

UNIVERSITY OF FORT HARE



University of Fort Hare
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SUPPLY CHAIN MANAGEMENT POLICY AND PROCEDURES

DOCUMENT TITLE		SUPPLY CHAIN MANAGEMENT POLICY AND PROCEDURES	
SCOPE OF APPLICATION		TO ALL FORT HARE STAFF & STUDENTS	
COMPLIANCE OVERSIGHT		SCM UNIT AND ALL MANAGERS	
POLICY ORIGINATOR	POLICY OWNER	GOVERNANCE AND STAKEHOLDER CONSULTATION	APPROVING AUTHORITY
SUPPLY CHAIN MANAGER	CHIEF FINANCE OFFICER	- MANCO - EMT - SENATE - INSTITUTIONAL FORUM - COUNCIL SUB- COMMITTEES	COUNCIL

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1. FOREWORD

- 1.1 The Constitution of the Republic of South Africa, Act 108 of 1996 contains the founding principles and values of our new democratic dispensation. It sets the scene for a new dispensation in all spheres of society, amongst others commercial relationships between ordinary citizens and organs of state. In this respect section 217(1)(2)(3) of the Constitution of the Republic of South Africa is crucial as it constitutes the foundation upon which the delivery of all goods and services to organs of state will be based. In this respect it pronounces as follows;
- “(1) When an organ of state in the national, provincial or local sphere of government, or any other institution identified in national legislation, contracts for goods or services, it must do in accordance with a system which is fair, equitable, transparent, competitive and cost effective.*
- (2) Subsection (1) does not prevent the organs of state or institutions referred to in that subsection from implementing a procurement policy providing for;*
- (a) Categories of preference in the allocation of contracts; and*
- (b) The protection or advancement of persons, or categories of persons, disadvantaged by unfair discrimination.*
- (3) National legislation must prescribe a framework within which the policy referred to in subsection (2) must be implemented.”*
- 1.2 In an attempt to comply with its obligations in terms of section 217(3), Parliament has adopted several pieces of legislation which seek to establish a statutory framework within which organs of state have to develop their own procurement policies. Examples of such legislation are the Preferential Procurement Policy Framework Act, Act No 5 of 2000 (the ‘PPPFA’) and its supporting regulations, the Public Finance Management Act, No 1 as amended by Act No. 29 of 1999 (the ‘PFMA’) and its supporting regulations and the Broad Based Black Economic Empowerment Act, No 53 of 2003 (the ‘BBBEEA’) and the Codes of Good practice adopted in terms thereof.
- 1.3 While University of Fort Hare is not obliged to apply PFMA, the spirit of the PFMA shall be maintained and the provisions of BBBEE, PPPFA and its accompanying regulations, shall be complied with as contained herein in this policy.
- 1.4 Furthermore, University of Fort Hare shall subscribe to the King 3 report on Corporate Governance and Code of Corporate Practices Conduct, where applicable, as it affects Supply Chain Management. The institution also acknowledges that, the Promotion of Administrative Justice Act demands of the institution that all its administrative decisions are taken in a just, fair manner and that the institution may be held accountable of its administrative decisions.

2. GENERAL PRINCIPLES

- 2.1 The University of Fort Hare, within the context of the broader Supply Chain Management Legislative Framework herein outlined above on paragraphs 1.1 to 1.4 commits to delivering significant value to its internal clients and for its stakeholders through ensuring that there is;
- (a) a responsive supplier database at all times; and
 - (b) an effective and efficient procurement management system which is informed of the procurement principles outlined in paragraph 2.2 herein below.
- 2.2 The University of Fort hare shall adhere to the following procurement principles when procuring goods, works and services.
- (a) **Transparency**- shall ensure procurement processes and award of contracts is done in a transparent manner, compliant to relevant applicable prescripts and best procurement practices.
 - (b) **Fairness** - shall ensure that all procurement processes are done in a fair manner, in that all suppliers are dealt with even handedly and where there is conflict of interest it is recognised and dealt with amicably.
 - (c) **Equity** - commits into ensuring that all procurement processes will be in accordance with Preferential Procurement Policy Framework Act where applicable, and all its procurement activities will seek to advance the development of SMME and HDI's, promote women and disable persons while also promoting local products.
 - (d) **Competitiveness** - shall ensure that potential suppliers have reasonable access to procurement opportunities and available opportunities are at least published in the newspaper circulating in the region and or the institution website, that there is always maximum competition for procurement opportunities.
 - (e) **Cost Effectiveness** - shall ensure that the procurement function itself will provide value for money and will be carried out in a cost effective manner. Best value for money shall mean the best available outcome when all relevant costs and benefits over the procurement cycle are considered.
- 2.3 The procurement function of the University of Fort Hare shall focus on the following value outputs;
- (a) Preferential Procurement as a driving programme for supplier development of small black enterprises,
 - (b) Continuity of supply,
 - (c) Delivery of goods and services at a right time,
 - (d) Delivery of goods and services at a right price,

- (e) Optimal quality, and
- (f) Utilisation of appropriate level of technology to enhance institutional objectives.

3. OBJECTIVES OF THE POLICY

3.1 The fundamental objectives of this policy are;

3.1.1 to give effect to section 217 of the Constitution of the Republic of South Africa by implementing a system that is fair, equitable, transparent, competitive and cost effective;

3.1.2 to comply with the provision of the King 3 report on Corporate Governance and Code of Corporate Practices Conduct;

3.1.3 to create uniformity for the procurement of goods and services, while also promoting consistency and compliance with all other applicable legislation and any regulation pertaining thereto, including;

- (a) the Preferential Procurement Policy Framework Act, No 5 of 2000, with its regulations issued in 2001 (where applicable);
- (b) the Broad Based Black Economic Empowerment Act, No 53 of 2003 and its associated Codes of Good Practice (where applicable);
- (c) the Promotion of Administrative Justice Act 53 of 2000, with its associated regulations;
- (d) the Construction Industry Development Board Act, No 38 of 2000 (where applicable);
- (e) the National Small Business Act, No 102 of 1996 as amended by Act No. 26 of 2003 (where applicable); and
- (f) The State Information Technology Agency (SITA) Act, No 88 of 1998, as amended by Act 38 of 2002 (where applicable).

3.1.4 to provide, promote and set out policy framework governing processes and procedures within Supply Chain Management when;

- (a) Procuring goods and or services, and
- (b) Disposal of goods, assets and immovable property no longer needed,

4. APPLICATION, ADOPTION AND REVIEW OF THE SUPPLY CHAIN MANAGEMENT POLICY

4.1 This policy is adopted as the University of Fort Hare's Supply Chain Management Policy and the procurement of all goods and services will be done in accordance with the provisions hereof. This policy shall only be effective once approved by the Accounting Authority (University Council).

- 4.2 The Accounting Authority through delegation to the Accounting Officer (The Vice Chancellor) must at least annually review this policy subject to latest developments within Supply Chain Management legislative framework, and if it deems it appropriate adopt any necessary and useful amendments thereto.
- 4.3 If or should the Accounting Authority adopts any amendment to this policy or adopts a new supply chain management policy, it must ensure that the amended or new policy complies with all applicable laws.
- 4.4 This policy applies to all University of Fort Hare staff (including any temporary staff), students and all subsidiaries and entities who procure goods and services from any University funds.

5. PROCEDURE, DELEGATION AND STRUCTURE OF THE SUPPLY CHAIN MANGEMENT POLICY

- 5.1 The University of Fort Hare has established a Supply Chain Management unit located within the office of the Chief Finance Officer to drive all processes of supply chain management in accordance to this policy.
- 5.2 This Supply Chain Management Policy shall serve as a compliance document for all procurement and related administrative functions and principles.
- 5.3 To the extent that it may be necessary, the Accounting Authority (The University Council) shall delegate accountability of this Policy to the Accounting Officer (The Vice Chancellor) or sub-delegate to a staff member or committee any powers conferred on the accounting authority in terms of the Higher Education Act 101 of 1997 in order to ensure the following;
- (a) Supply Chain Management responsibilities as conferred in this policy are discharged in terms of this policy,
 - (b) to maximize administrative and operational efficiency in the implementation of this policy;
 - (c) to enforce reasonable cost-effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation of this policy;
- 5.4 The Chief Finance Officer through the Supply Chain Manager shall be responsible for the contents, issue of, updates to, and annual review of this policy. This policy is intended to be dynamic, and to reflect continuous developments in procurement practice by allowing for the incorporation of changing legislative, structural, business and operation requirements.
- 5.5 Unless specifically provided for in this policy, any deviation from this policy is subject to the recommendation from MANCO and approval by the Accounting Officer (The

Vice Chancellor). University of Fort Hare commits to ensuring that reasonable care will be taken to avoid non-compliance to the set procurement rules, reckless spending, unbudgeted spending, and unauthorized expenditure.

- 5.6 The policy provides for the following supply chain management systems;
- (a) Demand Management system,
 - (b) Acquisition Management system,
 - (c) Logistics and Contract Management system,
 - (d) Asset and Disposal Management system, and
 - (e) Risk Management and supply chain performance management system

6. ACRONYMS AND DEFINITIONS

6.1 ACRONYMS

- 6.1.1 The following acronyms are used in this policy document and should only be interpreted as follows:

AO	Accounting Officer
BAC	Bid Adjudication Committee
BBBEE	Broad Based Black Economic Empowerment
BEE	Black Economic Empowerment
BEC	Bid Evaluation Committee
BSC	Bid Specification Committee
CFO	Chief Finance Officer
DVC	Deputy Vice Chancellor
EMT	Executive Management Team
ERP	Enterprise Resource Planner
GCC	General Conditions of Contract
HDI	Historically Disadvantaged Individuals
ICT	Information and Communication Technology
MANCO	Management Committee
NGO	Non-Governmental Organisation
NPO	Non-Profit Organisation
OHSACT	Occupational, Health and Safety Act
PAJA	Promotion of Administrative Justice Act 3 of 2000
PFMA	Public Finance Management Act 1 of 1999 (as amended by Act 29 of 1999)
PPPFA	Preferential Procurement Policy Framework Act, 2002 (Act No.5 of 2000), and its accompanying regulations

PURCOSA	Purchasing Consortium of Southern Africa
QBS	Quality Based Selection
QCBS	Quality and Cost Based Selection
RFI	Request For Information
RFQ	Request For Quotation
RFP	Request For Proposal
SCM	Supply Chain Management
SMME	Small, Medium and Micro Enterprises
SLA	Service Level Agreement
SP	Service Provider
Spec	Specifications
TOR	Terms of Reference
UFH	University of Fort Hare
UC	University Council
VC	Vice Chancellor
VAT	Value Added Tax

6.2 DEFINITIONS

6.2.1 In this Supply Chain Management policy, words and or expressions defined below shall have the meanings hereby assigned to them and same meanings as assigned in any applicable legislation, unless context indicates otherwise, and or is inconsistent with the context of a particular contract or terms and conditions;

Accounting Authority	Shall mean the University of Fort Hare Council as contemplated in the Higher Education Act 101 of 1997
Accounting Officer	Shall mean the Vice Chancellor of the University of Fort Hare as contemplated in the Institutional Statute
Bid	Shall mean a written offer made by a potential supplier of service provider in a prescribed or stipulated form in response to a formal an invitation by the institution for the provision of goods, works or services
Bidder	Shall mean a person or business entity submitting a bid
Bid Evaluation Committee (BEC)	A cross-functional team of UFH officials responsible for bid evaluations as appointed by the Accounting Officer and contemplated herein this policy.
Bid Specification Committee (BSC)	A cross-functional team of UFH officials responsible for development and approval of bid specifications as

	appointed by the Accounting Officer and contemplated herein this policy.
Broad Based Black Economic Empowerment	Means the economic empowerment of all black people including women, workers, youth, people with disabilities and people living in rural areas through diverse but integrated socio-economic strategies that include but not limited to; Increasing the number of black people that manage, own and control enterprises and productive assets, Facilitating ownership and management of enterprises and productive assets by communities, workers, cooperatives and other collective enterprises, Human resource and skills development, Achieving equitable representation in all occupational categories and levels in the workforce, Preferential procurement, and Investment in enterprises that are owned or managed by black people.
Chief Finance Officer	Shall mean the Chief Finance Officer of the University of Fort Hare
Close family member	Shall mean: (i) a member of the same household, (ii) parent (including adoptive parent), (iii) parent-in-law, (iv) son (including adoptive son), (v) son-in-law, (vi) daughter (including adoptive daughter), (vii) daughter-in-law, (viii) step-parent, (ix) step-son, (x) step-daughter, (xi) brother, (xii) sister, (xiii) grandparent, (xiv) grandchild, (xv) uncle, (xvi) aunt, (xvii) nephew, (xviii) niece, (xix) the spouse or unmarried partner in any of (i)to (xii) above;
Competitive bidding process	Shall mean a formal competitive bidding process for all procurement requests to the value of R500 000 and above
Comparative price	Shall mean the price after factors of a non-firm price and all unconditional discounts that can be utilized have been taken into consideration
Consortium or Joint Venture	Shall mean an association of persons for the purpose of combining their expertise, property, capital, efforts, skill

	and knowledge in an activity for the execution of a contract
Contract	Shall mean the agreement that results from the acceptance of a bid or quotation by the university
Corrupt practice	The offering, giving, receiving or soliciting of any advantage by a supplier or service provider to influence the action of an employee of UFH in the selection process or in contract execution, or the offering, giving, receiving or soliciting of any advantage by a UFH employee to influence the action of a supplier or service provider in the bidding/pricing/selection process or in contract execution
Disability	Shall refer to a person who suffer from a permanent impairment of a physical, intellectual, or sensory function, which results in restricted, or lack of ability to perform an activity in the manner or within the range, considered normal for a human being
End User	Shall mean an employee or department of UFH that uses goods or services supplied by SCM department as part of their job
Final award	Shall mean a final decision in relation to bids or quotations evaluated and adjudicated for a contract, means the final decision on which bid or quote to accept.
Equity Ownership	Shall mean the percentage ownership and control, exercised by individuals within an enterprise
Financial year	Shall mean a financial period of the university starting from 01 January and ending on 31 December each year
Firm price	Shall mean the price that is only subject to adjustments in accordance with the actual increase or decrease resulting from change, imposition, or abolition of customs or excise duty and any other duty, levy, or tax which, in terms of law or regulation is binding on the contractor and demonstrably has an influence on the price of any supplies, or the rendering costs of any service, for the execution of the contract

