

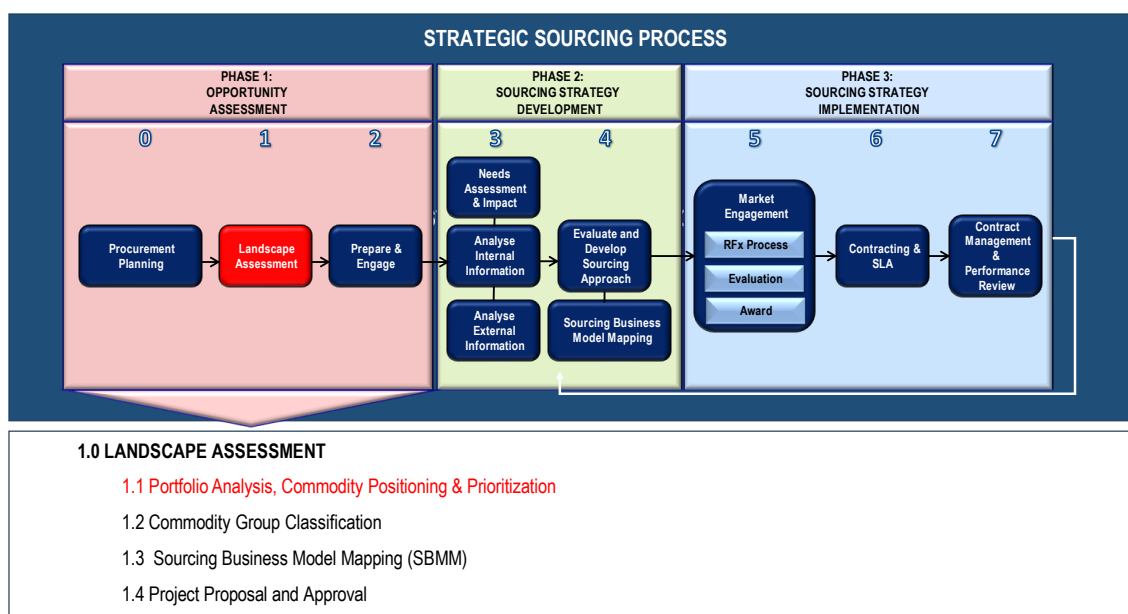
Using this guide

This guide accompanies the National Treasury's Strategic Procurement Framework (SPF) for Strategic Sourcing in the Public Sector. For more information, visit the National Treasury website at <http://ocpo.treasury.gov.za/>

The SPF can be found here:

http://ocpo.treasury.gov.za/Resource_Centre/Documents/1A.%20Strategic%20Procurement%20Framework.pdf

PRIORITISATION WITHIN THE STRATEGIC SOURCING PROCESS



1.0 Introduction

- i. Commodity prioritisation is one of the first steps of the landscape assessment stage where the sourcing specialist will obtain an understanding of the organisation's spending profile for strategic planning and procurement planning purposes.
- ii. It further involves prioritising the waves of sourcing implementation and obtaining approval from the AO, relevant Treasury or National Treasury for initiating specific sourcing projects.
- iii. Prioritisation can also be based on the relative importance of purchase categories, the complexity of the supply market and the extent to which spend areas are common across the organisation.

- iv. The following good practice guides and templates are used for prioritisation:
 - a. Commodity prioritisation
 - b. The wave implementation plan (template)

1.1 The objective

- i. To determine a work plan/procurement plan over a 3 - 5 year period.
 - a. Strategic planning and budgeting purposes
 - b. Commodity prioritisation

1.2 The output

- i. A wave implementation plan for a 3 - 5 year period

2.0 Good practice guides

2.1 Commodity prioritisation

- i. Commodity implementation prioritisation criteria can be based on:
 - a. Size of savings opportunities;
 - b. Ease of implementation;
 - c. Strategic value or alignment of commodity to government priorities such as SMME development; etc.
 - d. Table 1 (implementation plan), indicates the time frame under which the sourcing strategy will span. For example, other sourcing strategies may kick off in the previous fiscal year.
 - e. The difficulty or complexities associated with the commodity may also influence the implementation of the sourcing strategy.
 - f. As indicated in figure 1 (prioritising commodities), the commodities/commodity groups are to determine a work plan/procurement plan over a 3 - 5 year period.

