

Purposeful procurement

The SARB's procurement strategy focuses on delivering goods and services in a timely manner, while ensuring fairness, equity, transparency, competitiveness and cost-effectiveness.

The Procurement Division is responsible for ensuring procurement services align with the SARB Group Procurement and Supplier Management Policy and procurement strategy. The Procurement Committee (PC) approves all transactions above R5 million, while transactions above R50 million require approval from the GEC. An increase in the authority limits was approved by the GEC during the 2024/25 financial year and came into effect on 1 April 2025.

The PC, chaired by the COO and comprising 10 senior employees, oversees procurement responsibilities.



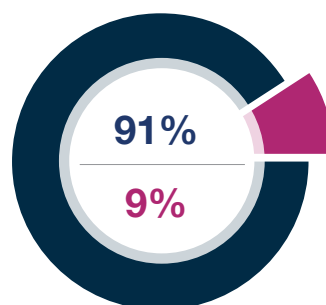
Spending

Procurement spending with suppliers for the 2024/25 financial year amounted to R6.21 billion. This excludes municipal rates and taxes, electricity and intercompany spend as these do not follow a competitive procurement process. The top 20 suppliers accounted for 61% of the total spend.

- The majority – or 91% – of total third-party spend was with local suppliers while 9% was spent with foreign suppliers.
- The split between operational expenditure and capital expenditure spend was 51% and 49% respectively.

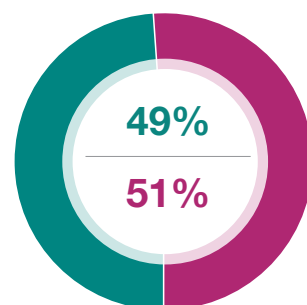
Although not subject to the Public Finance Management Act 1 of 1999 and the Preferential Procurement Policy Framework Act 5 of 2000 (PPPFA), the SARB adheres to preferential procurement principles. It has incorporated specific elements of the PPPFA and has developed a three-year B-BBEE strategy to enhance spending with eligible suppliers. This strategy is currently in its first year of implementation. Using the B-BBEE Generic Codes of Good Practice scorecard, the SARB achieved 24.73 out of a possible 29 points in terms of B-BBEE recognised spend.

Local spend
2024/25 R5.6 billion
2023/24 R4.3 billion



Foreign spend
2024/25 R0.6 billion
2023/24 R0.4 billion

Spend: CAPEX
2024/25 R3 billion
2023/24 R2.2 billion



Spend: OPEX
2024/25 R3.2 billion
2023/24 R2.5 billion

SARB's score based on the B-BBEE Generic Codes of Good Practice scorecard

Category of spend		Maximum points that can be achieved	SARB score achieved in the past FY
B-BBEE recognised spend	>	5	5
Black-owned (spend with entities in which black people hold more than 51% of the exercisable voting rights and economic interest)	>	11	11
Black women-owned (spend with entities in which black women hold more than 30% of the exercisable voting rights and economic interest)	>	4	4
Qualifying small enterprise (spend with entities with revenue between R10 million and R50 million)	>	3	1.77
Exempted micro enterprise (spend with entities with revenue <R10 million)	>	4	0.96
Black designated group (spend with entities in which designated groups hold more than 51% of the exercisable voting rights and economic interest)	>	2	2
Weighted score out of 29 points	>	29	24.73

Strategic supplier relationship management (SRM), alongside performance management, is vital for the SARB, given that the majority of its spend is with its strategic partners based on the criticality of their supply to the SARB. This is done to ensure continuous service delivery, drive cost efficiencies, mitigate risk exposure and present innovative solutions to the SARB's challenges. All dealings with suppliers are based on ethical and transparent conduct, good governance and compliance with policies and procedures.

Number of strategic suppliers on the SRM Programme

31



Average supplier performance score (which means suppliers are delivering according to expectations)

69%