Formal written price quotation	Shall refer to procurement request to the value of R50 000 and above but not exceeding R499 999
Fruitless and wasteful expenditure	Shall mean expenditure which was made in vain and would have been avoided had reasonable care been exercised
General Conditions of Contract	Shall refer to standard general conditions of contract of UFH that are always incorporated to the bid document
Goods	Shall mean any physical items, such as assets or stationery, delivered by a supplier
Historical Disadvantaged Individuals	Shall mean the historically disadvantaged individuals as contemplated in the PPPFA
Institution	Shall interchangeable be used to refer to the University of Fort Hare
Invoice	An acceptable valid invoice as per UFH is a commercial document issued by a seller on its letter head (containing company name, registration, VAT number of the company and VAT number of UFH, contact details of the company, date and relevant contact person) to UFH indicating the products, quantities, and agreed prices for products or services the seller has provided the buyer as per the official order that was issued UFH.
Irregular expenditure	Shall mean expenditure, other than unauthorized expenditure, incurred in contravention of this policy or that is not in accordance with a requirement of any applicable legislation.
Legal advisor	Shall refer to the Legal Advisor of the University of Fort Hare
Long term contract	Shall mean a contract with a duration period exceeding one year
List of accredited prospective suppliers	Shall refer to the list of accredited prospective suppliers which the university must keep and update on annual basis
Order	Shall mean a written order issued for the supply of goods and or services in accordance with the accepted bid price or quotation.
Other applicable legislation	Shall mean any other legislation, including regulations

	adopted in terms of such legislation applicable to University of Fort Hare's Supply Chain Management system, such as, PPPFA, BBBEE, CIDB, SITA, PAJA, etc
Person	Shall refer to a natural or juristic entity
Policy	Shall mean this Supply Chain Management Policy as amended from time to time
Preferential Procurement	Shall mean the specific procurement policies and strategies that are aimed at, contracting with persons or categories of persons from historically disadvantaged backgrounds, affected by unfair discrimination on the basis of race, gender or disability, among other things
Quotation	A written offer for the stated services or goods made by the supplier in response to a procurement request by the university. The written offer shall always be in a supplier letter head, with telephone numbers, email (where possible), fax, business physical address, tax numbers, Ck registration numbers, date and contact person. The quotation must always be signed to make it a valid offer, and provide for the contact person and address of UFH.
Quorum	Shall mean 50% plus 1 presence of appointed committee members with voting rights for a specific bid committee meeting
Rand value	Shall mean the total estimated value of a contract in rand denomination which is calculated at the time of bid invitations and includes all applicable taxes and other duties
Services	Shall mean any services delivered by a service provider and not categorized as goods
Small Medium Micro Enterprise	Shall bear the same meaning assigned to this expression in the National Small Business Act, 1996 (Act No. 102 of 1996)
Supply Chain Management Officials	Shall refer to those officials that serve on any of the bid committees of the University, and those who are involved in its supply chain management system and

	procedures including the Vice Chancellor or Deputy Vice Chancellor if he/she is not a member of any such committees.
Supply Chain Management unit/division	Shall mean a division within Finance department, headed by the Supply Chain Manager responsible for the procurement of goods and services on behalf of the University of Fort Hare.
Suppliers	Shall refer to a generic term which may include suppliers of goods and or services, contractors and or consultants
Sub-contracting	Shall mean the primary contractor's assigning or leasing or making out work to, or employing another person to support such primary contractor in the execution of part of a project in terms of the contract
Tax Clearance Certificate	Shall mean a Valid Tax Clearance Certificate as issued by South African Revenue Services, where the bidder is registered for Income Tax and or Vat purposes
Tender/Bid	Shall refer to term used interchangeably with Bid, which refers to a procurement request to the transaction value of R500 000 and above.
Unauthorized expenditure	Shall mean an expenditure utilized not in accordance with its main purpose, and overspending of funds beyond available budget
Unsolicited bid	Shall mean a business proposal which reflects a unique idea, method, or an approach submitted by individuals, businesses, and organizations solely on the proposer's initiative rather than in response to a "formal" advertised bid.
Regulations	Shall mean the regulations made in terms of other applicable legislation as defined herein
University	Shall Mean The University of Fort Hare

7. THE SUPPLY CHAIN MANAGEMENT SYSTEM FRAMEWORK

7.1 The policy provides for the following supply chain management systems;

7.1.1 Demand Management system,

7.1.2 Acquisition Management system,

7.1.3 Logistics and Contract Management system,

- 7.1.4 Asset and Disposal Management system, and
- 7.1.5 Risk Management and supply chain performance management system

8. DEMAND MANAGEMENT SYSTEM

8.1 Introduction

- 8.1.1 Demand management is the first phase of the SCM. The objective is to ensure that the resources required to fulfill the needs identified in the strategic plan of the organisation are delivered at the correct time, price and place and that the quantity and quality will satisfy those needs. As part of this element of SCM, a total needs assessment should be undertaken. This analysis should be included as part of the strategic planning process of the organisation and hence will incorporate the future needs.
- 8.1.2 It is very critical for unit managers to understand and utilise sound strategies to assist them in their planning, implementation and control activities. As part of the strategic plan of the organisation, resources required for the fulfillment of its legislative mandate should be clearly analysed. This includes a detailed analysis of the goods and services required such as how much can be achieved, how soon, and with what.
- 8.1.3 Requirements may not be deliberately split into parts or items of lesser value merely to avoid complying with provisions of various transaction thresholds contained in this policy. Such an act, will amount to circumvention and breach of the policy.

8.2 Key demand considerations

- 8.2.1 Demand management shall always require a cross – functional exercise that brings the supply chain management practitioner closer to the end user and ensures that value for money is achieved. Demand management lies at the beginning of the supply chain management and the key activities involved in identifying demand are;
 - (a) establishing the requirements,
 - (b) determining needs, and
 - (c) deciding on appropriate procurement strategies.

8.3 Procedure and steps to be undertaken to fulfill demand management activities

- 8.3.1 In order to ensure that the Supply Chain Management unit understands the future as well as current needs of the organisation, is able to identify critical delivery dates, to link the organizational needs to the budget, understand the commodities procured by the institution, have a clear picture of expenditure patterns, is aware who the players of the market are, and able to plan and utilise the institution buying power through

strategic sourcing, the following demand management activities shall be implemented;

8.3.1.1 Participation in the strategic planning process

- (a) As part of the strategic planning process of the University of Fort Hare, the various functions to be executed must be identified. Pursuant thereto, it is necessary to determine the different resources required to fulfill the identified functions, i.e. human resources and goods, works or services. These resources must be budgeted for. It is of vital importance to know, even at this stage, the estimated costs of the required resources, including the estimated costs of the required goods, works or services.
- (b) Demand management shall be co-ordinated by SCM officials in consultation with the end user. This includes a detailed analysis of the goods, works or services required, such as what should be executed, how quickly and with what materials, resources, equipment, etc. The outcome of this activity should be a detailed planning document that outlines what goods, works, or services should be procured, the manner in which they should be procured as well as the timelines to execute the procurement functions.

8.3.1.2 Procurement Planning

- (a) Procurement planning must take place during the beginning of each financial period when the University's strategic plan and budget have been approved.
- (b) The Supply Chain Management unit shall immediately after budget approval each year issue a Procurement Plan template to be completed by all departments within the institution.
- (c) Procurement plans must not be developed in isolation instead must form part of the University's Annual Performance Plans and other functional strategies. The SCM unit must perform this function hand-in-hand with the each user/business unit during the formulation of procurement plans.
- (d) The Supply Chain Management Unit must consolidate all procurement plans received into a single integrated Procurement plan of the institution according to various applicable procurement thresholds.
- (e) For all formal bids, no procurement shall be undertaken if such a procurement request was never part of the originally submitted procurement plan. Any such request that is not part of the originally submitted procurement plan should receive prior approval from the Vice Chancellor.

- (f) Completion of the above activities should result in the compilation of the procurement plan to be implemented by the SCM unit. This plan must indicate a description of goods, works or services, the end user, the contact person representing the end user, estimated value, date of submission of specifications, date of advertisement of the bid, closing date of the advertised bid, estimated evaluation time, envisaged date of the adjudication of bids, envisaged date of award and issuance of an official order, etc.

8.3.1.3 Analysis of the goods, works or services required

- (a) During the strategic planning phase of the University, the goods, works or services required to execute the identified functions are determined. The SCM unit representative(s) should assist the process in ensuring that the identified goods, works or services are the optimum resources required to achieve the goals and objectives of the institution.
- (b) The SCM unit must analyze goods, works or services required and execute amongst others, the following;
- List the functions to be executed by the University of Fort Hare,
 - Conduct an analysis of the past expenditure as this exercise may, among others, contribute in determining the manner in which the University fulfilled its needs in the past, and
 - Compile a detailed list of the goods, works or services required to execute the functions listed as per sub-paragraph (bullet one) above.

8.3.1.4 Planning to obtain the required goods, works or services

- (a) Together with the end user, the SCM unit should apply strategic sourcing principles to determine the optimum manner in which to acquire the required goods, works or services. This entails, amongst others, the following;
- Conducting an industry or market analysis of the goods, works or services to be obtained. This must include the determination of a reasonable price for the required goods, works or services.
 - Confirmation that sufficient funds have been allocated for the procurement of required goods, works or services. If this is not so, the end user must be informed accordingly. The procurement process should not proceed if funds are not available. Documentary proof must be obtained to substantiate availability of budgetary provisions.
 - Considering the optimum method to satisfy the need, for example whether the procurement should be by means of price quotations, advertised competitive

bids, limited bids, procuring of goods, works or service from PurcoSA contract (e.g. stationery, travelling etc) or on long term contracts or *ad hoc* contracts.

- The frequency of the requirement(s) must be established in order to determine whether it would be cost effective to arrange a specific long term contract for the goods, works or services, than procuring the requirement as and when the need arise.
- Establishing the lead time required by the potential suppliers to deliver the required goods, works or services after receipt of an official order number.

8.3.1.5 Compilation of a bid register for formal bids

- (a) The SCM unit must compile a bid register that will manage the procurement process of each requirement in respect of formal bids. This bid register will be used as a tool to monitor and evaluate the procurement/acquisition process as well as to create a register for all formal bids handled each year.
- (b) The SCM unit shall on a continuous basis monitor and assess the validity and accuracy of and compliance to the procurement plan.

8.3.1.6 Development and Maintenance of List of Accredited Prospective Suppliers

- (a) The University of Fort Hare, through the Supply Chain Management division shall compile and maintain a list of prospective accredited suppliers per commodity for the purpose of obtaining quotations for all written quotations. In order for suppliers to be listed on University of Fort Hare list of accredited supplier database, all prospective suppliers must meet the following listing criteria;
 - Name of the entity/individual,
 - Business address: physical and postal address,
 - Entity type for example public company, private company, close corporation, partnership or sole Supplier, private entrepreneur.
 - Appropriate valid company registration documents,
 - Contact details, such as telephone number, facsimile numbers and e-mail if applicable,
 - Name(s) of director(s), member(s), partner(s) and owner(s)/principal(s) of the prospective supplier. No supplier or its owners will be listed on University of Fort Hare supplier database if the supplier or its owners were listed as defaulters by the institution before.
 - Annual turnover of the prospective supplier where applicable.
 - Equity profile of the shareholders or owners.

- Black economic empowerment profile of the entity (Valid BBBEE Certificate issued by SANAS approved agency),
 - Valid Original Tax Clearance Certificate as proof of tax compliance,
 - List of products/services offered (Primary business activities/products).
 - Company profile - Specific expertise vested in the entity/individual, linked to requirement categories.
 - Signed declaration of interest declaring that the supplier or any of its owners are not employed by the state and or University of Fort Hare.
 - A list of previous/current projects/related experience with preferable at least three (3) contactable references.
 - Bank details (physical, postal and electronic banking address).
 - CIDB registration if applicable.
 - Financial position of the supplier.
 - Relevant license certificate for ICT products.
- (b) The list shall be used to promote participation of Black-owned Small, Medium and Micro Enterprises (SMMEs). The prescripts of the Preferential Procurement Policy Framework Act, Act No.5 of 2000 will be applied for procurement requirements above R30 000 (and with a lesser value where appropriate).
- (c) The inclusion of any supplier in the database of suppliers does not exempt the supplier from the obligation to respond in the prescribed manner to notices of the university's supply chain management requirements.
- (d) Once the Supply Chain Management unit is satisfied that the above prescribed criteria has been met by the supplier, it shall ensure that the prospective supplier is advised of the outcome of its application within fourteen (14) days of receipt of the application.
- (e) Prospective suppliers will not be eligible to provide quotations until they have been approved as an accredited supplier, except where the prospective supplier provides a type of commodity or service for which no supplier is available from the list of accredited suppliers.
- (f) University of Fort Hare shall not do business with any supplier that is not registered in its list of accredited suppliers (supplier database). It is the prerequisite that any supplier providing any goods or services to the University must have met the prescribed criteria for inclusion in the supplier database and thus registered. No exception shall be made to this rule.

9. VALIDITY PERIOD OF THE LIST OF APPROVED SUPPLIERS

- (a) The approved suppliers list shall be valid for a period of one year and be updated on quarterly basis and advertised on local newspaper and UFH website twice a year to accommodate newly established businesses.
- (b) An advertisement shall be placed twice in a year in the local representative newspaper and UFH website or any other appropriate competitive means to invite prospective suppliers to apply for evaluation and registration.
- (c) Any supplier may at any time request to be registered on the data base. The supplier must be registered on the data base if it meets the minimum criteria as prescribed by the University. All suppliers irrespective their HDI or BEE status must be allowed to apply for registration, however UFH will only do business with suppliers who are compliant to BBBEE unless no BBBEE compliant supplier is available for services or goods needed.
- (d) Quotations must therefore be obtained through this Approved list of accredited supplier database.
- (e) To ensure that no blacklisted suppliers are registered on the University supplier database, the Supply Chain Management unit will create a mechanism for reporting of defaulting or underperforming suppliers by the entire institution thus resulting in the establishment and maintenance of a list of defaulting/underperforming suppliers.

10. REMOVAL OF A SUPPLIER FROM THE ACCREDITED LIST OF PROSPECTIVE SUPPLIERS

- 10.1 A service provider/supplier shall be removed from the suppliers list under the following circumstances:
- (a) The entity ceases to exist.
 - (b) Liquidation/sequestration of the entity.
 - (c) Continual proven non-delivery (two and more times) or inability to meet minimum specification continuously.
 - (d) Non-compliance with legislation or statutory requirement.
 - (e) Proven fraud and/or corruption.
 - (f) On Supplier's request.
 - (g) By mutual agreement.
- 10.2 The process of removal of a supplier for non-delivery as per paragraph (c) above must be in accordance with the laws of the country as advised by the Legal department and be approved by the Vice Chancellor or its delegate after the supplier had the opportunity to respond to allegations.

11. ACQUISITION MANAGEMENT SYSTEM

11.1 Introduction

11.1.1 The acquisition management follows the demand management phase within the supply chain management system. It provides for an effective approach and various procurement strategies that can be employed in fulfilling the university needs. The objectives of the acquisition management system are to ensure;

- (a) That goods and services are procured by the university in accordance with the authorised procedures incorporated herein.
- (b) That the expenditure on goods and services is incurred in terms of an approved available budget.
- (c) That the threshold values of the different procurement with their specific procurement procedures and conditions are complied with.
- (d) That standard bid documentation, evaluation and adjudication criteria accompanied by the general conditions of contract are in accordance with the requirements of relevant legislation including, Preferential Procurement Policy Framework Act, Broad Based Black Economic Empowerment Act and any other relevant applicable legislation.
- (e) Provide for uniformity in the procurement processes and procedures within the institution.

12. SOURCING STRATEGIES AND PROCUREMENT THRESHOLDS

12.1.1 Procurement of goods, works and services in terms of this policy shall take place in one of the following sourcing strategies and procurement thresholds;

- (a) Petty Cash,
- (b) One written quotation from University of Fort Hare supplier database,
- (c) Three written quotations from University of Fort Hare supplier database,
- (d) Formal written quotations from University of Fort Hare supplier database,
- (e) Invitation of formal competitive bids,
- (f) Negotiations,
- (g) Specific Commodities and Special cases,
- (h) Deviation - Limited bidding strategies,
- (i) Deviation - Emergency and or Urgent cases,
- (j) Utilisation of PurcoSA Contracts, and
- (k) Entering into Service Level Agreement with other Tertiary Institutions.

12.1.2 All financial values/procurement thresholds stated in this policy shall be deemed to be inclusive of Value Added Tax (VAT) at all times. The procurement thresholds are

applicable to the total value of an order and not to the individual item value of an order. No supplier may claim for Vat in its quotations if it is not Vat registered.

13. PETTY CASH (FROM A TRANSACTION VALUE OF R1 - R2 000 VAT INCLUDED) PROCEDURES AND APPLICABLE CONDITIONS

- (a) Accounting officer or its delegate may procure requirements not exceeding the above stated transaction value through petty cash.
- (b) The Department or end user initiates the procurement transaction through obtaining **prior approval** from the relevant head of department/dean/executive director for the utilisation of petty cash in line with the Petty Cash policy of the University.
- (c) Prescribed petty cash forms together with proof of payment/receipts shall be completed by the end user/requestor and submitted for approval to the relevant head of department/dean/executive director.
- (d) The finance petty cash policy shall prescribe applicable financial threshold per transaction.
- (e) Approved petty cash claim shall be submitted to finance for further processing.
- (f) All procurement done through petty cash shall be in accordance with University of Fort Hare's Petty Cash policy and procedures. Should finance office not be in possession of enough petty cash, rules applicable to a one written quotation below shall be applied.