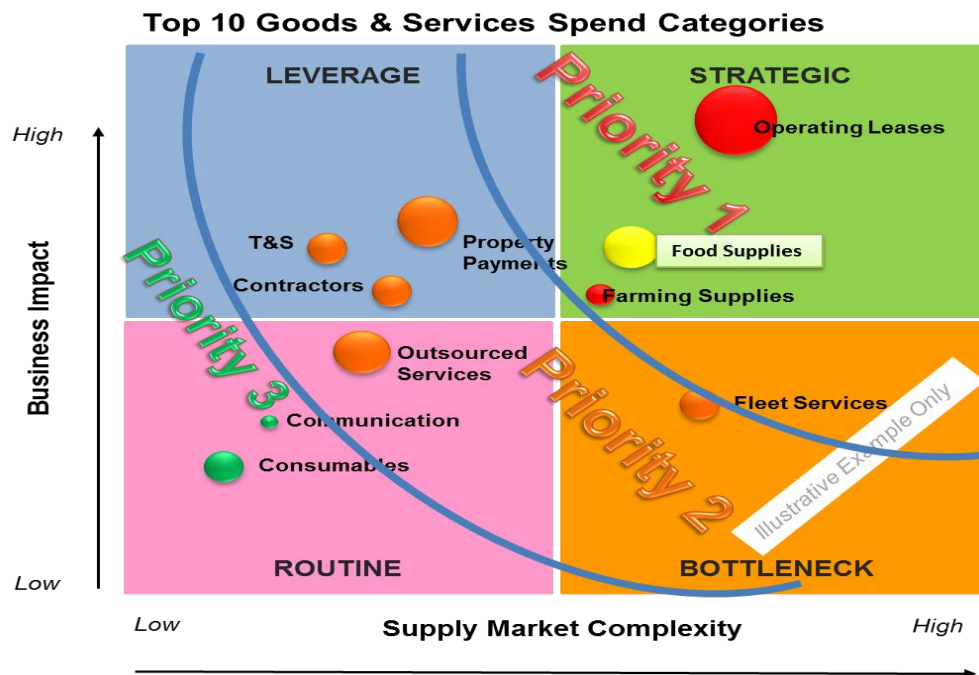


Figure 1: Prioritising commodities

3.0 The templates

Wave implementation plan

S1(1.1.3) SPF GOOD PRACTICE GUIDE

PORTFOLIO ANALYSIS, COMMODITY POSITIONING AND PRIORITISATION

ILLUSTRATIVE

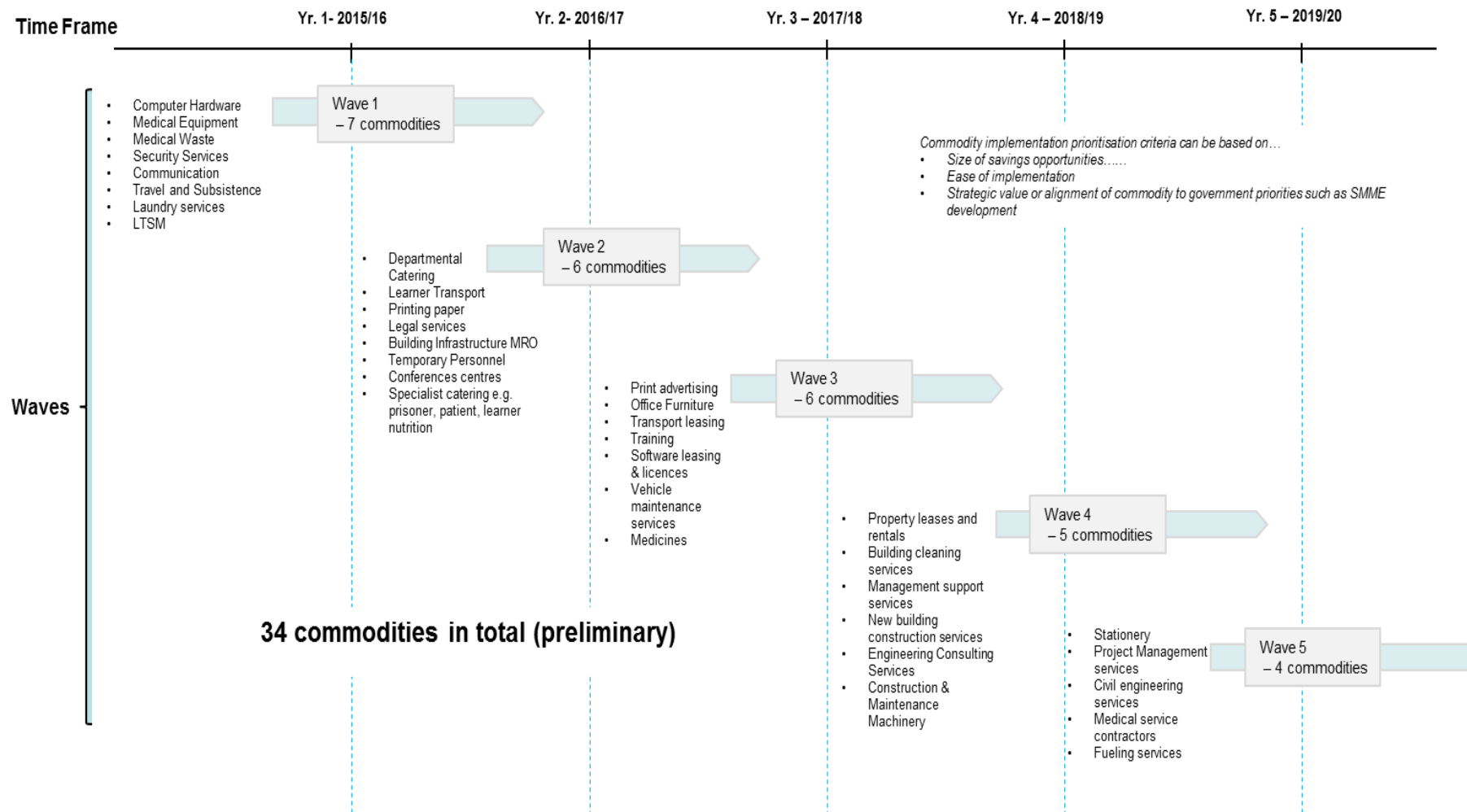


Table 1: Real case example of a wave implementation plan