAN AIRWAYS

SAA PROCUREMENT TRANSFORMATION MISSION

- To lead and accelerate transformation in the South African aviation industry and focus on the **inclusive opportunities** for black owned, women owned, disabled and youth owned businesses;
- Development and implementation of a sustainable, **environmentally friendly** procurement.



SMME DATABASE REGISTRATION

- Compliant Small Medium Micro Enterprises (SMMEs) that are interested in doing business with SAA can register their businesses on the SAA SMME database.
- The SMME database registration forms can be downloaded from the SAA website <http://www.flysaa.com/za/en/footerlinks/aboutUs/saa-tenders.html> (on the tender section). SAA promotes doing business with SMMEs by utilising the SMME database for operational purchasing (RFQ's).
- SMMEs should also register on the **National Treasury Central Supplier Database (CSD)**. To access the CSD website for self-registration click on the link: www.csd.gov.za and complete the online registration process. There after registering, kindly please submit the CSD Registration Summary Report to SAA by email to the following addresses: csdsupplierregistration@flysaa.com and /reinetteslabbert@flysaa.com



PROCUREMENT PROCEDURES: RFQ & RFP PROCESS

SAA operates a centralised procurement function for strategic procurements on the following basis:

- Any procurement of goods and services to the value of R500k (Tax inclusive) is to follow a three quote Request For Quote (RFQ) system;
- Any procurement of goods and services to the value exceeding R500k (Tax inclusive) follows the open tender process, confinement or sole source approach, depending on the nature of the request.
- For RFQs enquiries email rfqs@flysaa.com



MOST COMMON MISTAKES BY POTENTIAL SUPPLIERS/ BIDDERS

- Do not address the functional scoring items in the proposal – prospective suppliers should be able to score themselves in the outline of their submission and determine their own scoring
- Documentation requested as proof - not always provided with proposal such as certificates, proof of experience, CV's etc.
- Provide outdated or no Tax and B-BBEE certificates. No business can be conducted without having a valid Tax certificate. No scoring for an outdated B-BBEE or if the B-BBEE certificate is not provided.
- Bidders do not adhere to the closing date and time, specifically the closing time. Proposals will not be accepted or evaluated after the closing time.
- When stating that all prices submitted must be firm, and further stated that “Firm” prices are deemed to be fixed prices, which are only subject to the following statutory changes, namely VAT, and validity of RFQ to be 60 days, suppliers do request price escalations soon after an award, which will not be acceptable. Make sure of your pricing structures prior to bidding.

SAA CORPORATE PROCURED COMMODITIES

- **CORPORATE & PROFESSIONAL SERVICES**
Training services, legal services, consulting services,
- **IN-FLIGHT SERVICES**
Magazines and newspapers, stainless Steel Products, In-flight Entertainment (On-board videos)
- **ENERGY & FLEET**
Jet Fuel & vehicle maintenance, forklifts
- **HOSPITALITY AND MEDIA**
Cabin and Flight Deck Crew hotel accommodation and Crew transport & Inflight Magazine, Global advertising & Media Monitoring,
- **GROUND HANDLING SERVICES,** Passenger services
Ramp services
- **SECURITY CCTV,** Aviation Security, Physical Security
- **FACILITIES,** Internal renovations and furniture, Engineering projects
-  IT, SAP Projects & IT Hardware

SUPPLIER SUMMIT- ROADSHOWS

- SAA embarked on the supplier summits roadshows for SMMEs.
- The Summits provided an opportunity for SMMEs to engage directly with the SAA Group Buyers, network and share experiences with other businesses.
- The summit included presentation session and individual consultation sessions. The sessions cover the procurement procedures: RFQ (Request for Quotation) and RFP (Request for Proposal) process, advice on common mistakes by potential suppliers / bidders when tendering.
- These engagements were held in major areas around the country, such as Midrand, Durban, Port Elizabeth, Mbombela and Mahikeng and will be continuing to other provinces.



IDEALLY ENTERPRISE AND SUPPLIER DEVELOPMENT (ESD) BUDGET IS 3% NETT PROFIT AFTER TAX (NPAT) OF A COMPANY

Although SAA has not recorded NPAT, ESD remains a priority as explained hereunder:

- SAA utilises its supplier database as one of the vehicles to achieve the development objectives.
- Where feasible and viable, SAA is setting out to unbundle its big contracts to allow and increase participation of SMMEs, encouraging its Large Enterprise and Qualifying Small Enterprises to subcontract with SMMEs.
- The key element of supporting SMMEs is that the airline pays small business suppliers within fifteen days of receiving required documentation.
- SAA provides rent free space for SMMEs that secured a tender with SAA and whose services are required onsite, for example, office space and storage facilities.

CONTINUATION

- SAA has developed a collaborative Supplier Development (SD) Programme for SMMEs. The programme is being reviewed by the Board. This proposed programme has been developed taking into cognisance SAA's loss making situation.
- The collaborative initiative will include but not limited to development finance institutions and business development agencies. The latter would conduct business diagnosis and render business support services, in certain instances.
- It is envisaged that this network of partners would be carefully grown over time to address the evolving execution requirements of SAA's SD programme and in line with the airline's implementation capabilities.



THANK YOU



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