14. ONE WRITTEN QUOTATION FROM UNIVERSITY OF FORT HARE'S SUPPLIER DATABASE, (ABOVE THE TRANSACTION VALUE OF R2 000 BUT NOT EXCEEDING R10 000 VAT INCLUDED) PROCEDURES AND APPLICABLE CONDITIONS

- (a) Accounting Officer or its delegate (THE BUYER) must procure the requirements within the above stated transaction value by obtaining at least ONE (1) valid written quotation from UFH's supplier database, should no suitable supplier be available on UFH's supplier database, quotations may be requested from any other prospective suppliers available (such supplier must still be registered with UFH's supplier database before procurement transaction is processed).
- (b) No services or goods may be delivered by the supplier and accepted or received by the University without following proper procurement procedures as set out in this policy. An official order number (ITS system generated form) has

to be issued and signed by the Buyer or supply chain management practitioner prior any service or goods is delivered in this procurement category/threshold.

- (c) No procurement request may be split or separated in order to fall within this procurement threshold.
- (d) The department or end user initiates the procurement transaction by submitting a requisition through the e-procurement system (Finance iEnabler) to SCM office. Such a requisition must be approved by the relevant head of department/dean/executive director after it has been captured and verified by the Supply Chain Management office.
- (e) The Supply Chain Management unit, through an assigned relevant Buyer shall source quotations as prescribed by this procurement threshold from the UFH's accredited list of prospective suppliers, select the most cost effective supplier that complies with the end user's requirements, and confirm budget availability before approving the procurement transaction.
- (f) An order number may only be generated and issued against the chosen supplier once the above prescribed requirements have been fulfilled.
- (g) The Supply Chain Management unit must always ensure that all suppliers doing business with the University regardless of the transaction value their taxes are in order before an order number is issued. The University shall not do any business with any supplier whose taxes are not in good standing. The Supply Chain Management unit must always confirm to be in possession of a valid tax clearance certificate of the chosen supplier.

15. THREE WRITTEN QUOTATIONS FROM UNIVERSITY OF FORT HARE'S DATABASE (ABOVE THE TRANSACTION VALUE OF R10 000 BUT NOT EXCEEDING R30 000 VAT INCLUDED) PROCEDURES AND APPLICABLE CONDITIONS

- (a) Accounting Officer or its delegate (THE BUYER) must procure the requirements within the above stated transaction value by obtaining at **least THREE (3) valid written quotations** or from as many suppliers as possible from UFH's supplier database, should no suitable supplier be available on UFH's supplier database quotations may be sourced from any other prospective suppliers available, however such supplier must firstly be registered to the UFH's supplier database before procurement transaction is processed.
- (b) No services or goods may be delivered by the supplier and accepted or received by the University without following proper procurement procedures as

set out in this policy. An official order number (ITS system generated form) has to be issued and signed by the buyer or supply chain management practitioner prior any service or goods is delivered in this procurement category/threshold.

- (c) No procurement request may be split or separated in order to fall within this procurement threshold.
- (d) The department or end user initiates the procurement transaction by submitting a requisition through the e-procurement system (Finance iEnabler) to SCM office. Such a requisition must be approved by the relevant head of department/dean/executive director after it has been captured and verified by the Supply Chain Management office.
- (e) The Supply Chain Management unit, through an assigned relevant Buyer shall source **no less than three valid written quotations** from the UFH's accredited list of prospective suppliers, select the most cost effective supplier that complies with the end user's requirements, and confirm budget availability before approving the procurement transaction.
- (f) An order number may only be generated and issued against the chosen supplier once the above prescribed requirements have been fulfilled.
- (g) The Supply Chain Management unit must always ensure that all suppliers doing business with the University regardless of the transaction value their taxes are in order before an order number is issued. The University shall not do any business with any supplier whose taxes are not in good standing. The Supply Chain Management unit must always confirm to be in possession of a valid tax clearance certificate of the chosen supplier.
- (h) Whenever it is not possible to obtain the minimum prescribed number of quotations, a motivation approved by the Supply Chain Manager must be submitted, and in instances of a Sole supplier, proof in a form of a letter on supplier's letterhead confirming that the supplier is the Sole supplier of such a product or service either within the region and or nationally must be submitted.

16. FORMAL WRITTEN QUOTATIONS FROM UNIVERSITY OF FORT HARE'S DATABASE (ABOVE THE TRANSACTION VALUE OF R30 000 BUT NOT EXCEEDING R500 000 VAT INCLUDED) PROCEDURES AND APPLICABLE CONDITIONS

- (a) Accounting Officer or its delegate may procure the requirements within the above stated transaction value by obtaining written quotations from as many suppliers as possible with at **least three (3) valid written quotations** from UFH's supplier database, should no suitable supplier be available on UFH's

supplier database quotations may be sourced from any other prospective suppliers available, however such supplier must firstly be registered to the UFH's supplier database before procurement transaction is processed.

- (b) All procurement transactions in this category shall be classified as **Formal written quotations**. All prescribed forms must always be completed by suppliers making offers to the University.
- (c) **Formal written quotations** are subject to the stipulations of the PPPFA and its regulations, the 80/20 preference point system will always be applicable to procurement requests within this transaction value,
- (d) No services or goods may be delivered by the supplier and accepted or received by the University without following proper procurement procedures as set out in this policy. An official order number (ITS system generated form) has to be issued and signed by the buyer or supply chain management practitioner prior any service or goods is delivered in this procurement category/threshold.
- (e) No procurement request may be split or separated in order to fall within this procurement threshold.
- (f) The department or end user initiates the procurement transaction by submitting a requisition through the e-procurement system (Finance iEnabler) to SCM office. Such a requisition must be approved by the relevant head of department/dean/executive director before it reaches the Supply Chain Management office.
- (g) The Supply Chain Management unit, through an assigned relevant Buyer shall source **no less than three valid written quotations** from the UFH's accredited list of prospective suppliers, select the supplier with highest PPPFA points that complies with the end user's requirements and any other specified conditions, and confirm budget availability before approving the procurement transaction.
- (h) An order number may only be generated and issued against the chosen supplier once the above prescribed requirements have been fulfilled.
- (i) The Supply Chain Management unit must always ensure that all suppliers doing business with the University regardless of the transaction value their taxes are in order before an order number is issued. The University shall not do any business with any supplier whose taxes are not in good standing. The Supply Chain Management unit must always confirm to be in possession of the chosen supplier.
- (j) All transactions within this procurement threshold are classified to be part of supplier development intervention as contemplated herein in this policy. It is

therefore, within this promotion of black economic empowerment suppliers' context that, only suppliers whose BBBEE level status are **between level One and Four shall be accepted in this category. Non-compliant suppliers to BBBEE shall not be considered at all. Priority shall be given to suppliers whose ownership is made up of African black owners and located within the Eastern Cape region.**

- (k) Exception to rule (j) above shall only be made only when suppliers whose BBBEE credentials as prescribed above are not available or cannot be found, in which case supplier with BBBEE level status below may be considered for acceptance.
- (l) Whenever it is not possible to obtain the minimum prescribed number of quotations, a motivation approved the Supply Chain Manager must be submitted, and in instances of a Sole supplier, proof in a form of a letter on supplier's letterhead confirming that the supplier is the Sole supplier of such a product or service either within the region and or nationally must be submitted.
- (m) A comparative calculation of points scored by each supplier in terms of PPPFA must be made, and a supplier that scores the highest points may be accepted subject to it meeting all specification requirements of the end user and any other specified conditions.
- (n) Heads of departments may only approve procurement transaction not exceeding R50 000. All procurements requests above transaction value of R50 000 shall after a duly prescribed process being followed, be approved by next level of authority within the institutions as per table listed under paragraph 16.1 below. i.e. Manager, General Manager, Director, Registrar, Chief Finance Officer, Deputy Vice Chancellor (where applicable).
- (o) Should the end user requirements contain the need for inclusion of functionality as a pre-qualification criteria, the Supply Chain Management practitioner must be involved in the development of the specification or terms of references. All specifications or terms of reference developed and issued to potential suppliers shall be bias free, and contain no brand names, and where it is not possible not to omit brand names, words such as similar or equivalent must always be included.
- (p) All procurement requests that include functionality criteria in this procurement threshold category shall be evaluated and adjudicated by the end user and Supply Chain Management practitioner.

- (q) The Supply Chain Management shall on monthly basis generate a report on the status of the number and expenditure involve on BBBEE suppliers utilised for each month.
- (r) Suppliers listed in the UFH's supplier database must be rotated in such a way that all suppliers receive a chance to quote, provided that at all times competitiveness between the suppliers is established. Under no circumstances may a supplier be excluded due to the fact that they already had a chance to supply goods or services.
- (s) All procurement requests in this category shall go through a Governance Committee for compliance approval. Such a Committee shall be chaired by the Supply Chain Manager and shall in addition be composed of two management officials, one from finance and one Buyer. The Committee shall meet once every week to ensure that there are no time delays in processing procurement requests.

16.1 APPLICABLE PROCUREMENT THRESHOLDS TABLE;

Procurement thresholds	Applicable conditions	Designated Approver	Grade	Delegated Authority value
R1 – R2 000	<ul style="list-style-type: none"> - Petty Cash transaction - No more than R500 per transaction - As prescribed by Petty Cash policy (Completion of prescribed form and attachment of receipts/invoice) 	Manager	8 – 7	R1 – R50 000
Above R2 000 to R10 000	<ul style="list-style-type: none"> - One written quote from UFH's supplier database - Requisition to be completed and approved online. No goods and or services accepted without order being issued by SCM unit - Cheapest quotation is accepted, if the cheapest is not accepted, reasons for such is motivated and approved before utilising the supplier 	Manager	8 – 7	R1 – R50 000
Above R10 000 to R30 000	<ul style="list-style-type: none"> - Three written quotations from UFH's supplier database - Requisition to be completed and approved online. No goods and or services accepted without order being issued by SCM unit - Cheapest quotation is accepted, if the cheapest is not accepted, reasons for such is motivated and approved before utilising the supplier 	Manager	8 – 7	R1 – R50 000
Above R30 000 to R50 000	<ul style="list-style-type: none"> - Formal quotations, Three written quotations from UFH's supplier database - Requisition to be completed and approved online. No goods and or services accepted without order being issued by SCM unit 	Manager	8 – 7	R1 – R50 000

	<ul style="list-style-type: none"> - Preferential Procurement Policy Framework Act 80/20 point system. Prescribed forms to be completed. - Only suppliers whose BBBEE level status are between levels One and Four shall be accepted in this category. Non-compliant suppliers to BBBEE shall not be considered at all. Priority shall be given to suppliers whose ownership is made up African black owners. - Supplier that scored highest points is accepted, if not accepted, reasons for such is motivated and approved before utilising the supplier. (Suppliers rotated) 			
Above R30 000 to R100 000	<ul style="list-style-type: none"> - Formal quotations, three written quotations from UFH's supplier database - Requisition to be completed and approved online. No goods and or services accepted without order being issued by SCM unit - Preferential Procurement Policy Framework Act 80/20 point system. Prescribed forms to be completed. - Only suppliers whose BBBEE level status are between levels One and Four shall be accepted in this category. Non-compliant suppliers to BBBEE shall not be considered at all. Priority shall be given to suppliers whose ownership is made up African black owners. - Supplier that scored highest points is accepted, if not accepted, reasons for such is motivated and approved before utilising the supplier. (Suppliers rotated) 	General Manager/ Director/Deputy Registrar	6 – 5	R1 – R100 000
Above R30 000 to R200 000	<ul style="list-style-type: none"> - Formal quotations, three written quotations from UFH's supplier database - Requisition to be completed and approved online. No goods and or services accepted without order being issued by SCM unit - Preferential Procurement Policy Framework Act 80/20 point system. Prescribed forms to be completed. - Only suppliers whose BBBEE level status are between levels One and Four shall be accepted in this category. Non-compliant suppliers to BBBEE shall not be considered at all. Priority shall be given to suppliers whose ownership is made up African black owners. - Supplier that scored highest points is accepted, if not accepted, reasons for such is motivated and approved before utilising the supplier. (Suppliers rotated) 	Executive Deans, Planner, CIO	4	R1 – R200 000
Above R30 000 to R500 000	<ul style="list-style-type: none"> - Formal quotations, three written quotations from UFH's supplier database - Requisition to be completed and approved online - No goods and or services accepted without order being issued by SCM unit 	Registrar, Chief Finance Officer, ED: HR, Deputy Vice	3 – 2	R1 – R500 000

	<ul style="list-style-type: none"> - Preferential Procurement Policy Framework Act 80/20 point system. Prescribed forms to be completed. - Only suppliers whose BBBEE level status are between levels One and Four shall be accepted in this category. Non-compliant suppliers to BBBEE shall not be considered at all. Priority shall be given to suppliers whose ownership is made up African black owners. - Supplier that scored highest points is accepted, if not accepted, reasons for such is motivated and approved before utilising the supplier. - All procurement requests in this category shall go through Governance Committee that seats once every week for compliance approval. 	Chancellor		
Above R500 000	<ul style="list-style-type: none"> - Formal bids – formal bidding process is followed - Three Bid Committee systems is invoked - Bids advertised on local newspaper and website for a minimum period of 14 days - PPPFA & BBBEE applicable - Procurement Plan submitted SCM unit - Formal request describing the need and confirming budget availability is submitted to the SCM unit 	Vice Chancellor	1	Above R500 000

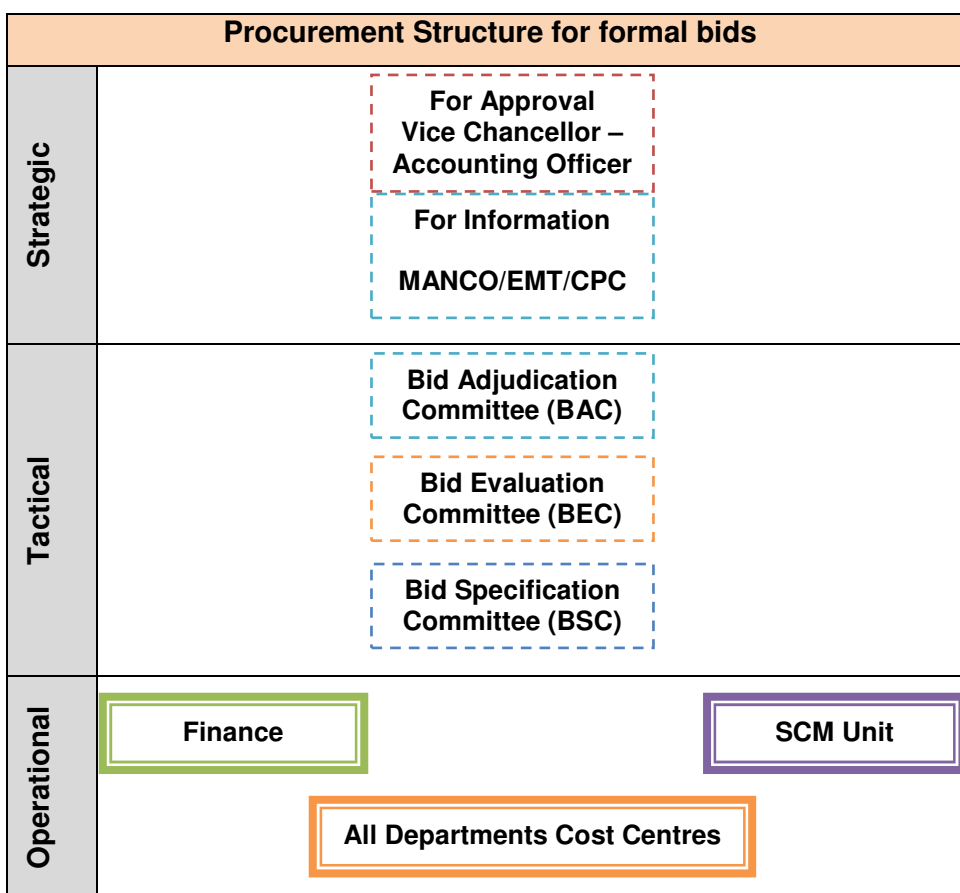
16.2 AMENDMENT TO THE PROCUREMENT THRESHOLD VALUES

- (a) The Accounting officer may amend procurement thresholds contained in this policy as and when he/she deems it necessary to do so.
- (b) No quotations shall be sourced outside the Supply Chain Management unit as prescribed by the above procurement thresholds, unless authorized by the Vice Chancellor.

17. FORMAL BIDS (ABOVE THE TRANSACTION VALUE OF R500 000 VAT INCLUDED) PROCEDURES AND APPLICABLE CONDITIONS

- (a) Formal bidding process shall be driven through three bidding committees, namely, the Bid Specification Committee, the Bid Evaluation Committee, and the Bid Adjudication Committee as appointed by the Accounting Officer (The Vice Chancellor).
- (b) The procurement of goods and services above R500 000 but not exceeding R1 million must be procured through a 80/20 bidding system (wherein 80 points shall represent maximum points that can be claimed for price and 20 points representing maximum points that can be claimed for the BBBEE level status) and the successful supplier will be determined based on the “responsive supplier” achieving the highest number of preferential procurement points.

- (c) The procurement of goods and services above R1 000 000 must be procured through a 90/10 bidding system (wherein 90 points shall represent maximum point that can be claimed for lowest price and 10 points representing maximum points that can be claimed for BBEE level status) and the successful supplier will be determined based on the “responsive supplier” achieving the highest number of preferential procurement points.
- (d) The procurement of goods and services for formal bids shall be centralised to the Supply Chain Management office. The end user shall be expected to forward all such procurement requests to the Supply Chain Management unit.
- (e) To ensure compliance on centralisation of formal bids, all departments shall be expected to submit completed Procurement Plans for all envisaged procurement to the Supply Chain Management immediately or no later than seven days after approval of budget each year.
- (f) All appointed members of the Bid Committees shall sign confidentiality disclaimer, declaration of interests to avoid any conflict of interest, and commit to adherence to the Code of Good conduct and Ethics for Supply Chain Management practitioners.
- (g) The following procurement management structure shall be applicable to goods and service procured through a formal bidding process;



17.1 BID SPECIFICATION COMMITTEE (BSC)

17.1.1 Composition of the Bid Specification Committee

- (a) The Bid Specification Committee shall be appointed by the Vice Chancellor who is the Accounting Officer of the University for a period of three years and shall be comprised of five officials from cross functional disciplines, composed as follows;
- A senior official who is a member of the EMT who shall become the Chairperson of the Committee,
 - A Supply Chain Management practitioner,
 - A official from Human Resources department,
 - An official from Finance department, preferably Budget Office,
 - An official from ICT,
 - An official from Properties and Services,
 - One representative of an officially recognised union who **shall not be the same member serving** on the Bid Evaluation Committee or Bid Adjudication Committee, and
 - One Student Representative Council member who **shall not be the same member serving** on the Bid Evaluation Committee or Bid Adjudication Committee
- (b) An external consultant may be appointed to the committee for complex request to provide expertise if deemed necessary, provided that such appointment is done under the direction of the requesting department.
- (c) One or two delegated officials from the requesting department shall always form part of the Bid Specification Committee to clarify the contents of the specifications/terms of reference but not become members of the committee.
- (d) All members of the Bid Specification Committee must declare their interests including the external consultants and no person, advisor or corporate entity involved with the bid specification committee, or director of such corporate entity, may bid for any resulting contracts.
- (e) The Bid Specification Committee meetings shall be conducted in an orderly manner and may only commence once fifty percent 50% plus one of the quorum is reached for the meeting.

17.1.2 Functions of the Bid Specification Committee

- (a) Reviewing of specifications, Terms of Reference and or Requests for Proposals to that it is appropriate and unbiased and can stand legal scrutiny,

- (b) Approve specification, terms of references, request for proposals and advise on demand management processes to be followed as and when the need arise.
- (c) Always ascertain and ensure that the requestor has approved the budget amount for the required products or services before specifications or terms of reference is approved;
- (d) Shall always send a minimum of two delegates from the committee to attend to bid/tender briefing sessions as and when required.
- (e) Always ensure that, all specifications, terms of references, requests for proposal that contain functionality criteria are clearly measured, all elements of the evaluation criteria are clearly spelt out before advertisement, and the minimum threshold required to be obtained by prospective bidders is specified upfront in the advert.

17.1.3 Compilation of specifications for the procurement of goods

- (a) When drafting the specification or terms of reference, the Bid Specification Committee must always take the following factors into account;
 - Specifications shall be clear and unambiguous and shall focus on the quality and performance of the goods and services required.
 - It shall promote the broadest possible competition.
 - Contract conditions shall not be included in specifications.
 - Specifications may not make any reference to any particular trade mark, name, patent, design, type, specific origin or producer, unless there is no other sufficient precise or intelligible way of describing the characteristics of the work or goods, in which case such reference must be accompanied by the words, “or equivalent” / “or similar.”
 - Accepted standards shall be specified. The following organizations are recommended;
 - South African Bureau of Standards (Standards South Africa), (SABS);
 - International Standards Organisation (ISO); or
 - Any organization accredited by the South Africa National Accreditation System (SANAS).
- (b) The evaluation criteria to be used for the evaluation of offers received must be specified upfront in the approved specification issued to all potential suppliers.
- (c) The specific PPPFA point system applicable must always be specified in the specifications.

- (d) The promotion of green economy must always be reflected in the content of the specification by ensuring that environmentally friendly and eco-efficient products are procured. All requests for proposals shall encourage potential suppliers to offer recycled products whenever practical.
- (e) The need to procure recycled products whenever it is practically possible.
- (f) That all bearers and overly stringent product specifications that have nothing to do with product performance are eliminated at all cost.
- (g) That, if the evaluation criteria includes measurement of quality of the required product as a prequalification criteria, all elements and weights of such criteria is included in the approved specifications to be advertised.

17.1.4 Compiling of Terms of Reference for procurement of services

- (a) Terms of Reference refers to the requirement for services. The following factors have to be taken into account when terms of reference for services are drawn up;
 - Background information,
 - Description of the requirement, (task directive/methodology),
 - Objective of the project, where applicable,
 - Expected outcomes/deliverables,
 - Evaluation criteria including the ratio of points as applicable, the minimum threshold required by the bidder and the quantification thereof,
 - Roles assigned to role players, where applicable,
 - The particulars pertaining to the goal to be met, where applicable,
 - Schedule for service delivery or completion date,
 - Competency and expertise requirements,
 - Reporting requirements, where applicable, and
 - Including of special bid and or contract conditions.
 - The applicable preference points system, i.e. 80/20 or 90/10
 - The evaluation criteria including measurement of quality of the required Service if functionality is to be measured as part of prequalification criteria, all elements and weights of the criteria must included as well as weights of each element.

17.2 BID EVALUATION COMMITTEE (BEC)

17.2.1 Composition of the Bid Evaluation Committee

- (a) The Bid Evaluation Committee shall be appointed by the Vice Chancellor who is the Accounting Officer of the University for a period of three years to evaluate bids and shall be comprised of five officials from cross functional disciplines, composed as follows;
- A senior official who is a member of the EMT, who shall be the Chairperson of the committee
 - An official from Finance Department preferably from Budget office,
 - A Supply Chain Management practitioner,
 - An official from Properties and Services department,
 - An official from ICT,
 - A risk management practitioner,
 - One representative of an officially recognised union who **shall not be the same member serving** on the Bid Specification Committee or Bid Adjudication Committee , and
 - One Student Representative Council member who **shall not be the same member serving** on the Bid Specification Committee or Bid Adjudication Committee
- (b) An expert and or consultant in an advisory capacity may also be appointed to assist with the evaluation of bid offers but may not be granted any voting rights.
- (c) All members of the Bid Evaluation Committee must declare their interests including the external consultants and no person, advisor or corporate entity involved with the bid evaluation committee, or director of such corporate entity, may bid for any resulting contracts.
- (d) The Bid Evaluation Committee meetings shall be conducted in an orderly manner and may only commence once fifty percent 50% plus one of the quorum is reached for the meeting.

17.2.2 Functions of the Bid Evaluation Committee

- (a) The BEC shall ensure that all valid bid offers received are evaluated, in accordance with the specification, special bid conditions, and evaluation criteria specified in the bid documentation only.
- (b) The BEC shall ensure that all bids are evaluated for ability and capability to supply or to deliver the required goods or services.
- (c) The BEC shall scrutinise the correctness and accurateness of the preliminary evaluation conducted by the Supply Chain Management unit, thereafter

evaluate all those bids that may be considered further in accordance with the specifications/terms of reference and conditions of the specific requirement.

- (d) Furthermore, evaluate valid bids in accordance with the preference points system as contemplated in section 2(1) of the Preferential Procurement Policy Framework Act, No. 5 of 2000 applicable to the bidding process concerned.
- (e) An evaluation recommendation report on each bid must be prepared, indicating whether the bidder is “responsive” or “non-responsive”. This report will be made available to the Bid Adjudication Committee who will scrutinise the report for fairness of process, and if so delegated, award the Bid. The BEC report must always be accompanied by scoring sheet that contains scored obtained by each bidder as scored by each respective committee member.
- (f) Re-evaluate bids in cases where bid recommendations have been referred back by the Bid Adjudication Committee.
- (g) Shall consider all disclosures of a conflict of interest and report it to the Bid Adjudication Committee.
- (h) The BEC may request additional information or clarification from a particular bidder and this may only be allowed in writing.
- (i) Where a bid contains functionality as part of the evaluation criteria, the BEC must ensure that the functionality criteria is used as a ‘pre-qualification criteria’ with minimum threshold and has no bearing to the preference points system used.
- (j) In addition to the above, the BEC shall also ensure that the preferred bidder’s tax are in order, the names of the preferred bidder and its directors / trustees / shareholders / members or owner are not listed on the Register for Tender Defaulters of the institution.
- (k) The BEC must also verify identity numbers of directors / trustees / members / shareholders / owners of the preferred respective bidder against University of Fort Hare staff establishment in order to determine whether or not any of the directors / trustees / shareholders / members / owners is in the service of the of the University.
- (l) If a bidder / director / trustee / shareholder / member / owner is found to be an official who is in the service of the University and has failed to make such a declaration in the bid documents, the bidder may be disqualified and the matter must be dealt with as financial misconduct and the accounting officer or accounting authority must take the necessary disciplinary steps against the official concerned.

- (m) Ensure that all potential suppliers are compliant with all relevant legislation through ensuring the completion of background checks on potential suppliers before recommendation to the Bid Adjudication Committee.

17.3 BID ADJUDICATION COMMITTEE (BAC)

17.3.1 Composition of the Bid Adjudication Committee

- (a) The Bid Adjudication Committee shall be appointed by the Vice Chancellor who is the Accounting Officer of the University for a period of three years to adjudicate bids and shall be comprised of seven cross-functional officials, composed as follows;
- A senior official who is the member of the EMT who shall become the Chairperson of the Committee,
 - The Chief Finance Officer who shall be come the deputy Chairperson of the committee
 - The Supply Chain Manager,
 - One member of the Institutional Forum,
 - A representative from Legal Service department,
 - Safety, Health and Environment Practitioner,
 - One representative from Property and Services department,
 - One representative of an officially recognised union who **shall not be the same member serving** on the Bid Specification Committee or Bid Evaluation Committee, and
 - One Student Representative Council member who **shall not be the same member serving** on the Bid Specification Committee or Bid Evaluation Committee
- (b) The Bid Adjudication Committee meetings shall be conducted in an orderly manner according to standard universal meeting procedures and may only commence once fifty percent 50% plus one of the quorum is reached for the meeting.
- (c) The members of the committee must preferable be cross-functional and if so required a technical expert in the relevant field should be appointed to the committee.
- (d) No member of a Bid Evaluation Committee, neither an advisor nor a person assisting such committee, may be a member of a Bid Adjudication Committee.
- (e) If the Chairperson is absent from the committee meeting, the deputy chairperson shall preside at the meeting. If both of them are not present and the quorum has been reached in line with the provisions of this policy, members of

the committee present may appoint one of the members present to preside at the meeting.

17.3.2 Functions of the Bid Adjudication Committee

- (a) The Bid Adjudication Committee shall consider the report and recommendations of the Bid Evaluation Committee of the Bid Evaluation Committee and make a final recommendation to the Vice Chancellor (The Accounting Officer) and Accounting Authority (University Council) where applicable.
- (b) The BAC must scrutinise the acquisition process that was followed, and ensure that such a process was in accordance with the procurement principles, i.e. Fairness, Transparency, Competitiveness, Equity, and Cost Effective, and that it can stand legal scrutiny.
- (c) The BAC must ensure that if limited bidding was done the approval of the Vice Chancellor was obtained.
- (d) The BAC may also make an alternative recommendation to the Vice Chancellor on how to proceed with the procurement process.
- (e) The BAC shall ensure that disqualifications are justified and that valid and accountable reasons/motivations were furnished for disqualifications.
- (f) Shall ensure that scoring has been fair, consistent and correctly calculated and applied.
- (g) May refer the bids and BEC recommendation back to the BEC for further evaluation should errors, lack of due diligence, and or unjustifiable disqualifications of bidders be identified.

17.4 PROCEDURE FOR ADMINISTRATION OF COMPETITIVE BIDDING PROCESS

17.4.1 Standard Procedure for competitive bidding

- (a) The procedures for the following stages of a competitive bidding process are as follows:
 - Compilation of bidding documentation,
 - Public invitation of bids,
 - Convening of compulsory site meetings or briefing sessions,
 - Handling of bid offers submitted in response to public invitation,
 - Evaluation and adjudication of bid offers received,
 - Award of contracts,
 - Administration of contracts,
 - After approval of an award, the university and the bidder must enter into a written contractual agreement,

- Proper record keeping (Original copies of the entire bid file including a written contracts agreements shall be kept in a secure place within Supply Chain Management division for reference and audit purpose.

17.4.2 Compilation of bid documentation

- (a) Once a bid specification has been drafted by the end user in consultation with the Supply Chain Manager, such bid specification shall be presented to the Bid Specification Committee for its input and approval.
- (b) Goods or services above a transaction value of R500 000 (VAT included) and long term contracts shall only be procured through a competitive bidding process,
- (c) The bid documentation will be prepared by the Supply Chain Management division in consultation with the relevant departments/faculties and displayed on the website, and local and/or provincial newspapers with a closing date of at least 14 days after the date that the advertisement first appears.
- (d) No requirement for goods or services above an estimated transaction value of R500 000 (VAT included), may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process.
- (e) If the value of the transaction is expected to exceed R1 million (VAT included), require bidders to furnish;
 - Comparative Audited financial statements of the company for the latest financial period,
 - List of three previous clients for contracts of similar magnitude.
- (f) The bid document must stipulate that disputes must be settled by means of mutual consultation, mediation (with or without legal representation), or, when unsuccessful, in a South African court of law.
- (g) All bids above R1million shall always contain mandatory condition for enterprise development of black emerging businesses, corporate social investment, community upliftment programme.
- (h) A requirement to supply tax clearance certificates, VAT registration numbers and identification or registration numbers must always be a mandatory requirement.
- (i) Contract conditions must prescribe contract management processes and procedures including provision for the Accounting Officer to cancel the contract on the grounds of unsatisfactory performance.

- (j) Upon approval of the bid specification by the Bid Specification Committee, the Supply Chain Management unit shall prepare advert to be placed in the local newspaper and university website and compile bid documentation to be collected by the potential suppliers, which must include the following;
- Cover page,
 - Specifications/TOR/RFP/RFI with clear evaluation criteria,
 - General Conditions of Contract,
 - Invitation to bid,
 - Tax clearance certificate form,
 - Pricing schedule - non firm prices or pricing schedule - firm prices or pricing schedule (professional services),
 - Declaration of interest,
 - Declaration of bidder's past Supply Chain Management practices,
 - National Industrial Participation Programmes (Where applicable),
 - Certificate of Independent Bid Determination form,
 - The requirements of the Construction Industry Development Board, in the case of a bid relating to construction, upgrading or refurbishment of buildings or infrastructure;
 - Include the preference points system to be used , goals as contemplated in the Preferential Procurement Regulations and evaluation and adjudication criteria, including any criteria required by other applicable legislation;
 - Company BBBEE credentials as contemplated in the BBBEE Act,
 - Detailed and unambiguous description of the goods and service to be provided;
 - Timeline for process, start and end date for the contract,
 - Where bid documents should be handed in, together with time and deadline, and
 - Performance guarantees and retention where applicable.
 - Special Bid Conditions
 - General Conditions of Contract

17.4.3 Advertising of formal bids

- (a) When formal bids are advertised, such advertisement must be approved by the Bid Specification Committee and administered through the Supply Chain Manager,

- (b) All bid advertisements placed, irrespective the medium through which it was advertised, must appear on the same date.
- (c) No formal bids shall be advertised or close between 15 December and 15 January as most firms are closed during this period and competitive bids can therefore not be ensured.
- (d) All formal bids must be advertised in the local newspaper and university website for a minimum period of 14 calendar days and may also be advertised in any other appropriate media platform, provided that the advertisement, reflect the same information, that is published in the local newspaper and university website and published the same time it is published in the later platforms.
- (e) The following information shall be stipulated in the advertisement:
 - Description of the requirement.
 - Applicable contract period.
 - The place of work, installation or delivery.
 - Bid reference number.
 - Closing date and time.
 - Where bids are obtainable from: Name of the Institution; street address; postal address; email address; website address; contact person for enquiries; telephone number; facsimile number and office hours.
 - Whether site meetings, information/briefing sessions are applicable, and whether they are compulsory or not.
 - Where bids must be posted or delivered to: Name of the Institution; street address; postal address; bid box address; contact person for enquiries; telephone number and facsimile number.
 - Details of any fees payable where applicable.
- (f) The Supply Chain Manager may determine a closure date for the submission of bids which is more than 14 days requirement, if that can be justified on the grounds of the complex nature of the requirement thus necessitating for a longer period to in the interest of fairness to allow potential bidders adequate time to prepare and submit proposals.

17.4.4 Opening of formal bids

- (a) It is essential that bids are opened in accordance with a procedurally fair and transparent manner. To achieve this goal, the process as outlined on paragraphs (d), (e), (f) and (g) below must always be followed.
- (b) The bid box shall be accessible to the public twenty-four hours per day. Bids shall at all times close during office hours at 11h00.

- (c) The bid box shall always be locked to prevent unauthorized removal of bids/quotations.
- (d) The opening of formal quotations (in case of advertised quotations)/bids shall be done in public.
- (e) At least two officials of whom one must be a Supply Chain Management Official and another being from the requesting department shall be present during opening of formal quotations/bids on the date and time of closing as specified.
- (f) The names of the bidders shall be read out and if so requested the bid prices as well. Prices shall not be read in public if the bid contains functionality criteria.
- (g) The Supply Chain Management official present at the opening of the bids must record in a register all bids received in time as well as the total bidding price for each bid, which register must be available for inspection by the public.
- (h) The supply chain manager must acknowledge receipt in writing of all bids submitted and recorded in the register by sending all bidders acknowledgement of receipt letters within three days after closure of bid
- (i) No information relating to a bid other than the information referred to in subparagraph (f) above may be disclosed to bidders or other persons until an official award is made.
- (j) Within ten (10) working days after the closure of any advertised formal bids, all names of bidders that have submitted bid offers in relation to a particular bid must be published on the University of Fort Hare website. Where practical, total price and preference points claimed by each respective bidder shall also be published. This information shall remain on University of Fort Hare website for at least thirty (30) days after the closing date of the bid.
- (k) Bids and or formal offers/proposals submitted must always be sealed.
- (l) For a bid to be considered it must comply with all the requirements of the bid documentation and be placed in the official tender box located at a predetermined building.
- (m) The Supply Chain Manager will ensure that tender boxes are sealed until the time of their official opening, and ensure that they are properly secured.
- (n) Bid opening shall always be done in public i.e. in the presence of the bidders or other interested parties and must be opened at the same time and as soon as possible after the period for the submission of bids has expired;. No recording devices from bidders may be allowed during the bid opening.
- (o) Any bid offer received after the closing time and bid box opening shall not be considered and it shall be returned to the respective bidder unopened immediately. No exception shall be done to this rule.

17.4.5 Rejection and cancellation of bids invitations

- (a) Formal bids invitation shall be cancelled and new bids shall be invited if;
 - Needs identified have changed.
 - Material mistakes or changes were found on published Specifications/TOR/RFP
 - Incorrect documentations were supplied to potential service providers.
 - No responsive formal bids were received.
 - A bid was advertised in accordance with the 80/20 preference points system and all bids received exceed R1000 000 or if the bid was advertised in accordance with the 90/10 preference point system and all the bids received does not exceed R1000 000 the bids must be cancelled and re-advertised using the appropriate point system.
 - All proposals are non - responsive and unsuitable,
 - Either because they present major deficiencies in complying with the TOR, or because they involve costs substantially higher than the original estimate.

17.4.6 Extension of the closing date for bids

- (a) Should there be a need to extend closing date, it is important that all prospective suppliers be notified of the extension of the closing date.
- (b) The closing date may only be extended if the postponement date can be advertised in the same media previously advertised in, before the original closing date expires.
- (c) If it is not possible to advertise the postponement date before the closing date expires the formal quotation/bid must be cancelled and re-advertised.

17.4.7 Closing date of bids

- (a) Prospective bidders must be allowed sufficient time to prepare and submit formal quotations/bids. Normal closing period for bids shall not be less than fourteen (14) calendar days.
- (b) Approval for the shortening or lengthening of the closing date shall be obtained from the Supply Chain Manager.
- (c) Reasons for the deviation shall be documented and fully motivated. Where a shorter period is involved, care shall be taken that a reasonable time, of not less than seven (7) calendar days, is allowed for the bidder's to prepare an offer, with the exception to urgent and emergency procurement.
- (d) The Supply Chain Manager may not approve a shorter advertising period less than a minimum seven (7) calendar days.

17.4.8 Determining validity period for bids

- (a) Validity period of formal quotations may be set for a minimum of fourteen (14) days subject to the nature of the requirements and formal bids must be set from sixty (60) to one hundred and twenty (120) days from closing of the bid. During the validity period all submitted prices will remain fixed.
- (b) The extension of the validity period is discouraged because it can result in amendments to quotations/bids prices to the disadvantage of the University of Fort Hare. Extension of the validity period shall be finalised while the formal quotations/bids are still valid and only with the written approval of the bidders.
- (c) Any extension of the validity period must receive prior approval from the Supply Chain Manager.

17.4.9 Late bids/formal quotes

- (a) A bid/formal quote is late if it has not been placed in the relevant bid box by the closing time of such bid.
- (b) A late bid/formal quote shall not be admitted for consideration and where feasible shall be returned unopened to the bidder with the reason for the return thereof endorsed on the envelope.

17.4.10 Selling of bid documents

- (a) In order to recover some of the costs of tender administration, the institution shall sell bid documents at a very minimal amount as determined by the Supply Chain Manager.
- (b) Selling of bid documents shall not be done in a way that denies access to potential bidders to bid for business opportunities as offered by the University.

18. EVALUATION OF BIDS/FORMAL QUOTATIONS

18.1 General

- (a) The University of Fort Hare shall not be obliged to accept the lowest or any bid.
- (b) Formal quotation/bid received by facsimile transmitter, photocopy, telegram, telex or similar media will not be evaluated. Only original bid documents, (submitted in writing using non-erasable ink and must be on the official bid forms issued with the bid documents) must be considered for evaluation.
- (c) Generally, after the opening of bids/formal quotations, information relating to the evaluation process may not be disclosed to persons not officially concerned with the evaluation process.

18.2 Bid Evaluation

- (a) All bid offers received shall firstly be scrutinized for compliance (preliminary evaluation) by the Supply Chain Management unit to verify the following;
- the submitted bid/formal quotation complies with the predetermined conditions, specifications and that all required forms are submitted, completed in full and legible.
 - if a valid original has been submitted together with the bid offer/formal quotation.
 - if the standard bidding forms have been properly signed by a duly authorized person.
 - if the bid offer is accompanied by the required securities if so required.
 - that the supplier's name (including the name of the company, name of any director or partner or shareholder) does not appear on the List for Restricted suppliers or Register for Tender Defaulters of the University of Fort Hare.
 - that the tax matters of each respective bidder is in good standing, in that a valid tax clearance certificate is submitted.
 - due diligence process is conducted to determine whether the preferred bidders have capability and ability to execute the contract.

19. AWARDING OF BIDS/FORMAL WRITTEN QUOTATIONS

- (a) Awarding of contracts shall be done in terms of delegation of authority as prescribed under paragraph 16.1 contained herein in this policy.

19.1 Publishing of bid outcome/results

- (a) All approved bids shall be listed on the university's website following their approval, for a period of seven (7) days. Information to be published shall include, the name of the winning bidder, its price and points scored.

19.2 Proudly SA campaign

- (a) The university supports the Proudly SA Campaign to the extent that, all things being equal, preference is given to procuring local goods and services from;
- Firstly –suppliers and businesses within the university or district;
 - Secondly – suppliers and businesses within the Eastern Cape Province, and
 - Thirdly – suppliers and businesses within the Republic of South Africa

19.3 Communication with bidders

19.3.1 SCM officials including Bid Committee members dealing with the bid shall not communicate with any potential bidder from the date of closing of the tender until the date of acceptance of an offer, except for the purpose of:

- (a) Explaining any declarations;
- (b) Confirming that a quoted price is correct;
- (c) Confirming technical particulars and the compliance thereof with Specifications as enquired by the BEC;
- (d) Determining whether there will be any change in price if only a portion of the work is awarded to a bidder;
- (e) Requesting an explanation for an unreasonable price increase when it is compared with a previous price and the interim movement of a relevant price index;
- (f) Clarifying delivery times / quantities;
- (g) Extending the validity period of a bid, quotation or offer; and
- (h) Clarifying any other commercial aspect.

19.3.2 All such communication should be done in writing and should be done by the Supply Chain Manager.

19.3.3 Every such case of unauthorized communication shall be reported to the BAC immediately. A bidder of which such communication has occurred may be disqualified for that particular bid.

19.3.4 Details of bid received may not be disclosed to any bidder nor any other UFH employee not directly involved in the evaluation of the bid. The Supply Chain Management division shall maintain and be responsible for confidentiality throughout the bidding process.

19.4 Treatment of Trust/Joint Venture/Consortiums in respect of formal bids

19.4.1 A trust, consortium or joint venture shall qualify for points in respect of their BBBEE status only if they are a registered legal entity and such entity submits its consolidated BBBEE certificate.

19.4.1 For accounting and purposes of this policy, joint ventures or consortiums shall be recognised as such if a Joint venture or Consortium agreement is submitted together with the bid document indicating all areas of shared expertise, skills, knowledge, and percentage of scope to be undertaken by each party to the agreement.

19.4.2 All parties to the joint venture or consortium shall submit their respective official entity documents should the joint venture not be formally registered. Official entity

documents shall include but not limited to, valid tax clearance certificates, latest financial statements, company registration documents, company profiles.

19.5 Treatment of Subcontracting in terms of BBBEE

19.5.1 Bidders awarded contracts may not subcontract scope of work more than 25% of the value of the contract.

19.5.2 A bidder must not be awarded points for BBBEE status level, if it is indicated in its bid document that such a bidder intends subcontracting more than 25% of the value of the contract to any other enterprise that does not qualify for at least the same points the primary bidder qualifies for, unless the intended subcontractor is an exempted micro enterprise that has the capability and ability to execute the sub-contract.

19.6 Broad Based Black Economic Empowerment Status Level Certificates

19.6.1 Bidders with an annual total turnover/revenue of R5million or less qualify as Exempted Micro Enterprise (EMEs) in terms of the Broad Based Black Economic Empowerment Act, and must submit a certificate issued by a registered auditor, accounting officer (as contemplated in section 60(4) of the Close Corporation Act, 1984 (Act No 69 of 1984) or SANAS accredited verification.

19.6.2 EMEs shall automatically qualify for BBBEE status level 4.

19.6.3 Bidders other than EMEs must submit their original and valid BBBEE status level verification certificate or a certified copy thereof, substantiating their BBBEE rating.

19.6.4 The submitted BBBEE status level certificate must meet the minimum requirements as set out by the Department of Trade and Industry, and the BBBEE status level certificate shall always be used to determine the number of points to be attained as contemplated in PPPFA regulations.

20. NEGOTIATIONS WITH PREFERRED BIDDER

(a) Negotiations as a bidding method shall be followed by the Supply Chain Manager only after approval has been obtained from the Bid Adjudication Committee under the following circumstances;

- In cases of urgency (due to unforeseen circumstances) where a lack of planning or negligence did not play a role and where following the normal competitive bidding process would be impracticable.
- In cases of emergency due to a life-threatening event where it is impracticable to follow the normal bidding process.
- In cases where preferred bidders were identified through a competitive bidding process, but the selected bidder's offer is still above the available budget.

- All minutes of negotiations must be kept for record purposes.
- (b) The Supply Chain Manager as mandated by the BAC may negotiate the final terms of a contract with bidders identified through a competitive bidding process as preferred bidders, provided that such negotiation;
- does not allow any preferred bidder a second or unfair opportunity;
 - is not to the detriment of any other bidder; and
 - does not lead to a higher price than the bid as submitted.

21. SPECIFIC COMMODITIES AND SPECIAL CASES

21.1 One quote process (exceptions)

- (a) It is not feasible to apply the quote or tender process for certain requirements for example;
- Specific training;
 - Accommodation and conference facilities,
 - Catering in a specific area;
 - Bid and promotional adverts in newspapers;
 - Subscriptions; and
 - Books, Periodicals, Journals etc.
- (b) For the above mentioned requirements, only one quote has to be obtained. The quote accompanied by a written motivation of why the standard process cannot be followed must be submitted to the Supply Chain Management unit in the procurement department.
- (c) The special cases method shall only be used in exceptional cases where it is impractical or impossible to follow official processes. These cases will include particularly projects that relate to rural areas where it is impossible to obtain a business plan or a formal quotation. This measure must be comprehensively motivated to allow the Accounting Officer or its delegate (Supply Chain Manager) to determine if there are valid and adequate grounds to invoke this deviation.
- (d) The UFH caterers shall be given priority whenever catering is needed be it for meetings, special events, or workshops; however motivation to utilise external service providers may be considered upon proper motivation submitted to the Supply Chain Manager.

22. LIMITED BIDDING STRATEGIES

- (a) Limited bidding methods are seen as a deviation from competitive bidding and must therefore be pre-approved by the Vice Chancellor (Accounting Officer).

Limited bidding methods may be allowed provided that it does not impede on the openness and transparency of the process and that the actions can be accounted for. The following forms of limited bidding may upon approval by the Vice Chancellor be followed;

22.1 Multiple source bidding

- (a) Multiple source bidding may be justified under the following circumstances:
- Where limited expertise is known to exist;
 - Where early delivery is of critical importance and a full competitive bidding process is impossible or impractical;
 - The reasons for the urgency and the losses or consequences that will follow if timely action is not taken shall be certified in writing; and
 - Inadequate planning and foresight should not, however, be used as a justification for restricted bidding.

22.2 Sole source bidding

- (a) This bidding method may only be utilized in the absence of competition and where only one bidder exists. A sole source bidder normally has patent rights or sole distribution rights.
- In cases of sole source bidding, the supplier/bidder shall be required to provide proof that it has sole rights on the goods or service.

22.3 Single source bidding

- (a) In this case only one amongst a few prospective bidders is requested to make a proposal after a transparent and equitable pre-selection process was followed. A thorough analysis of the market must be done prior utilising this bidding method.

22.4 Urgent and Emergency cases

- (a) The Vice Chancellor (Accounting Officer) shall be the only person authorising and approving urgent and emergency procurement cases,
- (b) Urgent cases are regarded as cases where early delivery is of critical importance and the invitation of competitive quotation/bids is impossible or impracticable, as long as it is not a result of poor planning.
- (c) In the case of procurement through urgency, a comprehensive submission containing the needs and valid reasons has to be channeled through SCM who

will submit the request to the Accounting Officer (VC) for approval. Procurement can only take place after the approval has been granted.

- (d) Emergency cases are regarded as cases that require immediate action to avoid a dangerous or risky situation or misery.
- (e) In emergency cases the Accounting Officer (VC) may procure the required goods or services by other means, such as price quotations or negotiations in accordance with the relevant provisions of this policy.
- (f) The SCM unit must keep record of all waiver/deviation generated for each financial period. This report must include the description of the goods or services procured the name/s of the supplier/s, the amount/s involved and the reasons for dispensing with the prescribed competitive bidding process.
- (g) All urgent or emergency procurement that was approved irrespective of the amount must be reported to the Chief Finance Officer on monthly basis. The SCM manager must provide this report.
- (h) The Supply Chain Manager upon noticing increasing trend in utilising this method of procurement, he/she must put in place control measures to deal with foreseeable cases of emergency that occur within their area of functionality. These measures may include the arrangement of strategic or specific term contracts with suitable service providers with a view to ensuring that the required goods or services are available immediately when cases of emergency occur.

22.5 Utilisation of PurcoSA Contracts

- (a) UFH recognises that the purchasing consortium of Southern Africa (PurpoSA) adds value to its members by:
 - Providing them access to group purchasing contracts with favourable pricing and terms that are based on the buying power and leverage of a much larger organisation than a single institution;
 - Using a reduced number of quality suppliers with member input on identification, qualification and the selection of successful suppliers;
 - Reducing staff and administrative costs and saving time for Procurement staff to make their skills and resources available to attend to matters of strategic importance;
 - Creating an opportunities that are available at different member institutions, to contribute to the structuring of a common beneficial business transaction;
 - Creating an environment for interchange of ideas, sharing of new developments and benchmarking of activities;

- Focusing on and specialising in specific goods and services contracts that are common to the majority of member institutions;
 - Ensuring that an objective and transparent tender process is followed.
- (b) Given the business value proposition as outline on paragraph 22.5(a) above, UFH shall always endeavour to utilise PurcoSA contracts where possible, however such procurement should always be balanced with the need to promote local suppliers.
- (c) The Supply Chain Manager shall after conducting a commodity analysis advise the University by directive of the prescribed commodities to be procured through PurcoSA contracts each year.

22.6 Entering into Service Level Agreement with other Tertiary Institutions.

- (a) UFH may after consideration of benefit to the University opt to participate in a contract that has been arranged by another institution. In the event UFH opts to do so, permission to participate in such a contract must be obtained via the approval of the Accounting Officer (VC) on recommendation of the Bid Adjudication Committee (BAC).
- (b) The corresponding Accounting Officer of an institution/university whose contract UFH intends utilizing must equally grant approval for such an arrangement.
- (c) Both approvals from the Accounting Officers from the respective institutions, together with the identified contract shall be attached to all procurement requests procured in terms of that respective contract.

22.7 Pre-qualification of professionals and contractors in respect of Infrastructure Special Grants

22.7.1 Introduction

- (a) Infrastructure Special Grants are special funds from Department of Higher Education & Training and other special funds that are ring fenced specifically to deliver infrastructure projects within a specified time period, and as such the normal bureaucratic tender procedures often takes longer to deliver on projects of this nature, thus delaying expected delivery of the project.
- (b) The project values of these projects and their complexity vary between millions, and different size that can be classified as small, medium and large capital works projects. In order to bring efficiency on deliver of these projects, the procurement procedures as outlined on paragraph 22.7.8 below shall be applicable.

22.7.2 Applicable procurement threshold and procedure

- (a) The Supply Chain Management unit shall on annual basis advertise on the Local newspaper and UFH, a Call for Professionals to be registered on the University of Fort Hare approve list of professionals for infrastructure projects.
- (b) The Call for Professionals advert shall be open for a period of no less than 21 days in order to ensure that the targeted audience has ample time to comply with the requirements of the advert as prescribed by the University.
- (c) The advert must indicate the evaluation criteria to be used in order for professionals to be part of this database.
- (d) The administration of this database shall reside solely within Supply Chain Management office and shall be evaluated and adjudicated by the Supply Chain Management office and be presented to the Bid Adjudication Committee for final ratification before approval by the Vice Chancellor.
- (e) The approved database shall be utilised competitively and on rotational basis for each category of services required. Below are the relevant applicable threshold, conditions, and responsibility of departments
- (f) Thresholds, conditions and responsibility.

Project value	Conditions	Responsibility (execution)
>R500 000 - R20million	(a) Preparation of Request for Proposal to be issued to all service providers on the database for that specific category.	(a) Property & Services department in conjunction with Supply Chain Management office. The Property & Services department initiates the brief, and forward to Supply Chain Management for finalization.
	(b) Convene site meetings	(b) Property & Services outlines the brief and SCM records the meeting and clarifies the evaluation and adjudication process.
	(c) Administration of offers from service providers	(c) Supply Chain Management office
	(d) Evaluation of Offers	(d) SCM Manager and one representative from the custodian shall evaluate the offers. Applicable professional services rates as gazette shall be applicable.
	(e) Adjudication of offers	(e) SCM shall prepare an evaluation report to be presented to the Bid Adjudication Committee. The BAC shall make the final recommendation to the VC.

	(f) Appointment of the successful service provider	(f) Vice Chancellor (SCM office shall prepare all documentation after evaluation and adjudication for the VC to appoint the successful service provider.
	(g) Contract	(g) The Supply Chain Management contract management division shall draft a contract and forward it to UFH legal department for vetting before it is signed by both the VC and contracted service provider. A Contract must be in place for services delivered over a period of no less than six month

- (g) All projects above R20million shall be advertised through a formal bidding process.
- (h) For building contractors, the CIDB prescribed grading for each project value shall be applicable.
- (i) For audit purposes, the Supply Chain Management office shall keep record of all files and contracts for these projects.

23. UNSOLICITED BIDS

- (a) The University of Fort Hare is under no obligation to consider unsolicited bids received outside the normal bidding process. Contact with suppliers by any employee should not result in any expressed or implied commitments to do business.
- (b) Unsolicited bids will only be entertained if it is approved by the Accounting Officer (VC). An unsolicited bid will only be considered if it meets the following requirements;
 - The product or service offered is a unique innovated concept that will be exceptionally beneficial to, or have exceptional cost advantage to the University, presents an innovative design, approach to project development and management.
 - The supplier who made the bid is the sole supplier of the product or service.
 - The need for the product or service has been established during the strategic planning and budgeting processes.
 - A comprehensive and relevant project feasibility study has established a clear business case.

- The product or service presents a new and cost-effective method of service delivery.
- (c) The unsolicited proposal must contain the following information in terms of the proponent;
- the proponent's name (proponent refers to a person, whether natural or juristic, that submits an unsolicited proposal to UFH), address, identification or registration number (if a corporation), VAT registration number and the contact details of its authorised representative;
 - identification of any confidential or proprietary data not to be made public;
 - the names of other South African institutions that have received a similar unsolicited proposal;
 - the proponent's current SARS Tax Clearance Certificate and in the case where the proponent is a consortium or joint venture, a current SARS Tax Clearance Certificate for each member thereof;
 - a declaration of interest containing the particulars set out prescribed form for this purposes;
 - a declaration of the proponents past supply chain practices containing the particulars set out in the prescribed form for this purpose, and
 - a declaration from the proponent to the effect that the offering of the unsolicited proposal was not as a result of any non-public information obtained from officials of the UFH or any other institution.
- (d) The unsolicited proposal must set out the following information in terms of the product or service offered;
- a concise title and abstract (approximately 200 words) of the proposed product or service;
 - a statement of the objectives, approach and scope of the proposed product or service;
 - a statement describing how the proposal is demonstrably innovative and supported by evidence that the proponent is the sole provider of the innovation;
 - a statement of the anticipated benefits or cost advantages to the institution including the proposed price or total estimated cost for providing the product or service in sufficient detail to allow a meaningful evaluation by UFH;
 - a statement showing how the proposed project supports the institution's strategic growth and development plan and its other objectives; and
 - the period of time for which the proposal is valid for consideration, which may not be less than six months.

23.1 Unacceptable Unsolicited Proposals

23.1.1 The accounting officer or accounting authority must reject the unsolicited proposal if the proposal;

- (a) relates to known UFH requirements that can, within reasonable and practicable limits, be acquired by conventional competitive bidding methods;
- (b) relates to products or services which are generally available;
- (c) does not fall within UFH's powers and functions;
- (d) does not comply substantially with paragraph 23 set out above
- (e) has not been submitted by a duly authorised representative of the proponent; or
- (f) contravenes the provisions of any law.

23.1.2 If the accounting officer or accounting authority decides to reject the unsolicited proposal, he or she must;

- (a) notify the authorised representative of the proponent by registered post, at the address referred to in the proposal that UFH has rejected the unsolicited proposal;
- (b) ensure that UFH does not make use of any of the intellectual property or proprietary data in the unsolicited proposal; and
- (c) return to the proponent by registered mail to the address referred to in the proposal, all documents received in the unsolicited proposal including any copies of these documents.

24. EVALUATION OF COMPLIANT UNSOLICITED PROPOSALS

24.1 If the accounting officer or accounting authority decides to consider the unsolicited proposal, he or she must send a registered letter to the address referred to in proposal confirming the decision to consider the unsolicited proposal.

24.2 The unsolicited proposal must be considered as appropriate in terms of the following;

- (a) Compliant unsolicited bid
 - If a submission to UFH complies with the requirement of existing unsolicited bid provisions in terms of this policy, namely the product or service is unique, innovative and provided by a sole provider, UFH may enter into direct negotiation with the proponent, outside the normal competitive bidding process.

25. UNSOLICITED PROPOSAL AGREEMENT

25.1 Procedure to enter into unsolicited proposal agreement

25.1.1 If UFH decides to proceed with the unsolicited proposal, the accounting officer or accounting authority must negotiate an unsolicited proposal agreement with the

proponent. The sole purpose of the unsolicited proposal agreement is to establish, amongst other matters the following;

- (a) The methodology for determining any costs to be reimbursed to the proponent, should the procurement processes set paragraph 25.3 below thus resulting in an award for the product or service being made to a party other than the proponent,
- (b) the procedure for further developing the project and responding to issues raised by UFH,
- (c) the allocation of responsibility for developing bid documents in accordance with UFH's supply chain management systems, provided that the development of the document must always be under the supervision of UFH,
- (d) the information in the unsolicited proposal must be treated as confidential; and
- (e) the purchase of intellectual property, if any.

25.2 Calculation of costs

25.2.1 In calculating costs for the purposes of paragraph 25.1.1(a), UFH and the proponent must restrict their consideration to direct costs incurred by the proponent in developing technical and other materials relevant to meeting the criteria set out in paragraph 24(b) above,

25.2.2 If UFH and the proponent cannot reach consensus, then;

- (a) UFH will not be responsible for any costs which the proponent has incurred in preparing and submitting the unsolicited proposal,
- (b) UFH may not implement the project proposed in the unsolicited proposal for the current or next financial year and may not utilise at any time the proprietary information provided by the proponent as part of its unsolicited proposal.

25.3 Procurement process of an unsolicited proposal

25.3.1 If the unsolicited proposal agreement is concluded, then UFH must prepare and issue bid documents. The bid process to be followed when procuring a service provider shall include;

- (a) The preparation of a Request for Quotation (RFQ) to test the market for the existence of other private entities capable of providing the product or service,
- (b) The preparation of a draft contract for the provision of the product or service should there be no adequate response to the RFQ,
- (c) The preparation of a Request for Proposals with a draft contract should there be one or more adequate responses to the RFQ,

- (d) Conducting a competitive bidding process in terms this policy among the firms qualified in the RFQ and the proponent, and
- (e) Reimbursing the proponent should the proponent not be awarded the contract for the provision of the product or service at the conclusion of the competitive bidding process. The quantum of reimbursement shall be those audited costs of the proponent from the point in time where the accounting officer or accounting authority was solicited by the proponent to the conclusion of the competitive process, in terms of the unsolicited proposal agreement.

25.3.2 The foregoing bid process must;

- (a) be developed by UFH
- (b) disclose that the bid originated from an unsolicited proposal, and
- (c) provide the agreed costs and terms of payment to the proponent, and require that all bidders, save for the proponent, make allowance for these costs and pay such costs to the proponent directly, if their bid is successful.

25.3.3 Use of external consultants

- (a) After receiving an unsolicited proposal and before either accepting or rejecting as per procedure set out above, UFH may seek advice from independent consultants or experts, provided that;
 - an appropriate undertaking be obtained from such person that any confidential material or information provided by the proponent will not be disclosed to anyone other than an employee or agent of such third party who will, in turn, treat the information of material as confidential and give an undertaking to do so, and
 - the cost of obtaining independent advice will be incurred by the institution, unless the proponent withdraws the proposal prior to entering into an unsolicited proposal agreement, in which event the proponent will be liable to UFH for these costs.

26. PROCUREMENT OF INFORMATION COMMUNICATION AND TECHNOLOGY (ICT) GOODS AND SERVICES

- (a) All procurement requests relating to Information Communication and Technology must be prepared in accordance with ICT plan as developed by the ICT Committee.
- (b) The Accounting Officer (VC) shall appoint an Information Communication and Technology Committee (ICTC) composed of the Chief Information Officer, the Supply Chain Manager, Finance Official from Budget Office, an external consultant and one member of the Bid Adjudication Committee.

- (c) The main functions of the ICTC shall be the following;
- To oversee demand planning of the university ICT products and services each year,
 - Provide for standardization of ICT products within the institution,
 - Advise the BAC of the industry trends and players,
 - Ensure that technical expertise of complex ICT products or services is sought should the need arise,
 - Confirm that sufficient funds are available on the institutions' approved budget. Attach to the terms of reference a budget print out to confirm availability of funds for all formal bids. Budget for the planned ICT products or services,
 - May consult SITA, other University or relevant consultant for advice and assistance on acquisition of technical ICT products or services,
 - Prepare and submit to Supply Chain Management unit an ICT procurement plan each year,
 - Advise BAC on best acquisition strategy to procure ICT products and services for the institution taking into account the need to rotate suppliers, cost effectiveness of the products or services sought, the available suppliers in the market, and available budget.
 - Ensure that there is a business case for ICT products to be advertised as formal bids as per Business Case template as provided by the Supply Chain Management office

27. CONSTRUCTION INDUSTRY DEVELOPMENT BOARD (CIDB) CONTRACTS

- (a) For the purpose of buildings, engineering and construction works the grading ranges of the Construction Industry Development Board (CIDB) may be used as the basic requirement indicator in the bid invitation process.
- (b) All capital projects shall be approved by the Capital Projects Committee (CPC) responsible for capital projects planning before any competitive procurement process as prescribed by this policy is invoked.
- (c) UFH shall appoint a professional registered Architect (consultant) who shall become a principal agent on behalf of UFH to oversee or project manage in conjunction with UFH SCM division the management and administration of building, engineering and construction works.
- (d) All building, engineering and construction works bids shall also be administered through a Procurement plan. A procurement plan template must be completed to indicate all envisaged building, engineering and construction works for each year.

- (e) The appointed Professional Architect (consultant) shall assist in the development of bid specification, bid documentation, costing of the project, and project management of the project.
- (f) The appointed consultant or any of his/her associates shall not be eligible to submit any bid offer in respect of the project he/she has been appointed to oversee. The consultant shall sign all applicable documentation to declare and disclose any conflict or potential conflict in respect of the project, and the confidentiality disclaimer.
- (g) The consultant shall be required to attend the Bid Evaluation Committee to assist the committee with the technical expertise to evaluate the bid offers received.

28. REQUEST FOR INFORMATION (RFI)

28.1 RFIs are issued to determine the availability of products or services in the market place and solicit market intelligence. RFI"s may be used:

- (a) To screen suppliers to determine if they are capable of meeting the Needs of UFH in a specific area; and
- (b) To pre-screen suppliers based on pre-set criteria. Only those passing the critical criteria will be considered eligible to receive an RFB/P.

28.2 In the event that an RFI is used for pre-screening purposes, potential respondents must be advised as such by including a statement to that effect in the RFI document concerned. The following parameters shall be used when using an RFI;

- (a) Business cannot be awarded on an RFI;
- (b) Supplier's responses are always considered to be non-binding and generally should not contain proprietary information; and
- (c) The RFI shall clearly describe the scope of the required work together with all necessary technical and quality specifications and standards, which are to be applied in the execution of the proposed information.

28.3 The following minimal information should be incorporated;

- (a) A description of the goods or services to be supplied, or the purposes for which they are required including any specifications as may be available to alternately describe the need required as determined by UFH;
 - The date on which goods and services are required if applicable;
 - The Supply Chain Management office address where the responses are to be submitted;
 - Request for itemized pricing which may or may not include volumes;

- The date for the response to be provided to UFH Supply Chain Management office;
- A statement that responses from this RFI may be used to pre-screen potential respondents to UFH's requirements if applicable;
- UFH proprietary statement on all RFIs; and
- Evaluation criteria to be used to evaluate responses received.

29. REQUEST FOR PROPOSAL (RFP).

- 29.1 An RFP is used when the functionality is clear but the "how" to achieve that function can be achieved in a variety of ways. The BSC will approve the Request for a Proposal. It allows the potential supplier to be creative in his approach to the solution to UFH.
- 29.2 An advertisement to the public at large will be necessary.
- 29.3 All RFPs with a rand value of no more than R1 000 000 shall follow a 80/20 competitive procurement procedure and those above R1 000 000 shall follow 90/10 competitive procurement procedure.
- 29.4 Request for Bids (RFBs) are used where specific responses rather than creative solutions are required;
- (a) creative solutions are generally required by an RFI/P. This is the process of soliciting quotations / offers from supplier to conclude a contract or afford the privilege or right to supply specified services or products.
- 29.5 An RFB is generally used when the specification of the product is well defined. Supplier responses contain firm offers for such typical items such as prices, quantities, dates (usually limited time frame), installation/engineering ability, etc.
- 29.6 RFBs should ask the potential suppliers to quote the price at which they will perform, in accordance with the terms and conditions of the order, or contract, should they receive the award.
- 29.7 All suppliers invited to submit a response to an RFB will receive the same information and the detailed response format is defined upfront for ease of comparison.
- 29.8 RFB's can be used to solicit responses from;
- (a) Single suppliers; and
- (b) Multiple suppliers.
- 29.9 RFB's should be the method of procurement considered whenever practicable when acquiring products or services except when the nature or monetary value of the transaction makes competitive bidding inappropriate.

30. REQUEST FOR QUOTATION (RFQ)

30.1 RFQ's are normally used in cases where the value of purchase does not warrant the entering of a long term contract with the supplier. Generally, RFQ's are used for once-off purchases of a lesser value. RFQ can either be e-mail or written depending on the value of the item being procured.

31. PROCUREMENT OF PROFESSIONAL SERVICES AND THE APPOINTMENT OF CONSULTANTS

31.1 Scope of the term "Professional Services" For the purpose of this section, the term consultant includes the following;

- (a) Consulting firms
- (b) Auditors
- (c) Universities
- (d) Engineering firms
- (e) Constructions Managers
- (f) Inspection Agents
- (g) Management firms
- (h) Investment and merchant banks
- (i) Research agencies
- (j) Government agencies
- (k) Information Communication & Technology firms
- (l) NGO's, and
- (m) Individuals (deemed to be providing professional services).

31.2 UFH may in the absence of skill use Professionals Service Providers/Consultants to assist in a wide range of activities such as:

- (a) Policy advice;
- (b) Accounting & Auditing services;
- (c) Engineering services;
- (d) Construction supervision;
- (e) Financial services;
- (f) Enterprise Risk Advisory;
- (g) Social and environmental studies and identification;
- (h) Human Resource Services;
- (i) Legal Services; and
- (j) Health and Safety Services.

31.3 With the exception of emergency and urgent cases consultants shall be appointed through a competitive bidding system and only when UFH does not have the capacity

- to render the required service from within its own ranks or owing to a lack of expertise. Consultants should only be engaged when the necessary skills and/or resources to perform a project/duty/study are not available and UFH cannot reasonably be expected either to train or to recruit people in the time available.
- 31.4 The Accounting Officer when appointed a consultant he/she must ensure that copyright in any document produced, and the patent rights or ownership in any plant, machinery, thing, system or process designed or devised, by a consultant in the course of the consultancy service is vested in UFH.
- 31.5 Relationship between UFH and the consultant - The relationship between UFH and the consultant should be one of purchaser/provider and not employer/employee.
- 31.6 The work undertaken by the consultant must be regulated by an SLA, according to the agreed terms of reference and the relevant department representative will be responsible for the monitoring and evaluation of the consultant's performance. Outputs must be measured against project specifications and targets. Remedial action must be taken if the performance is below standard.
- 31.7 **Staff substitution** - During an assignment, if substitution is necessary (for example, because of ill health or because a staff member proves to be unsuitable), the consultant should propose other staff of at least the same level of qualifications for approval by the line manager.
- 31.8 **Conflict of interest** - Consultants who are appointed by UFH are requested to provide professional, objective and impartial advice and must hold the client's interests paramount, without any consideration for future work and strictly avoid conflicts with other assignments or their own corporate interests. Consultants may not be hired for any assignment that would be in conflict with their prior or current obligations to other clients, or that may place them in a position of not being able to carry out the assignment in the best interest of UFH.
- 31.9 A firm, which has been engaged by UFH to provide goods or works for a project and any of its affiliates, shall be disqualified from providing consulting services for the same project. Similarly, a firm hired to provide consulting services for the preparation or implementation of a project and any of its affiliates, should be disqualified from subsequently providing goods or works or services related to the initial assignment (other than a continuation of the firm's earlier consulting services as described below) for the same project, unless the various firms (consultants, contractors, or suppliers) are performing the contractor's obligations under a turnkey or design-and-build contract.
- 31.10 Consultants or any of their affiliates should not be hired for any assignment which, by its nature, may be in conflict with another assignment of the consultants.

- 31.11 Association between consultants - Consultants may associate with each other for a specific assignment. In case of a joint venture, all members of the joint venture should sign the contract and are jointly and severally liable for the entire assignment if stipulated in the tender specification. Once the bid offers from service providers have been received, association in the forms of joint ventures or sub consultancies among firms are permissible only with the approval of the Supply Chain Manager and or the Bid Adjudication Committee.
- 31.12 All terms of references issued to potential bidders for professional services shall always include a special condition for transfer of skill and knowledge to identified UFH staff within the duration of the project. No exception shall be made to this rule.
- 31.13 If the assignment includes an important component for training or transfer of knowledge and skills, the terms of reference (TOR) should indicate the objectives, nature, scope and goals of the training programme, including details of trainers and trainees, skills to be transferred, time frames and monitoring and evaluation arrangements. The cost for the training programme should be included in the consultant's contract and in the budget for the assignment.

32. SELECTION METHODS TO BE CONSIDERED WHEN PROCURING SERVICES OF CONSULTANTS

- 32.1 The following two standard selection bases could be used in the appointment of consultants/professional Services;
- (a) Quality and Cost Base Selection Method (QCBS) - This method should be utilised where selection is based both on functionality and on the cost of the service and where the project or service is less complex.
 - (b) The QCBS is ideal for cases where the TOR can accurately be dictated.
 - (c) The method could be used through the “two envelope system.”
- 32.2 Quality-Based Selection Methods (QBS) - The QBS method can be utilized if;
- (a) The method is used for complex or highly specialized assignments for which consultants are expected to demonstrate innovation in their proposals
 - (b) The method is also used for assignments that have a high downstream impact and in which the objective is to have the best experts.
 - (c) Assignments/ projects/services that can be carried out in substantial different ways, which will result in proposals, are difficult to compare.
- 32.3 If the Bid Specification Committee decides to follow the QBS method the selection is based solely on functionality of the bid/proposal and price is playing a lesser role. In

QBS the TOR/RFP for bids/proposals may request the submission of an un-priced proposal.

- 32.4 If the QBS method is selected by the Bid Specification Committee then only the bidders scoring above the minimum score reflected in the TOR/RFP may be approached to submit a price (costing) proposal.
- 32.5 If the bidder which obtained the highest ranking technical proposal be asked to submit a financial proposal the Accounting Officer or its delegate should then negotiate the financial proposal and the contract.

33. TWO-STAGE (PREQUALIFICATION) BIDDING PROCESS

- 33.1 A two-stage bidding process is allowed, but not compulsory, for;
- (a) large complex projects, where, in the opinion of the Vice Chancellor or his delegatee, a two-stage process is needed to properly evaluate and adjudicate bids;
 - (b) projects where it may in the opinion of the Vice Chancellor or his delegatee be desirable to prepare complete detailed technical specifications; or
 - (c) long term projects with a duration period exceeding three years.
- 33.2 In the first stage of the two-stage bidding process technical proposals on conceptual design or performance specifications should be invited, subject to technical as well as commercial clarifications and adjustments.
- 33.3 In the second stage final technical proposals and priced bids should be invited.
- 33.4 The bid specification committee will determine in each individual case how the adjudication after the first phase will be done, provided that the adjudication procedure is in accordance with this policy and all applicable law.

34. TWO-ENVELOPE BIDDING SYSTEM

- 34.1 A two envelope system differs from a two-stage (prequalification) bidding process in that a technical proposal and the financial offer are submitted in separate envelopes at the same place and time. The financial offers will only be opened once the technical proposals have been evaluated.

35. NEGOTIATIONS WITH PREFERRED BIDDER

- 35.1 The Supply Chain Manager as mandated by the Bid Adjudication Committee, may negotiate the final terms of a contract with bidders identified through a competitive bidding process as preferred bidders, provided that such negotiation;
- (a) does not allow any preferred bidder a second or unfair opportunity;
 - (b) is not to the detriment of any other bidder;

- (c) does not lead to a higher price than the bid as submitted, and
- (d) does not in any other way deviate materially from the original bid.

35.2 Minutes of such negotiations must be kept for record purposes.

36. PREPARATIONS OF “INFORMATION TO CONSULTANTS” (ITC) DOCUMENT

- (a) A very brief description of the assignment;
- (b) Standard formats for the technical and financial proposals;
- (c) The names and contact information of officials to whom clarifications should be addressed and with whom the consultants' representative should meet, if necessary;
- (d) A description of the two-stage process, if appropriate;
- (e) The details of the financial evaluation process;
- (f) The details for the public opening of financial proposals;
- (g) Information on negotiations: Financial and other information that should be required of the selected supplier/consultant during negotiation of the contract;
- (h) The deadline for submission of proposals;
- (i) A statement that the firm and any of its affiliates shall be disqualified from providing downstream goods, works, or services under the project if, in the Accounting Officer's or its delegate judgment, such activities constitute a conflict of interest with the services provided under the assignment;
- (j) The method in which the proposal should be submitted, including the requirement that the technical proposals and price proposals be sealed and submitted separately in a manner that should ensure that the technical evaluation is not influenced by price;
- (k) The period for which the consultants' proposals should be held valid (normally 60-90 days) and during which the consultants should undertake to maintain, without change, the proposed key staff, and should hold to both the rates and total price proposed.
- (l) The anticipated date on which the selected consultant should be expected to commence the assignment;
- (m) A statement indicating that all prices should be “all inclusive”;
- (n) Indication if “firm” or “non firm” prices is required.
- (o) Details of the services, facilities, equipment, and staff to be provided by UFH;
- (p) Phasing of the assignment, if appropriate, and the likelihood of follow-up assignments;
- (q) The procedure to handle clarifications about the information given in the RFP.

37. EVALUATION OF BIDS FOR CONSULTANTS OR PROFESSIONAL SERVICES

- (a) The evaluation of the formal quotations/bids shall be carried out in two phases: first the functionality (quality) and then the price (cost). The evaluation shall be carried out in full conformity with the provisions of the TOR.
- (b) In the event of more complicated projects, provision shall be made for presentation by bidders as part of the evaluation process. Presentations made by the Bidders will however be an opportunity to clarify uncertainties in proposals received and may not be used as a criterion for evaluation due to the subjectivity of the process.
- (c) Once technical proposals are opened, consultants shall not be requested nor permitted to change the substance, the key staff, and so forth.
- (d) Once the financial proposals are opened, consultants shall not be requested or permitted to change the quoted fee, except if the TOR has clearly stated that negotiations has been approved by the Accounting Officer (VC).
- (e) Negotiations may only take place after the evaluation process was followed. No changes may be made during the negotiations to the TOR publicized.
- (f) If so indicated in the TOR that a two-envelope system will be use for evaluation the evaluation of formal quotations or Bids received on time shall be carried out in two phases.
- (g) The Bid Evaluation Committee will first evaluate the functional proposals and should not have access to the financial proposals. Financial proposals shall be kept by SCM unit and opened only after the technical evaluation is done by the Bid Evaluation Committee, and only in respect of those proposals that is found to be responsive.
- (h) A proposal shall be non-responsive if it does not respond to critical criteria dictated in the TOR or it fails to achieve the minimum score for functionality.

38. PROFESSIONAL LIABILITY

- (a) The consultant is expected to carry out his/her assignment with due diligence, and in accordance with prevailing standards of the profession.
- (b) The applicable contract will govern the consultant's liability to UFH.

39. CONFIDENTIALITY

- 39.1 The process of Bid evaluation is confidential until the contract is concluded with the successful Supplier.
- 39.2 Confidentiality enables UFH to avoid either the reality or perception of improper interference.

40. DEBRIEFING

- 40.1 If an unsuccessful consultant/service provider wishes to ascertain the grounds on which its proposal was not selected, it shall address its request in writing to the Accounting Officer (VC).
- 40.2 The Accounting Officer or its delegate is then obliged to give reasons for exclusion, disqualification.
- 40.3 If so requested the successful bidders business name, the accepted price of the contract and the specific contract participation goal points claimed by the successful bidder, must be provided.
- 40.4 If the consultant is not satisfied with the explanation given by the Accounting Officer, the consultant may refer this matter to the Court of Law.

41. EVALUATION OF PERFORMANCE OF THE CONSULTANTS AFTER THE CONTRACT IS SIGNED

- (a) Consultants should observe due diligence and prevailing standards in the performance of the assignment.
- (b) The project leader or a dedicated official from UFH shall evaluate the performance of consultants in a fair and confidential process in accordance with the criteria stipulated in the contract.
- (c) In the case where a poor performance report is issued, the consultant shall be notified of the reasons of such a report and be provided with an opportunity to explain the reasons for underperformance and the remedial action proposed.
- (d) Consultants shall be responsible for the accuracy and suitability of their work. Although the project coordinator must supervise and review the consultants' work, no modifications should be made in the final documents prepared by the consultant without mutual agreement.

42. GUIDELINES ON HOURLY FEE RATES

- (a) Where, in exceptional instances, it is impractical to appoint the required consultants through a competitive bidding process and a South African based consultant is used, the *Guidelines on Hourly Fee Rates for Consultants* issued by the Department of Public Service and Administration should be used as a benchmark to establish the appropriate tariffs, or to determine the reasonableness of the tariffs.
- (b) Where the same consulting firm is used on different projects, UFH should continuously pursue to reduce the hourly rates.

43. LOGISTICS MANAGEMENT SYSTEM

43.1 Introduction

- (a) Logistics Management defines the stock/stores management including: item codification, management and setting of inventory levels, receiving and issuing of goods.
- (b) Logistics management system shall therefore provide for an effective system in order to provide for the setting of inventory levels, placing of orders, receiving and distribution of goods, stores and warehouse management, expediting orders, transport management, vendor performance, maintenance and contract administration.

43.2 Infrastructure and setting of stock levels & stock management

- (a) The logistics management function will be performed by a division within the Supply Chain Management Unit. The stores and warehousing function shall be centralised and shall operate under the jurisdiction of the supply chain management unit.
- (b) Stock items shall be systematically replenished using the re-order point planning strategy in conjunction with minimum and maximum levels.
- (c) The Store Specialist must ensure proper financial and budgetary control; uphold the principle of effective administration, proper stock holding and control, product standardization, quality of products and a high standard of service levels.
- (d) The SCM Unit must ensure that all procurement of assets or inventory, irrespective the method of procurement, be accounted for.
- (e) All items must be described according to their appearance, functionality and technical specifications (where applicable).
- (f) The identified items and their description must be contained in an inventory management system. For each item a specific code must be allocated.
- (g) The Store Specialist will be responsible for the maintenance and management of the stores.
- (h) For each item that was identified and described the IT system must be established on which the following is indicated;
 - Item code;
 - Date of issue or receipt;
 - Person who received any stock;
 - Person who issued the stock;
 - Quantity of items issued/received;

- The balance of the items currently in stock after the issue or receipt; and
 - The signature of both the person who issued and received the stock.
- (i) Stock counts must be done on a regular basis, but at least every three months.
- (j) Stock levels must be monitored by the Store Specialist by means of the inventory management system; .
- (k) The stock system and stock must be verified on a regular basis by the Store Specialist.
- (l) Any discrepancies must be reported to the Supply Chain Manager, and must be managed by means of;
- counter entries on the stock system; or
 - in cases of fraud or misuse, by corrective and/or disciplinary action.

43.3 Placing and processing of orders

- (a) Purchase orders will be created with reference to requisitions where the supply source is contract or quotations and motivation where applicable.
- (b) All purchase order shall be captured and generated through an integrated electronic purchasing system (ITS).
- (c) The official who completes/captures the order form may not under normal circumstances authorize it. Different officials shall sign the different certificates on the order forms so as to adhere to the principle of the segregation of duties.
- (d) Only the official order format is to be used for purchases.
- (e) Minor purchases, which are financed out of petty cash, where such facility has been approved, can be done without a purchase order.
- (f) When an official order is placed with a supplier, the delivery date as well as the delivery conditions must be indicated on the order form.

43.4 Receipt of goods

43.4.1 Delivery, receipt and inspection

- (a) All goods ordered shall be delivered and received in one central stores for both Alice and East London campuses. The stores specialist or his or her delegatee must receive and inspect the goods to confirm if they are in good order.
- (b) All deliveries must be accompanied by a delivery note/invoice with a valid purchase order number and with both the Vat numbers of the supplier and that of the institution. Should the goods be faulty, or the quality or the quantity of the goods not correspond with the order, it must be returned to the supplier.

43.5 Validation of delivery

- 43.5.1 When delivery takes place, it is the responsibility of the stores specialist or his or her delegatee to validate the order and delivery. This entails that he or she must be satisfied that the goods were procured via the correct channels and that the necessary approvals were obtained.
- 43.5.2 This validation may be done by either referring to the purchase order containing the relevant signatures / authorisation or in cases of uncertainty, further verification with the Supply Chain Manager or assigned Buyer.

43.6 Generation of receipt (Good Receipt Voucher)

- 43.6.1 After validation of the delivery, and satisfactory receipt of the goods, the stores specialist or his or her delegatee must sign the delivery note of the supplier, and generate a goods received note (GRN) that will be given to the supplier. A copy thereof must be delivered to the Creditors unit together with the invoice, who will close the order on the system and send the documents to Finance for capturing, payment and filing.
- 43.6.2 Part orders must also be received, indicating only the actual quantity received on the invoice. The order can only be closed by the Creditors unit once the full order quantity has been received.
- 43.6.3 Once the goods have been received, the GRV for goods will be checked against the order on the ITS system, before sending the documents to Finance and the items packed in the designated areas in the stores.

44. CONTRACT MANAGEMENT

44.1 Management of contracts

- (a) The SCM Contract Management Unit shall ensure the contractor fulfils its obligations and accepts its liabilities under the contract and must also ensure the contractors are treated fairly and honestly. Both parties adhering to the agreed terms will result in;
- Value for money
 - Timelines
 - Cost effectiveness; and
 - Contract performance
- (b) All original ad hoc contracts, specific term contracts for goods and services procured by UFH irrespective their value must be kept by the SCM Unit.

- (c) The SCM Contract Management unit shall be responsible to administer UFH contracts regarding price escalations and adjustments, contract extensions and any contract amendments.
- (d) The SCM Contract Management unit shall be responsible for ensuring that no contractual services are rendered before a Service Level Agreement/Contract is signed between UFH Accounting Officer or its delegate and any applicable Contractor.
- (e) The Supply Chain, contract management unit must compile a data base of above mentioned contract that will indicating the following:
 - The contract number
 - Contract title
 - Date when contract is signed
 - Expiry date
 - Project leader
 - Responsible Cost Centre
 - If price adjustments can be allowed
 - Date when Supplier can request price adjustments
 - Date on which project managers must give feedback on service delivery contracts and the filing of such reports
 - HDI status and or BEE credentials of the contractor

44.2 Unsatisfactory Performance

- (a) The procedures as indicated in the General Conditions of Contract and the Special Conditions of Contract must be strictly adhered to.

44.3 Contract Amendments

- (a) The procedures as indicated in the General Conditions of Contract and the Special Conditions of Contract, and or Delegation of Authority document must be strictly adhered to.

44.4 Contract price adjustments

- (a) Price adjustments can only take place if provision for price adjustments was done before contract was signed. Should a contract stipulate that there will be price adjustments; motivating reasons with justifiable facts must be submitted to the Supply Chain Manager by the contractor.

44.5 Contract expansion and extension

- (a) Contract expansion refers to expansion of the original scope of contract. Contract expansion is not encouraged, however should there be a justifiable need for the expansion of scope of the original contract, approval must be granted by the Accounting Officer and such approval may not exceed the prescribed 15% of the original contract amount on goods and service, and may not exceed prescribed 20% of the original contract amount on construction and works.
- (b) All contract extensions shall only be approved by the Vice Chancellor.

44.6 Payments of accounts/contracts

- (a) Payment conditions described in the General Conditions and the Special Conditions of a Contract must be strictly adhered to.
- (b) All invoices and accounts must be paid within thirty (30) days after receiving the invoice.
- (c) Pre-payment of suppliers before service or goods are delivered is prohibited, however it may be utilised under exceptional circumstances motivated by the need to promote historical disadvantaged and black emerging suppliers.

44.7 Record keeping and reporting

- (a) Records need to be kept by UFH of all goods and services procured. The SCM Unit will be held responsible for the record keeping of the following information/documents;
 - Bid documents issued per bid invited,
 - List of bids received per bid number,
 - Bid register for concluded bids,
 - Formal written quotations register,
 - Contracts register for all contracts concluded each financial year,
 - Specific Term Contracts,
 - Lease agreement contracts,
 - Complaints received from end users, bidders or contractors,
 - All cases of fraud or corruption reported,
 - Staff Gifts Declaration register,
 - Losses and surpluses reports,
 - Stock take reports,

45. ASSET AND DISPOSAL MANAGEMENT SYSTEM

45.1 Asset and Disposal Management shall be handled in accordance with Asset Management policy. (Please refer to the Asset Management Policy for this part of SCM system)

46. RISK MANAGEMENT SYSTEM

46.1 The risks pertaining to Supply Chain Management should at all times comply with the criteria laid down in the risk management policies of UFH.

46.2 Risk Management shall provide for an effective system for the identification, consideration and avoidance of potential risks in UFH supply chain management system.

46.3 Managing risk must be part of UFH's philosophy, practices and business plans and should be an integral part of effective management practices.

46.4 The risk management process shall be applied to all stages of Supply Chain Management, be it the conceptual stage, project definition, specification preparation, acquisition process, award and contract management to completion.

46.5 The Supply Chain Management unit must review supply chain management performance and produce a clear risk management plan after the end of each financial period.

47. ASSESSMENT OF SUPPLY CHAIN PERFORMANCE

47.1 The Supply Chain Manager shall ensure that, a retrospective analysis is conducted at the end of each financial period to determine whether proper processes of supply chain management are being followed and whether the desired objectives are achieved.

47.2 The retrospective analysis shall be in a form of report, which will contain inter alia the following; compliance to norms and standards, contract breaches, achievements of goals, cost efficiency of procurement process, whether supply chain management objectives are still in line and consistent with government's broader policy focus, and if the principles of good governance as enshrined in the Constitution of the republic of South Africa are observed.

47.3 The report prescribed on paragraph 47.2 above shall also contain recommendations to address breaches identified during the financial period under review.

48. TRAINING OF SUPPLY CHAIN MANAGEMENT OFFICIALS

48.1 The accounting officer shall ensure that all officials directly or indirectly involved in the implementation of supply chain management system within UFH are trained in

accordance with the required standard to perform supply chain management functions.

- 48.2 A minimum of two training for the all officials directly or indirectly involved in the implementation of supply chain management system within UFH shall be arranged each year.

49. COMPLIANCE WITH ETHICAL STANDARDS & CONFLICT OF INTEREST

49.1 In line with the code of conduct of the University of Fort Hare, all staff members of the University are expected to adhere to the following;

- (a) Every employee has a fiduciary relationship with the University and as such is obliged to protect the interests and wellbeing of the University. Therefore the employee will neither seek nor accept financial gain in any interaction on behalf of the University. Conflict of interest may arise as a result of activities in which employees engage as private individuals. Employees must refrain from allowing their dealings on behalf of the University to be influenced by personal or family interests, or the interests of friends or associates. Competition with the University is prohibited.
- (b) Employees may not accept any form of benefit or payment through the transaction of business on behalf of the University;
- (c) Any private work or consultancy or services rendered for remuneration must be declared to the University and permission obtained for the activity;
- (d) Employees may further neither perform such outside work nor solicit business while in University premises or during University time, nor may they utilize the University's equipment, resources, materials or proprietary information for any outside work, unless specific approval has been granted by the University;
- (e) Employees may not have an interest, financial or otherwise, in any of the University's suppliers or distributors or in any other organization which could result in conflict of interest;
- (f) Non-public information about the University may not be used for the employee's own benefit or disclosed to anyone outside the University;

49.2 Furthermore, all officials and other role players (i.e. Project Managers) in a supply chain management system must comply with the highest ethical standards in order to promote;

- (a) mutual trust and respect; and
- (b) an environment where business can be conducted with integrity and in a fair and reasonable manner.

49.3 All officials involve in the supply chain management system shall sign the Code of Conduct for Supply Chain Management Practitioners, and this code shall be strictly

adhered to.

- 49.4 Supply Chain Management officials and all other role players;
- (a) must recognise and disclose any conflict of interest that may arise;
 - (b) must treat all suppliers and potential suppliers equitably;
 - (c) may not use their position for private gain or to improperly benefit another person;
 - (d) must ensure that they do not compromise the credibility or integrity of the supply chain management system through the acceptance of gifts or hospitality or any other act;
 - (e) must be scrupulous in their use of public property; and
 - (f) must assist accounting officers or accounting authority in combating corruption and fraud in the supply chain management system.
- 49.5 If a supply chain management official or other role player, or any close family member partner or associate of such official or other role player, has any private or business interest in any contract to be awarded, that official or other role player must;
- (a) disclose that interest; and
 - (b) withdraw from participating in any manner whatsoever in the process relating that contract.
- 49.5 An official in the supply chain management unit who becomes aware of a breach of or failure to comply with any aspect of the supply chain management system must immediately report the breach or failure to the Supply Chain Manager, who will in turn escalate the matter to the Accounting Officer (VC) or accounting authority (Council) in writing.

50. COMBATING OF ABUSE OF SUPPLY CHAIN MANAGEMENT SYSTEM

- 50.1 The Accounting Officer must;
- (a) take all reasonable steps to prevent abuse of the supply chain management system;
 - (b) investigate any allegations against an official or other role player of fraud, corruption, favouritism, unfair or irregular practices or failure to comply with this Policy, and when justified;
 - take appropriate steps against such official or other role player; or
 - report any alleged criminal conduct to the South African Police Service;
 - (c) reject a recommendation for the award of a contract if the recommended bidder, or any of its directors, has committed a corrupt or fraudulent act in competing for the particular contract;
 - (d) cancel a contract awarded to a person if;

- the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract; or
 - an official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of the contract that benefited that person; and
- (e) reject the bid of any bidder if that bidder or any of its directors;
- has abused the supply chain management system of the university or has committed any improper conduct in relation to such system;
 - has been convicted for fraud or corruption during the past five years
- (f) No person placing a procurement requisition for goods or services shall knowingly understate the requirements of the estimated value with the intention of avoiding a more stringent procurement process. This includes the deliberate splitting of requirements to reduce individual order values.
- (g) No official shall engage in contact with a prospective supplier in respect of a quotation or tender which the supplier intends to submit except where clarification of requirements is required from either party, or where the Accounting Officer may negotiate with identified preferred bidders. Any such communication must be recorded and appropriately filed with the bid documentation.
- (h) Through the Supply Chain Manager, establish an email and landline dedicated for reporting of fraudulent or corrupt activities within the University of Fort Hare Supply Chain Management system

51. INDUCEMENTS, REWARDS, GIFTS AND FAVOURS TO OFFICIALS AND OTHER ROLE PLAYERS

- 51.1 No person who is a provider or prospective provider of goods or services, or a recipient or prospective recipient of goods disposed or to be disposed of may either directly or through a representative or intermediary promise, offer or grant;
- (a) any inducement or reward to the university for or in connection with the award of a contract; or
- (b) any reward, gift, favour or hospitality to;
- any official; or
 - any other role player involved in the implementation of this Policy.
- 51.2 As a rule, gifts could include money, goods, entertainment or any other valuables and must not be intended to create an improper advantage for external parties doing business with the University of Fort Hare or any potential business partners.

- 51.3 As a rule, staff members are prohibited from accepting any gifts from suppliers or external parties in business with UFH, however if an official has accepted a gift, the following shall be applicable;
- (a) If the gifts are given with dishonest and or corrupt intent, the gift shall be refused and reported to the Chief Finance Officer,
 - (b) Under no circumstances may money be received or accepted,
 - (c) Any person/official who has official dealings with the giver shall refuse the gift given. If it is not possible to refuse, the receiver may accept the gift and shall immediately declare the gift via the Staff Gifts Declaration Register prepared for this purpose,
 - (d) It is compulsory that all gifts to the value above R300 be declared through the Staff Gifts Declaration Register administered by the Supply Chain Management unit. Officials may use their discretion to declare gifts below the prescribed amount, and
 - (e) All gifts declared through the Staff Gifts Declaration Register shall be approved the relevant manager or supervisor of the receiving official.

52. LOCAL SUPPLIER DEVELOPMENT

- 52.1 The Supply Chain Manager shall develop a supplier development strategy and plan that must seek to advance the following objectives;
- (a) to contribute to the Government objectives and aims of increasing economic growth, employment creation, skills development and BBBEE within the region;
 - (b) to develop local suppliers to a point of providing high-quality, globally-Competitive goods and services;
 - (c) to improve the quality, efficiency and cost-effectiveness of the services provided by the local suppliers, as a result of their obtaining more-competitive goods and services from local suppliers; and
 - (d) to improve the competitiveness of the local suppliers as a result of savings resulting from their sourcing from innovative, responsive and more competitive suppliers.
- 52.2 The supplier development strategy and plan shall be reviewed each year by the Supply Chain Manager.
- 52.3 As part of promoting local suppliers, UFH shall allocate points for promotion of local economy.

- 52.4 The Supply Chain Manager shall convene each year a supplier development road show in Alice and East London campus, wherein suppliers will be empowered on procurement processes and how to do business with the University.
- 52.5 The university supports the Proudly SA Campaign to the extent that, all things being equal, preference is given to procuring local goods and services from;
- Firstly –suppliers and businesses within the university or district;
 - Secondly – suppliers and businesses within the Eastern Cape Province, and
 - Thirdly – suppliers and businesses within the Republic of South Africa

53. COMMUNICATION PLAN OF THE POLICY

- (a) This policy document and procedure shall serve as a management tool for enforcement of compliance with Supply Chain Management legal framework.
- (b) The Accounting Officer shall communicate this policy in writing to all staff members of UFH in order for them to be aware of the rules applicable to UFH as a public institution during the procurement of goods, works and/or services.
- (c) Upon approval of this policy by the Council, following amendments made each year, the Supply Chain Manager shall conduct training workshops to all staff members of UFH regarding this policy. At least one training workshop must be held for all UFH staff to communicate the provisions of this policy.

54. COMMENCEMENT OF THE POLICY

- 54.1 This Policy takes effect on the date on which it is adopted/approved by the University Council.

Signed on behalf of the University of Fort Hare Council by;

DR MVUYO TOM
VICE CHANCELLOR
DATE: