



UNIVERSITY OF ZULULAND

POLICY AND PROCEDURE MANUAL

SUPPLY CHAIN MANAGEMENT

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OVERSEEING COMMITTEE(S)	MANCO – SENATE - COUNCIL		
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POLICY STATEMENT

This policy provides guidelines and direction to the University regarding the rules and procedures to be followed in acquisition of goods and services ensuring that the process is fair, transparent, equitable, competitive and cost effective.

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Contents

SECTION A – POLICY	5
1. PREAMBLE	5
2. PURPOSE	5
3. SCOPE	5
4. APPLICABLE LEGISLATION AND GUIDANCE.....	5
5. DEFINITIONS.....	6
6. OBJECTIVES	8
7. COMMUNICATIONS WITH THE UNIVERSITY	9
8. ETHICAL REQUIREMENTS.....	9
9. AUTHORITY, ROLES AND RESPONSIBILITIES.....	9
10. DELEGATION OF SCM POWERS AND DUTIES.....	11
11. SCM UNIT	12
12. PURCHASING CONSORTIUM (PURCO)	12
13. ELEMENTS OF SCM.....	12
14. DEMAND MANAGEMENT.....	13
15. ACQUISITION MANAGEMENT	13
16. DISPOSAL MANAGEMENT	32
17. LOGISTICS MANAGEMENT	34
18. CONTRACTS MANAGEMENT	34
19. RISK MANAGEMENT SYSTEM	35
20. SCM PERFORMANCE MANAGEMENT	35
21. IRREGULAR EXPENDITURE	36
22. OTHER MATTERS.....	37
23. INDUCEMENTS, REWARDS, GIFTS AND FAVOURS TO OFFICIALS, OTHER ROLE PLAYERS	39
24. OBJECTIONS AND COMPLAINTS ARISING FROM CONTRACT AWARDED OR IMPLEMENTATION OF SCM POLICY	40
25. PROUDLY SOUTH AFRICAN	40
26. EXEMPTIONS	40
27. SCM IMPLEMENTATION.....	41
SECTION B – PPROCEDURE MANUAL	42
28. PURPOSE OF SCM PROCEDURE MANUAL.....	42

29.	Acronyms used.....	42
30.	SUPPLIER DATABASE	42
31.	PROCURE TO PAY	49
31.1.	Requisition	49
31.2.	Quotations	72
31.3.	Bid documents	72
31.4.	Signatories guarantee	72
31.5.	Specification.....	73
31.6.	Price information	73
31.7.	Currency.....	74
31.8.	Discounts.....	74
31.9.	Delivery conditions	74
31.10.	Acceptance of Bids.....	74
32.	ORDERING	74
33.	DELIVERY OF GOODS AND SERVICES	76
34.	OUTSTANDING COMMINTMENTS	76
35.	PAYMENT OF SUPPLIERS.....	77
36.	CONTRACT MANAGEMENT.....	77
37.	RECORD KEEPING AND REPORTING.....	104
38.	MEETINGS, MINUTES AND RECORD KEEPING	104
39.	OTHER MATTERS.....	108
40.	ASSET DISPOSAL.....	110
41.	INVENTORY DISPOSAL.....	121

SECTION A – POLICY

1. PREAMBLE

The University of Zululand is a public higher education institution governed in terms of the Higher Education Act 101 of 1997 as amended. It relies primarily on State subsidy, student fees and grants to execute its mandate. It is not one of the public entities listed in schedule 3 of the Public Finance Management Act (PFMA) and is therefore not obliged to comply with the Regulations for Supply Chain Management (SCM) promulgated in terms of the Public Finance Management Act (PFMA). The University of Zululand has adopted the principles of the SCM framework as set out in the PFMA in the interest of good governance, transparency, fairness, efficiency and cost effectiveness.

2. PURPOSE

2.1 The purpose of the SCM Policy is to make provisions for a system of acquisition of goods and services that:

2.1.1 Is fair, equitable, transparent, competitive, and cost effective; and

2.1.2 Promotes the objectives of Broad-Based Black Economic Empowerment and will consider preferential procurement as far as is reasonably practical whilst still achieving value-for-money objectives Facilitates an efficient and cost effective sourcing of goods and services for delivery of services to University stakeholders thereby contributing to the regional and national development agenda.

3. SCOPE

This policy applies to all elements of SCM including demand, acquisition, logistics, risk, supply chain performance and disposal management in respect of all goods and services. It includes capital expenditure and consultant services. Additional SCM elements may be included as and when necessary as part of a continuous improvement process.

4. APPLICABLE LEGISLATION AND GUIDANCE

This policy is based on the requirements contained and provided for in the following legislations and regulations:

- a) The Constitution of the Republic of South Africa, Act 108 of 1996;
- b) Public Finance Management Act, Act 1 1999 as amended by Act 29 of 1999;
- c) Preferential Procurement Policy Framework Act, No 5 of 2000;

- d) Broad Based Black Economic Act, No 53 of 20;
- e) Treasury Regulations for departments, constitutional institutions and public entities issued in terms of the provisions of the PFMA;
- f) Preferential Procurement Regulations, 2001;
- g) Construction Industry Development Board Act No 38 of 2000; and
- h) The State Information Technology Agency (SITA) Act, No 88 of 1998, as amended by Act 38 of 2002 (where applicable)
- i) University Delegation of Authority
- j) University Broad Based Black Economic Empowerment Policy
- k) University Organogram

5. DEFINITIONS

“Asset(s)” means items of a capital nature and non-capital nature as defined in the Policy on Asset Management.

“B-BBEE” means Broad-Based Black Economic Empowerment as defined in the Broad-Based Black Economic Empowerment Act 53 of 2003 and the Codes of Good Practice.

“Bid Adjudication Committee” means the Committee as contemplated in paragraph 15.8.1.5.

“Bid Evaluation Committee” means the Committee as contemplated in paragraph 15.8.1.5.

“Bid Specification Committee” means the Committee as contemplated in paragraph 15.8.1.5.

“Bid/Quotation” means a written offer or bid in the prescribed format, which responds to an invitation by the University for the provision of goods or services.

“Black South Africans” means Africans, Coloureds and Indians: South African citizens by birth or that have obtained citizenship prior to 27 April 1994.

“Commercial Acquisition” means the acquisition of goods and services for business purposes, excluding services rendered by employees.

“Consultants” means experts, including professionals, in a specific field, which have a wide knowledge of the subject matter.

“CIDB” means the Construction Industry Development Board.

“Council” means the Council of higher education institution as per Higher Education Act 101 of 1997 section 27 and as comprised of in terms of clause 18 of the UNIZULU Statute.

“Designated Official” means the official designated in terms of DOA or functional responsibility.

“Essential services” means a service the non-provision of which poses an immediate risk to health and safety

“Exemption” means the services, which do not follow the normal procurement process or competitive bidding process.

“Executive Management” means the Vice-Chancellor, the Deputy Vice-Chancellors, the Registrar and the Executive Directors.

“Expenditure in contravention of this policy” means the expenditure incurred in contravention of any legislation or Rule of the University.

“Goods” means the tangible goods of a capital nature (assets) or goods that are consumed in the operational activities of the University.

“Policy” means the SCM policy and procedure manual.

“Professional Services” means the services rendered by the persons registered with recognised professional bodies/institutions.

“Promotional Material” means items or goods that are branded for marketing purposes including contact details for example pens, calendars and diaries.

“QSE” means the Qualifying Small Enterprise as defined by the Codes of Good Practice in terms of B-BBEE.

“Senior Officials” means the Executive Management, the Executive Directors, the Deans and the Dean of Students.

“Service” means the provision of skills and expertise.

“SCM Unit” means the Supply Chain Management Unit responsible for the implementation of supply chain management policy and procedures.

“Splitting of goods or services,” means the splitting of a purchase order of goods or services resulting in the avoidance of the competitive bidding process.

“Unauthorised expenditure” means overspending on a department or account or expenditure not made in accordance with the purpose of a department or account.

“University” means the University of Zululand.

6. OBJECTIVES

6.1. To provide for the uniform procurement system of goods and services required for the proper functioning of the University including:

- The procedures for the acquisition of goods and services in an equitable, competitive, cost effective, fair and transparent manner, which realises value for money for the University; and
- The rules and authority levels for the acquisition of goods and services

6.2. To ensure that the University conducts business with:

- Entities committed to the B-BBEE; and
- Entities that comply with the definition of small businesses as envisaged by the National Small Business Act No.102 of 1996 and other related Acts to enable small businesses to compete successfully in the economy

6.3. To source goods and services of required quality and at the right price from suitably qualified service providers/suppliers, which demonstrate high business ethics in accordance with the University's BBBEE policy;

6.4. To ensure the efficient disposal of the University assets; and

6.5. To ensure proper contract management

7. COMMUNICATIONS WITH THE UNIVERSITY

7.1. All correspondence with regard to this Policy shall be addressed to the Manager: Supply Chain Unit.

7.2. For the duration of a competitive bid, no supplier should communicate with any User Department concerning the contents of the tender. All communication must be addressed to the SCM Unit.

8. ETHICAL REQUIREMENTS

8.1. In order to create an environment where business can be conducted with integrity and in a fair and reasonable manner, this Policy will strive to ensure that all representatives of the University involved in SCM activities shall act with integrity and in accordance with the highest ethical standards.

8.2. Any person who is not an employee of the University shall confirm in writing that they will conduct themselves during the evaluation in accordance with the ethical requirements of the University and sign a confidentiality agreement before commencing with any evaluation of submissions.

8.3. Each member of the procurement structures must declare possible conflict of interest and confidentiality agreement prior to the commencement of the evaluation process. No member who has an interest (or whose relative or friend has an interest) in a particular offer will be allowed to participate in the specification, evaluation, consideration and adjudication of the relevant bid.

9. AUTHORITY, ROLES AND RESPONSIBILITIES

9.1. Approval and adoption of this policy is the responsibility of the University Council.

9.2. The Policy shall be reviewed on an annual basis or more frequently if the need arises.

9.3. Amendments to this policy will have no effect unless the Council of the University approves it.

9.4. Council shall ensure that the University:

- 9.4.1. Maintains an appropriate procurement system that is fair, equitable, transparent, competitive and cost-effective;
- 9.4.2. Maintains an effective, efficient and transparent systems of financial, risk management and internal control within SCM;
- 9.4.3. Acts with integrity and in the best interest of University in managing its financial affairs, including the avoidance of conflict of interest, improper practices and opportunities for fraud, theft and corruption within the SCM function; and
- 9.4.4. Purchases or otherwise acquires, takes on lease or hires, exchanges, improves, sells, disposes of or otherwise deals in property of any description whatsoever according to the SCM Policy.

9.5. Council shall take effective and appropriate steps to:

- 9.5.1. Prevent irregular expenditure, fruitless and wasteful expenditure, losses resulting from criminal conduct and expenditure not complying with the operational policy of University;
- 9.5.2. Ensure that expenditure is in accordance with the approved budget;
- 9.5.3. Delegate in writing any of the powers, functions or duties entrusted, delegated, or imposed on it by the Constitution;
- 9.5.4. Procure the services of advisors to assist in the execution of the SCM function where necessary.
- 9.5.5. Ensure that no advisor may form part of the final decision-making process regarding the award of tenders, as this will counter the principle of vesting accountability with the Council. The Council cannot delegate decision-making authority to a person other than an official; and
- 9.5.6. Ensure that SCM practitioners are trained and deployed in accordance with the requirements of the Framework for Minimum Training and Deployment issued by the National Treasury.

9.6. The Vice-Chancellor shall:

- 9.6.1. Ensure strict adherence to the guidelines provided in the SCM policy;
- 9.6.2. Ensure implementation of the University SCM policy;
- 9.6.3. Perform the annual review of the SCM policy; and
- 9.6.4. Appoint the members of the bid committees.

9.7. The designated official is responsible for carrying out the financial functions on behalf of the Council. The Council shall ensure the establishment and implementation of an effective and efficient SCM Unit within the office of the designated official, as an integral part of their financial systems. The designated official shall:

- 9.7.1. Act as the custodian of the SCM Policy and report on progress regarding its implementation;
- 9.7.2. Effect overall management of the quotation and competitive bidding process from sourcing to processing of invoice payment;
- 9.7.3. Promote corporate approach by encouraging standardization of items purchased within the University to realize economies of scale;
- 9.7.4. Provide supplier interface on supplier performance issues;
- 9.7.5. Ensure compliance with the SCM Policy; and
- 9.7.6. Be responsible for managing procurement and disposals of goods to ensure that the SCM system of the University is adhered to. Applicable internal policies of the University, such as an asset management policy may apply as supplementary guidance to this SCM policy.

9.8. Internal Audit shall conduct procurement audits of the entire SCM system to identify successes and failures for incorporation into a “lessons learnt” database.

10. DELEGATION OF SCM POWERS AND DUTIES

- 10.1. The Council of the University delegates powers and duties to the Vice-Chancellor and Executive Director Finance with a view to enabling him/her to:
 - 10.1.1. Discharge SCM responsibilities;
 - 10.1.2. Maximise administrative and operational efficiency in the implementation of the SCM policy; and
 - 10.1.3. Enforce reasonable, cost effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practises.
- 10.2. The approval of expenditure related to the procurement of goods and services is subject to the Council approved delegation framework. Any deviation that does not comply with the formal deviations process will be regarded as unauthorised expenditure.

11. SCM UNIT

- 11.1. The SCM unit is responsible for the implementation of the SCM policy.
- 11.2. The SCM unit will operate under the supervision of the Executive Director Finance. The Executive Director Finance shall ensure that all officials directly or indirectly involved in the implementation of SCM system within University are trained to perform SCM functions.
- 11.3. The Executive Director Finance and all other officials of University involved in the implementation of the SCM must meet the prescribed competency levels to effectively administer the University's SCM function. Where practical and reasonable, the prescribed competency levels will be determined by the University and may form part of individual or group job characteristics and descriptions.

12. PURCHASING CONSORTIUM (PURCO)

- 12.1. The SCM Policy will give effect to the policy guidelines of the University with due observance of the agreement between PURCO and the University with regard to the acquisition of goods and services.
- 12.2. The Executive Management will revise the agreement between the University and PURCO regularly.

13. ELEMENTS OF SCM

- 13.1. The University utilises the principles of the PFMA and TR 16A in the development of the SCM policy.
- 13.2. The SCM system, as established through this policy, provides for the following:
- a) Demand management;
 - b) Acquisition management;
 - c) Disposal management;
 - d) Logistics management;
 - e) Contracts management;
 - f) Risk management; and
 - g) SCM performance management

14. DEMAND MANAGEMENT

14.1. The demand management system ensures that the resources required to support the strategic and operational commitments of University are delivered at the right time, right place, at the right price, and are of good quality and quantity.

14.2. A consolidated procurement plan for all budgeted goods and services required must be prepared before the commencement of each financial year. The plan shall be submitted to the Vice-Chancellor for approval.

15. ACQUISITION MANAGEMENT

15.1. The acquisition management system provides for:

- 15.1.1. An effective system in order to ensure that goods and services are procured in accordance with authorised processes only;
- 15.1.2. The general conditions and procedures that are applicable to all procurement processes, bid process and contract management process;
- 15.1.3. The expenditure on goods and services, including construction works and consultant services, is incurred in terms of an approved budget;
- 15.1.4. The threshold values of the different procurement procedures are complied with; and
- 15.1.5. Bid documentation, evaluation and adjudication criteria, and general conditions of contract are in accordance with the requirements of all applicable legislation.

15.2. Procuring and sourcing of goods

- 15.2.1. Threshold values must be adhered to as per Section 15.2.2 or as amended from time to time by the relevant University Council.
- 15.2.2. Procurement of goods and services must be provided by way of:
 - a) Petty cash purchases up to a transaction value of R1 000 (Vat inclusive);
 - b) Three verbal price quotations for procurement of a transaction value over R1 000 and less than or equal R10 000 (Vat inclusive) provided that the designated official records the verbal quotations and the accepted quotation is in writing;

- c) A minimum of three formal written price quotations for procurement of a transaction value over R10 000 and less than or equal to R500 000 (Vat inclusive) to be administered by the SCM Unit in accordance with this Policy; and
- d) Competitive bidding process for procurement above a transaction value of R500 000 (Vat inclusive) and for any contract exceeding one year in duration to be administered by the SCM Unit in accordance with this Policy¹

15.2.3. Splitting of goods and services:

- a) The goods and services may not be deliberately split or parcelled into parts or items of a lesser value merely to avoid complying with the requirements of this Policy; and
- b) When determining transaction values, a requirement for goods and services consisting of different parts or items must, as far as possible, be treated and dealt with as a single transaction. The SCM Unit will make the determination of whether the requisitions will be made by a single order or multiple orders.

15.2.4. Transactions up to the value of R5 000 (Vat inclusive) for goods or services, that are required on a regular basis, should be procured from suppliers that are appointed to a panel for that purpose.

15.2.5. Two stage bidding process:

15.2.5.1. A two stage bidding process may be allowed in cases of:

- a) A large complex project; or
- b) Long term projects with a duration exceeding 3 years.

15.2.5.2. The first stage shall be technical proposals on conceptual design or performance specifications. The second stage shall be the final technical proposal and priced bids should be invited.

15.3. Supplier database

15.3.1. The University must procure goods and services from suppliers who are on the approved supplier database.

¹ National Treasury Practice Note no 8 of 2007/2008

15.3.2. The designated official must maintain a database of all approved suppliers used for procurement purposes.

15.3.3. The designated official must ensure that the supplier database is updated at least annually and must from time to time, through local newspaper/media, and through any other appropriate means, invite prospective suppliers of goods and services to apply for listing as accredited supplier for the University.

15.3.4. The designated official must disallow the listing of any prospective supplier whose name appears on the Provincial or National Treasury's database for persons prohibited from doing business in the public sector.

15.3.5. The list must be updated at least quarterly to include any additional prospective suppliers. Prospective suppliers must be allowed to submit applications for listing at any time.

15.4. Petty cash purchases: Up to a transaction value of R1 000 (Vat included)

15.4.1. The petty cash purchases must include the following conditions: "The delegated official responsible for petty cash must compile a monthly reconciliation report to the Executive Director Finance which indicates all petty cash purchases for that month. All petty cash purchases must be supported by adequate receipts and appropriate documents for each purchase."

15.5. Quotations: Above the transaction value of R1 000 but not exceeding R10 000 (Vat included)

15.5.1. The conditions for procurement of goods and services through written quotations are:

- a) At least three quotations must be obtained verbally or in writing from, where applicable, the supplier database of the University.
- b) The order should, however, be placed against a written confirmation from the selected supplier if the quotation was submitted verbally.

15.6. Quotations: Above the transaction value of R10 000 but not exceeding R500 000 (Vat included)

15.6.1. The conditions for procurement of goods and services through written quotations are:

- a) Quotations must be obtained in writing from as many suppliers as possible that are registered on the supplier database of the University.
- b) Where not suitable suppliers are available from the supplier database of the University, written price quotations may be obtained from other possible suppliers.
- c) Quotations may be obtained from suppliers who are not listed if such suppliers meet the minimum listing criteria including a valid tax clearance certificate and the company registration number.
- d) The designated official must record the names of the potential suppliers requested to provide such quotations.
- e) If it is not possible to obtain at least three written price quotations, the reasons should be recorded and approved by the Executive Director Finance.
- f) Quotations must have the following information:
 - i) Full name of the company;
 - ii) Identification number of the company or other registration number; and
 - iii) VAT registration number.

15.7. Formal bids: Above the transaction value of R500 000 (Vat included)

15.7.1. The SCM Unit shall invite competitive bids for all procurement above R500 000.

15.7.2. 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 Executive management.

15.7.3. The procurement of goods and services above R30 000 but not exceeding R1 million must be procured through a 80/20 bidding system: 80 points shall represent the maximum points that can be claimed for price and 20 points shall represent maximum points that can be claimed for the B-BBEE level

status. The successful supplier will be determined based on the “responsive supplier” achieving the highest number of preferential procurement points.

15.7.4. The procurement of goods and services above R1 million must be procured through a 90/10 bidding system: 90 points shall represent the maximum points that can be claimed for lowest price and 10 points shall represent the maximum points that can be claimed for B-BBEE level status. The successful supplier will be determined based on the “responsive supplier” achieving the highest number of preferential procurement points.

15.8. Process for competitive bidding

15.8.1. The bidding process must comprise of the following stages:

- a) Bid specification;
- b) Compiling of bid documents;
- c) Public invitation of bids;
- d) Receiving, opening and recording of bids;
- e) Committee system;
- f) Bid Specification Committee;
- g) Bid Evaluation Committee;
- h) Bid Adjudication Committee; and
- i) Disqualification of bids

15.8.1.1. Bid specification

- a) Bid specifications must be drafted in an unbiased manner to allow all potential suppliers to offer their goods or services;
- b) Bid specifications must take account of any accepted standards;
- c) In the development of bid specifications, innovative mechanisms should be explored to render the service or product more resource and energy efficient;
- d) Bid specifications shall, where possible, be described in terms of performance rather than in terms of descriptive characteristics for design;
- e) Bid specifications may not make any reference to any particular trade mark, patent, design, type, specific origin or producer, unless there is no other sufficiently precise or intelligible way of describing the characteristics of the work in which case such reference must be accompanied by the words “or equivalent”;

- f) Bid specifications must be approved by the relevant Manager or his delegated authority prior to publication of the invitation for bids;
- g) Where specifications are based on standard documents available to bidders, a reference to those documents is sufficient.

15.8.1.2. Compiling of bid documents

- a) Bid documentation for competitive bidding must take into account the general conditions of contracts, supply chain guidelines issued by the National Treasury and requirements of the Construction Industry Development Board (CIDB) in the case of a bid relating to construction, upgrade or refurbishment of buildings or infrastructure.
- b) Bid documents must clearly indicate:
 - a. The terms and conditions of contracts;
 - b. Specifications,;
 - c. Criteria for evaluation and adjudication procedure to be followed; and
 - d. An appropriate contract or delivery period must be specified for all contracts.
- c) Bidders must declare any conflict of interest they may have in the transaction for which the bid is submitted.
- d) Bid documents must state that disputes will be settled by means of mutual consultation (with or without legal representative) and when unsuccessful, in a South African court of law.

15.8.1.3. Public invitation of bids

- a) An invitation to prospective suppliers to submit bids must be by means of a public advertisement on the University website and in newspapers according to the following thresholds:
 - i. National newspapers: Above the transaction value of R1 000 000 (Vat included) except in cases where the procurement is for local goods or services restricted by local licenses or permits
 - ii. Regional/Provincial newspapers: Above the transaction value of R500 000 but not exceeding R1 000 000 (Vat included)

- iii. Local newspapers if suppliers are not UNIZULU's Data base where three quotes suffice : Below the transaction value of R500 000 (Vat included)
- b) The information on a public advertisement must contain:
 - i. The closing date of submission of bids, which may not be less than 21 days; and
 - ii. A statement that bids may only be submitted on bid documentation provided by the University.
- c) The designated official may determine a closing date for the submission of bids, which is less than the 21 days, only if such shorter period can be justified on the grounds of urgency or emergency or any exceptional case.
- d) Invitation of tender or expression of interest for construction works contracts shall stipulate that only submissions of contractors who are registered in the category of registration required may be evaluated.
- e) Invitation of tender or expression of interest for engineering and construction works shall be published on the CIDB website at least 10 working days before the closing date for submissions of interest and at least 5 working days before any compulsory clarification meeting 10 working days before any compulsory site meeting.
- f) All the suppliers wishing to respond to the bid will be required to pay a non-refundable bid fee, unless stated otherwise, before the bid documents are issued to them.
- g) Bid documents and any subsequent notices may only be issued by the designated official or his or her representative.
- h) Details of all prospective bidders who have been issued with bid documents must be recorded by the issuing officer, and must remain confidential for the duration of the bid process.

- i) Bids must be submitted on or before the stipulated closing date and time. No late bids will be accepted.
- j) It must be emphasised that the bid documents must always be submitted in sealed packaging and completed in black ink.
- k) The official language to be used on all bid documentation is English.

15.8.1.4. Receiving, opening and recording of bids

- a) All bids documents must be posted in the locked Tender box.
- b) The tender box must be locked and the key shall be kept in safe place custody of Contracts Manager.
- c) The tender box must be opened only in public and must be opened as soon as possible after the period for the submission of bids has expired.
- d) The delegated official is required to record, in a register, all bids that have been received in time.

15.8.1.5. Committee system

- a) The committee system for competitive bids must be established and consists of the following committees:
 - i) Bid Specification Committee (review and approve specifications for goods and services, the evaluation criteria and bid documents)
 - ii) Bid Evaluation Committee (evaluate bids in accordance with the defined specifications for the procurement of particular goods and services)
 - iii) Bid Adjudication Committee (adjudicate bids and make a final recommendation with regard to the awarding of bids to the relevant authority)

15.8.1.6. Minutes and record keeping

- a) The SCM Unit shall be responsible for the secretariat work, including minute taking. All deliberations in Committee meetings shall be recorded on tape. The SCM Unit shall further be

responsible for safe keeping of all correspondence generated by or received on behalf of the Committee.

- b) The secretary to the Bid Adjudication Committee shall be responsible for the safe keeping of the tapes on which the deliberations of the Bid Adjudication Committee have been recorded, as well as copies of minutes signed by the relevant chairperson as accuracy and validity of proceedings.

15.8.1.7. Committee Membership

- a) No member of one committee may be a member of another committee,
- b) Members of committees may be appointed as standing committee members for a duration not exceeding one year.
- c) The members of each committee must be appointed by Vice-Chancellor

15.8.1.8. Bid Specification Committee

- a) This committee must be a cross functional team, composed of at least the following, SCM representative, a representative from the Management/Executive Committee. The meeting shall not be quorate unless more than 50% of the Bid Evaluation Committee is present. A Technical person/ user department representative and specialist, as applicable, may be requested to assist the committee for each bid. User department representatives and specialists assisting the committee are not members of the committee.
- b) The Bid Specification Committee must review and approve the bid specification, the evaluation criteria, and bid documents for every procurement of goods and services as compiled by the user department.
- c) The Bid Specification Committee ensure that bid documentation and the general conditions of a contract are in accordance with the instructions of the National Treasury; or the prescripts of the Construction Industry Development Board, in the case of a bid relating to the construction industry;

- d) The Bid Specification Committee ensure that bid documentation include evaluation and adjudication criteria, including the criteria prescribed in terms of the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000) and the Broad Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);² and in compliance with the UNIZULU's Black Empowerment Policy
- e) The Bid Specification Committee must ensure that the bid specification is drafted in an unbiased manner to allow all potential suppliers and providers to offer their goods or services.
- f) The Bid Specification Committee must review the financial value and procurement strategy of the proposed procurement.
- g) All committee members and invitees must complete the declaration of interest form prior to the commencement of the meeting.
- h) No member who was/will be involved in the bid specification and bid evaluation processes may be part of the bid adjudication process.
- i) Bid specifications must take account of any accepted standards such as those issued by the South African National Standards, the International Standards Organisation, or any authority accredited and recognised by the South African National Accreditation System with which the equipment or material or workmanship must comply with.

15.8.1.9. Bid Evaluation Committee

- a) The Bid Evaluation Committee comprises of at least one member of the Management / Executive Committee, two members of staff

² Treasury Regulations for departments, trading entities, constitutional institutions and public entities Issued in terms of the Public Finance Management Act, 1999

appointed by the Vice-Chancellor, an official from the departments requiring the goods or services and at least one SCM official appointed by the designated official. The meeting shall not be quorate unless more than 50% of the Bid Evaluation Committee is present.

- b) The Bid Evaluation Committee may invite user department representatives or specialists to provide assistance to them in the evaluation of specific bids.
- c) The Bid Evaluation Committee shall require each of its members to declare their interest or confirm that they have no interest, prior to commencing with the evaluation.
- d) All the proceedings of the Bid Evaluation Committee must be recorded and minuted.
- e) All communications with respondents and tenderers during the procurement process to obtain information and clarifications shall be made through the designated person, as per the tender document. Records of all communications in this regard shall be made and retained by such persons for auditing purposes.
- f) The Bid Evaluation Committee shall:
 - i. Negotiate contracts where the negotiation procedure is applied;
 - ii. Evaluate tenders or quotations received where the competitive selection or competitive negotiation procedure is applied;
 - iii. Evaluate quotations from contractors who compete for the award of a contract.
- g) The Bid Evaluation Committee must evaluate bids in accordance with the:
 - i. Evaluation criteria and specific goals as specified in the bid document;
 - ii. According to the thresholds referred to in 15.2.2

- iii. Preferential Procurement Policy Framework Act NO 5 of 2000, the University of Zululand must implement its preferential framework:

The following preference point system must be followed:

- The 90/10 preference point system

$$Ps = 90(1 - ((Pt - Pmin) / Pmin))$$

The 80/20 preference point system

$$Ps = 80(1 - ((Pt - Pmin) / Pmin))$$

Ps= Percentage scored for price by bid/proposal under consideration

Pt= Price of a bid/proposal under consideration

Pmin= Lowest acceptable bid/proposal

- For a contract with rand above value prescribed amount a maximum of 10 points may be allocated for specific goals provided that the lowest acceptable tender score 90 points for price.
- For contracts with rand value equal to or below a prescribed amount a maximum of 20 points may be allocated for specific goals provided that the lowest acceptable tender score 80 points for price.
- Any other acceptable tenders, which are higher in price, must score fewer points, on a pro rata basis, calculated on their tender prices in relation to the lowest acceptable tender in accordance with the prescribed formula.
- The specific goals shall include contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender or disability.³

³ Preferential Procurement Regulations, 2001 Pertaining To The Preferential Procurement Policy Framework Act: No 5 Of 2000

- iv. Evaluation of each bidder's suitability and ability to execute the contract

- h) The bid evaluation committee must compile and submit a report to the Bid Adjudication Committee recommending the award of the bid.

- i) The Bid Evaluation Committee shall record their scores for quality against each of the criteria during the process of evaluation, preferably with notes to substantiate the scores. Individuals shall record their own markings on a separate sheet. These documents shall be placed on file as an audit trail leading up to the decision and may form the basis of any debriefing that takes place.

- j) Evaluation ratings and selections shall be made based on the material requested and included in the submission and not on speculation, suspicion or personal knowledge of a panel member.

- k) Before evaluation commences, the committee should determine what kind of evidence is expected to justify a score.

- l) Where sub-minimum scores have been specified, all members of the committee must individually score the respondent above the sub-minimum. Scores are not to be averaged.

- m) Where scores on individual aspects differ widely after an individual scoring, a mediation process may be used to gain a consensus view. Any change in an individual score is to be recorded with reasons.

15.8.1.10. Bid Adjudication Committee

- a) The Bid Adjudication Committee shall comprise of at least three members of the Executive / Management Committee designated by the Vice-Chancellor. The Committee shall not be quorate unless more than 50% of the Bid Adjudication Committee is present.

- b) Neither a member of a Bid Evaluation Committee nor an advisor or person assisting the evaluation committee may be a member of a Bid Adjudication Committee.
- c) The Bid Adjudication Committee must consider the recommendations of the Bid Evaluation Committee and make a final award or make any other determination as it deems appropriate. Where the Bid Adjudication Committee differs with the recommendation of the Bid Evaluation Committee, Bid Adjudication Committee must consult with the Bid Evaluation Committee prior to making the final determination.
- d) The Bid Adjudication Committee may make an award to a preferred bidder subject to further negotiations with such preferred bidder.
- e) The Bid Adjudication Committee may, at any stage during the process, refer the matter back to the Bid Evaluation Committee for reconsideration of any such issue, as the Committee deems appropriate.
- f) The award of the bid must be in writing and signed by the authorised person.
- g) No communication is valid with the suppliers unless it is in writing.

15.8.1.11. Disqualification of bids

- a) Bids submitted without all required documents as per bid notice, shall be disqualified.
- b) Bids submitted via email or faxed shall be disqualified.
- c) If any bid document, as well as annexure/s is not signed by a properly authorised signatory of the bidder, the bid shall be disqualified.

d) All bids submitted after cut-off date and time shall be disqualified.

15.9. Cancellation of bid process and re-invitation of bid

15.9.1. The Vice-Chancellor may, prior to the award of bid, cancel the bid process if:

15.9.1.1. There is no longer a need for the goods and services; or

15.9.1.2. Funds are no longer available to cover the total envisaged expenditure; or

15.9.1.3. No acceptable bids are received; or

15.9.1.4. A bid was advertised in accordance with the 80/20 preference points system and all bids received exceed R1 000 000; or

15.9.1.5. A bid was advertised in accordance with the 90/10 preference point system and all the bids received are equal to or below R1 000 000.

15.9.2. In the case of 15.9.1.4 and 15.9.1.5, the bids must be cancelled and re-advertised using the appropriate point system. If one or more bids received meets the 80/20 or 90/10 procurement method as advertised, then all bids must be evaluated accordingly.

15.9.3. The decision to cancel a bid must be published in the media in which the original bid invitation was advertised.

15.10. Treatment of Trust/Joint Venture/Consortiums in respect of formal bids

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

15.10.2. 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.

15.10.3. 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.

- 15.10.4. In case of construction works, every member of the joint venture must be a registered contractor in terms of the CIDB regulations.

15.11. Urgent and emergency Procurement

- 15.11.1. The standard procurement procedures provided by the policy may be deviated from in case of urgent or emergency cases.
- 15.11.2. Urgent cases are regarded as cases where early delivery is of critical importance and the invitation of competitive bids is impossible or impracticable, as long as it is not a result of poor planning.
- 15.11.3. In the case of procurement through urgency, a comprehensive submission containing the needs and valid reasons has to be submitted to SCM unit. Procurement can only take place after the approval has been granted.
- 15.11.4. Emergency cases are regarded as cases that require immediate action to avoid a dangerous or risky situation or misery. The following circumstances would evidence an emergency:
- 15.11.4.1. Threat to human life or safety;
 - 15.11.4.2. Interruption of essential services with respect to the necessary provisions for health and safety
 - 15.11.4.3. Serious damage to property or financial loss;
 - 15.11.4.4. Human injury or death;
- 15.11.5. Written motivation for any deviation from the SCM Policy must be prepared and submitted to the designated official.
- 15.11.6. The designated official must prepare a report indicating the reasons for the urgent and emergency procurement that must be submitted to the Executive Management for approval.
- 15.11.7. The Executive Management may, in certain instances, approve an expedited procurement process and/or a deviation from the

requirements with regard to the public invitation of bids, provided that the prescribed procedures with regard to bid adjudication and the Council approved delegations may not be deviated from.

15.11.8. Executive Management must report deviations to the Finance Committee of Council.

15.11.9. 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.

Note: Lack of proper planning does not constitute an emergency.

15.12. Procurement of information communication and technology (ICT) goods and services

15.12.1. All procurement requests relating to Information Communication and Technology must be prepared in accordance with ICT plan as developed by the ICT Committee.

15.12.2. The Accounting Officer (VC) shall appoint an Information Communication and Technology Committee (ICTC) composed of the Director Information Technology, the Supply Chain Manager, Finance Official from Budget Office, and one member of the Bid Adjudication Committee.

15.12.3. The main functions of the ICTC shall be the following:

- To oversee demand planning of the University ICT products and services each year;
- Advise the BAC of the industry trends;
- Ensure that technical expertise of complex ICT products or services is sought should the need arise;
- May consult SITA, other University or relevant consultant for advice and assistance on acquisition of technical ICT products or services;

- Prepare and submit to SCM 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.

15.13. Letting/Renting of immovable assets

15.13.1. The letting of immovable property shall be at market related price, excluding exclusive use buildings such as student residences and staff accommodation.

15.13.2. Immovable property may not be let out free of charge.

15.13.3. The Vice-Chancellor shall review all fees, charges, rates, tariffs on the annual basis relating to the letting of property to ensure sound financial planning and management.

15.14. Construction Industry Development Board (CIDB) contracts

15.14.1. 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.

15.14.2. The University shall appoint a professional registered consultant who shall become a principal agent on behalf of University to oversee or project manage in conjunction with University SCM division the management and administration of building, engineering and construction works.

15.14.3. The appointed consultant shall assist in the development of bid specification, bid documentation, costing of the project, and project management of the project.

15.14.4. 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.

15.14.5. 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.

15.15. Sole source, selected or closed bids

15.15.1. Where the market is highly specialised, or where considered appropriate, to confine invitations to bid to known supplier(s), or to negotiate directly with a sole supplier, a request for proposal will be sent to such supplier(s) only, and they will be evaluated according to the predefined criteria.

15.15.2. The following circumstances would typically warrant sole source procurement rather than through an open tender process:

15.15.2.1. Only one contractor has been identified as possessing the necessary experience and qualifications or product for providing the required service, goods or construction works; and

- i. The services, goods or works have a value less than R500 000;
- ii. A professional service contract has a value less than R500 000, which can be based on time and proven cost;
- iii. The nature of the goods, or services or the risks attaching thereto do not permit prior overall pricing; or

15.15.2.2. Only one responsive tender is received and where one supplier is available in the market for the goods or services.

15.15.3. Head of Procurement must prepare a written motivation detailing reasons that the supplier selected is a sole source. The motivation must be submitted to Executive Management for approval.

15.15.4. The Executive Management may approve a sole source procurement process and/or a deviation from the requirements with regard to the public invitation of bids, provided that the reasons for sole source procurements are per 15.5.2 and the prescribed

procedures with regard to bid adjudication and the Council approved delegations may not be deviated from.

15.15.5. Executive Management must report sole source procurement to the Finance Committee of Council.

15.15.6. The SCM unit must keep record of sole source procurement 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.

15.16. Foreign purchases.

15.6.1 The procurement of goods and services from foreign suppliers would follow the normal SCM processes.

15.6.2 Where single source is the recommended route then section 15.15 would be followed.

15.6.3 The conversion rate to ZAR is dealt with under section 31.7

15.17. Negotiations with preferred bidders

15.17.1. The Vice-Chancellor may negotiate the final terms of a contract with bidders identified through competitive process as preferred bidders provided that the terms:

15.17.1.1. Do not allow any preferred bidder a second opportunity or is unfair; and

15.17.1.2. Are not to the detriment of any other bidder; and

15.17.1.3. Do not lead to a higher price than the bid submitted; and

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

16. DISPOSAL MANAGEMENT

16.1. The disposal management system provides for an efficient system for the disposal or alienation of assets that are no longer needed, including unserviceable, redundant or obsolete assets.

16.2. When the relevant manager identifies a need to dispose of certain goods in his/her business unit, he/she must approach the SCM Manager and prepare a disposal recommendation. The recommendation will be submitted to a Disposal Committee. At the Disposal Committee meeting a decision and recommendation must be made as to the following:

- i) Whether the items should be disposed of; and
- ii) The appropriate disposal method for the specific goods

16.3. A Disposal Committee must be established to make recommendations on all items identified for disposal and the appropriate disposal method.

16.4. This process involves the following aspects:

- i) Obsolescence planning;
- ii) Maintaining a database of all redundant assets;
- iii) Inspection of assets for potential re-uses;
- iv) Determining a disposal strategy;
- v) Disposing of items in terms of the determined strategy;
- vi) Assets should be disposed of in accordance with the Asset Management Policy; and
- vii) Assets not disposed of at a market related price should be recommended by Disposal Committee and approved by the Vice-Chancellor

16.5. Physical disposal according to the disposal method selected, is the responsibility of the finance department, who will keep and maintain the Disposal Register.

16.6. The following information must be included on the disposal register:

- i) Description of the disposed item (asset number of applicable);
- ii) Reason for disposal;
- iii) Date of disposal;
- iv) Disposal method applied;
- v) Book value of the item at disposal date;
- vi) Income generated from disposal if applicable; and
- vii) Detail of person/institution that the item was sold/given to where applicable

17. LOGISTICS MANAGEMENT

17.1. Logistics management provides an effective system for the setting of inventory levels, placing of orders, receiving and distribution of goods, stores and stores management, expediting orders, delivery and distribution, vendor performance, and maintenance and contract administration.

18. CONTRACTS MANAGEMENT

18.1. All contracts must be administered by a contract manager, who will be an internal official assigned to ensure the effective administration of the contract.

18.2. In administering a contract, the contract manager will be required to form opinions and make decisions, which, while in the University's best interests, must be fair to all parties concerned.

18.3. All contracts for the procurement of goods and services must be routed through the Legal Department for review, except if the standard bidding contract documents are utilised in the procurement process.

18.4. Council must delegate the officials required to authorise contracts in writing. The delegate may not under any circumstances, re-delegate the authority to lower ranks.

18.5. The Council may approve any increase in the contract period or contract sum that may become necessary because of exceptional circumstances. Such approval must be obtained prior to the contract period expiring or contract sum being exceeded.

18.6. Any unapproved increases in the contract sum that have become necessary as a result of exceptional circumstances must be explained in a report to the Council requesting condonation and approval for such unapproved increase.

18.7. Any unapproved increase in the contract must be dealt with in accordance with the deviation clause.

19. RISK MANAGEMENT SYSTEM

- 19.1. The risk management system provides for an effective system of risk management to identify, prevent, eliminate or mitigate potential and actual risk in the SCM.
- 19.2. The risk management process shall be applied to all stages of SCM, be it the conceptual stage, project definition, specification preparation, acquisition approval or implementation to completion.
- 19.3. Risk management is an integral part of effective management of acquisition activities and cannot be effectively performed in isolation from other aspects of acquisition management.
- 19.4. All requests for quotations and bids include the standard terms and conditions, which are approved. Deviations from the approved standard terms and conditions are reviewed and approved.
- 19.5. Appropriate risk management conditions should therefore be incorporated in all contracts.
- 19.6. Dispute management process must be established and implemented.
- 19.7. Adequate risk exposure in the form of retentions, insurance, surety or any other cover must be established and implemented.

20. SCM PERFORMANCE MANAGEMENT

- 20.1. The SCM performance system provides for a retrospective analysis to determine whether proper processes have been complied with and whether objectives of the SCM Policy have been achieved.
- 20.2. Performance management shall be characterised by a monitoring process and retrospective analysis to determine whether:
 - 20.2.1. Value for money has been attained;
 - 20.2.2. Proper processes have been followed;
 - 20.2.3. Desired objectives have been achieved;
 - 20.2.4. There is an opportunity to improve the process;

- 20.2.5. Suppliers have been assessed and what that assessment is;
- 20.2.6. There has been deviation from procedures and, if so, what was/were the reason/s for such deviation/s;
- 20.2.7. The set objectives and time frames are achieved;
- 20.2.8. The objectives are consistent with government's broader policy focus;
- 20.2.9. Compliance to policies, procedures, norms and standards is maintained;
- 20.2.10. Savings are generated;
- 20.2.11. Supply of goods and services is operating efficiently;
- 20.2.12. Contracts are adhered to and non-compliance is addressed during the execution of contract;
- 20.2.13. That the principles of co-operative governance as expounded in the Constitution is observed

20.3. The project leader or a dedicated official from University shall evaluate the performance of consultants in a fair and confidential process in accordance with the criteria stipulated in the contract.

20.4. In the case where a poor performance report is issued, the contractors 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.

20.5. The SCM Unit shall be responsible for ensuring that for each awarded bid a contract is duly concluded with the successful bidder, performance of the contractor under the contract or agreement is monitored on a monthly basis and submission of progress reports to the Executive Director Finance.

21. IRREGULAR EXPENDITURE

21.1. The designated official must report all irregular expenditure to the Council for condonation.

21.2. Categories of irregular expenditure include:

- 21.2.1. Procuring of goods and services by means other than provided for in this SCM policy and procedure manual;

21.2.2. Non-compliance with the requirements of the University's delegations of authority; and

21.2.3. Non-compliance with a provision contained in any legislation or Rule of the University

22. OTHER MATTERS

22.1. Tax clearance certificates

22.1.1. No contract may be awarded to a person who has failed to submit an original Tax clearance certificate from the South African Revenue Service (SARS), certifying that their taxes are in order.

22.2. Combating abuse of the SCM policy

22.2.1. The Executive Director Finance must take all reasonable steps to prevent abuse of the supply chain system and must investigate any allegations against any official or role player of fraud, corruption, favouritism, irregular and unlawful practices or failure to comply with the SCM Policy.

22.2.2. The Executive Director Finance must report any alleged criminal conduct to the South African Police Service.

22.2.3. The Executive Director Finance, acting with the approval of EXCO, must reject a recommendation for the award of a contract if the recommended bidder or person submitting a quote has been convicted for fraud or corruption.

22.2.4. The Executive Director Finance, acting in consultation with EXCO, must cancel a contract awarded if the person committed a corrupt or fraudulent act during the procurement process.

22.2.5. The Vice-Chancellor or representative must investigate any bidder and reject the bid of any bidder that:

22.2.6. Has been listed in the Register for Tender Defaulters in terms of section 29 of the prevention and Combating of Corrupt Activities Act (No 12 of 2004);

22.2.7. Has been convicted for fraud or corruption during the past five years;

22.2.8. Has not complied with Treasury Regulations 16A9 in terms of certifying that it has not colluded with any other bidder or third party it would otherwise be expected to complete with in contravention of section 4 of the Competition Act 89 of 1998

22.2.9. ***Disciplinary actions shall be taken against employees that do not comply with this SCM Policy.***

22.3. Compliance with ethical standards

22.3.1. All employees must comply with ethical standards in order to promote mutual trust, respect, and environment where business can be conducted with integrity and in fair and reasonable manner.

22.3.2. The National Treasury's Code of Conduct for SCM Practitioners must be adhered to by all employees and other role players involved in SCM.

22.3.3. Officials who are responsible for procuring goods and services shall comply with a strict code of ethics with regard to gifts and other inducements and must immediately withdraw from the process a family member has an interest in a bid.

22.3.4. A SCM officer or other role player:

22.3.4.1. Must declare and disclose any rewards, gifts, favour, hospitality or other benefit promised, offered or granted to that person conflict of interest that may arise;

22.3.4.2. Must treat all suppliers and potential suppliers equitably;

22.3.4.3. May not use their position for private gain or to improperly benefit another person;

22.3.4.4. Must ensure that they do not compromise the credibility or integrity of the SCM system through the acceptance of gifts or hospitality or any other act;

22.3.4.5. Must be scrupulous in their use of public property;

22.3.4.6. Must assist the Council in combating corruption and fraud in the SCM system

22.3.5. If an employee 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:

- 22.3.5.1. Disclose that interest; and
- 22.3.5.2. Withdraw from participating in any manner whatsoever in the process relating to that contract.

22.4. An employee who becomes aware of a breach of or failure to comply with any aspect of the SCM system must immediately report the breach or failure to the Executive Director Finance in writing.

22.5. Declaration of interests must be recorded in a register, which the Vice-Chancellor must keep.

22.6. The University code of conduct must be taken into account by SCM officials and all other role players involved in SCM.

22.7. All employees involved in the SCM process must sign the University Code of Conduct.

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

23.1. 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:

23.1.1. Any inducement or reward to the University for or in connection with the award of a contract; or

23.1.2. Any reward, gift, favour or hospitality to any official or any other role player involved in the implementation of this Policy

23.2. Gifts could include money, goods, entertainment or any other valuables that may be intended to create an improper advantage or appear to create an improper advantage for external parties doing business with the University or any potential business partners.

23.3. Staff members are prohibited from accepting any gifts from suppliers or external parties in business with University, however if an official has accepted a gift, the following shall be applicable:

- 23.3.1. If the gifts are given with dishonest and or corrupt intent, the gift shall be refused and reported to the designated official;
- 23.3.2. Under no circumstances may money be received or accepted;
- 23.3.3. It is compulsory that all gifts be declared through the Staff Gifts Declaration Register administered by the SCM Unit with the exception of promotional material

24. OBJECTIONS AND COMPLAINTS ARISING FROM CONTRACT AWARDED OR IMPLEMENTATION OF SCM POLICY

- 24.1. Persons aggrieved by decisions or actions taken in the implementation of the SCM must lodge within 14 days a complaint or written objection to the Vice-Chancellor.
- 24.2. The Vice-Chancellor must appoint an independent and impartial person not directly involved in the SCM processes to assist in resolution of disputes between the University and other person regarding:
 - 24.2.1. Any decisions or action taken in the implementation of SCM policy;
 - 24.2.2. Any matter arising from a contract awarded in the course of its SCM policy; and
 - 24.2.3. Deal with objections, complaints or queries regarding any such decisions or actions or any matters arising from such contract
- 24.3. The person appointed must strive to resolve promptly all disputes, objections, complains or queries received.
- 24.4. Monthly reports of all disputes, objections, complain or queries attended to or resolved must be submitted to Vice-Chancellor.

25. PROUDLY SOUTH AFRICAN

- 25.1. SCM Policy must determine internal operating procedures supporting Proudly South African campaign in order to go beyond the economic aspects of procurement to the extent that, all other factors being equal, preference is given to local suppliers first.

26. EXEMPTIONS

- 26.1. Exemptions shall be applied where it is impractical to apply competitive bidding e.g. utility bill, subscriptions, purchasing of books at exhibitions, conferences/seminars, membership fees and forensic services.

27. SCM IMPLEMENTATION

27.1. The University shall develop an implementation plan to ensure that the full implementation of SCM.

27.2. The implementation shall include SCM procedure manual to ensure efficiency in the SCM environment.

SECTION B – PPROCEDURE MANUAL

28. PURPOSE OF SCM PROCEDURE MANUAL

The purpose of the SCM Procedure Manual is to facilitate a systematic implementation of the SCM Policy regarding acquisition of goods and services by the University and ensure that it complies with the SCM principles as outlined in the SCM Policy.

29. Acronyms used

AO – Administrative Official

BAC – Bid Adjudication Committee

CO – Contract Owner

CM – Contract Manager

DBAC – Departmental Bid Adjudication Committee

HO – Head office

SCM – Supply Chain Manager

SP – Service Provider

30. SUPPLIER DATABASE

30.1. Establishment of the Supplier Database

The designated official must keep a list of suppliers of goods and services that must be used for procuring of goods and services.

30.2. Complete Application form

The following essential information must be obtained from each prospective supplier to enable in establishing a supplier's profile:

- a) Name of the entity/individual;
- b) Physical and postal address;
- c) Entity type for example public company, private company, close corporation, partnership, or sole trader;
- d) Appropriate registration numbers;
- e) Contact details, such as telephone number, facsimile numbers and email address if applicable;
- f) Name(s) of director(s), member(s), partner(s) and owner(s)/principal(s) of the entity;
- g) Annual turnover of the entity/individual;
- h) B-BBEE profile of the entity including a valid B-BBEE Certificate issued by SANAS approved agency;

- i) Proof that tax affairs are in order (compulsory) (tax clearance certificate);
- j) List of products/services offered, linked to requirement categories determined;
- k) A list of relevant previous/current projects with at least two (2) contactable references;
- l) Bank details (physical, postal and electronic banking address);
- m) Valid CIDB registration certificate;
- n) Financial position of the supplier; and
- o) Relevant license certificate for ICT products

30.3. Evaluation and Approval

- 30.3.1. The provider's compliance with the essential requirements will be evaluated to determine whether the entity will be placed on the Supplier Database.
- 30.3.2. All information pertaining to the suppliers must be treated as confidential and maintained as such.
- 30.3.3. After closing of registration, the list is compiled, the SCM Unit does a pre-compliance check, and the designated official will consider and approve the recommended list.
- 30.3.4. The University must prevent the listing of any prospective supplier whose name appears on the National Treasury's database as a person prohibited from doing business with the public sector.
- 30.3.5. Successful applicants must be informed in writing and unsuccessful applicants must be informed upon receiving request from the applicants.

30.4. Utilisation Procedure

- 30.4.1. Quotations should be invited from suppliers listed on the Supplier Database that has been established per commodity. The established process should be followed for the various thresholds.
- 30.4.2. Successful applicants are numbered and depending on the number of suppliers listed per category and regions/areas, quotations should preferably be invited from all the listed suppliers per commodity.

- 30.4.3. The invitation per commodity should be done on a rotation basis.
- 30.4.4. No provider who provided a quote after being requested to do so may be approached to quote for a second time before all other providers for a specific commodity had the opportunity to quote.
- 30.4.5. Manage and utilise all prospective suppliers efficiently and effectively.
- 30.4.6. Records (manual or electronic) must be kept to record full particulars of price quotations obtained from the list.

30.5. Removal from the Supplier Database

- 30.5.1. A supplier must be removed from the Supplier Database upon approval by the designated official under the following circumstances:
 - a) The entity ceases to exist;
 - b) The entity is liquidated or sequestrated;
 - c) Continual proven non-delivery (two and more times) or unable to meet minimum specification continuously;
 - d) Non-compliance with legislation or statutory requirement e.g. tax status;
 - e) Proven fraud and/or corruption;
 - f) On provider's request; or
 - g) By mutual agreement, in writing
- 30.5.2. Where required, the relevant legal expertise will assist in ensuring that the correct processes are followed to deal with providers fairly in executing this process

Figure 1: Contract management –Service Provider Database

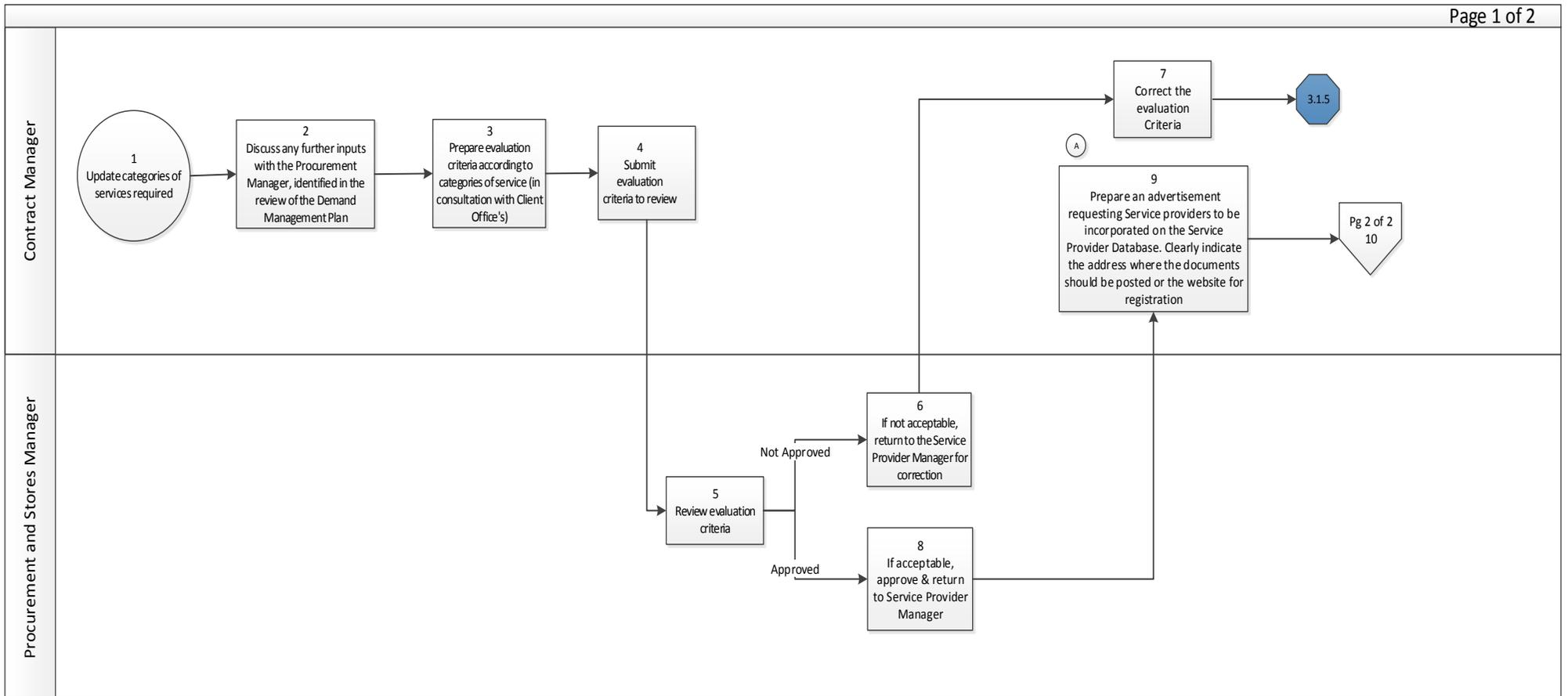


Figure 1 (continued): Contract management – Service Provider Database

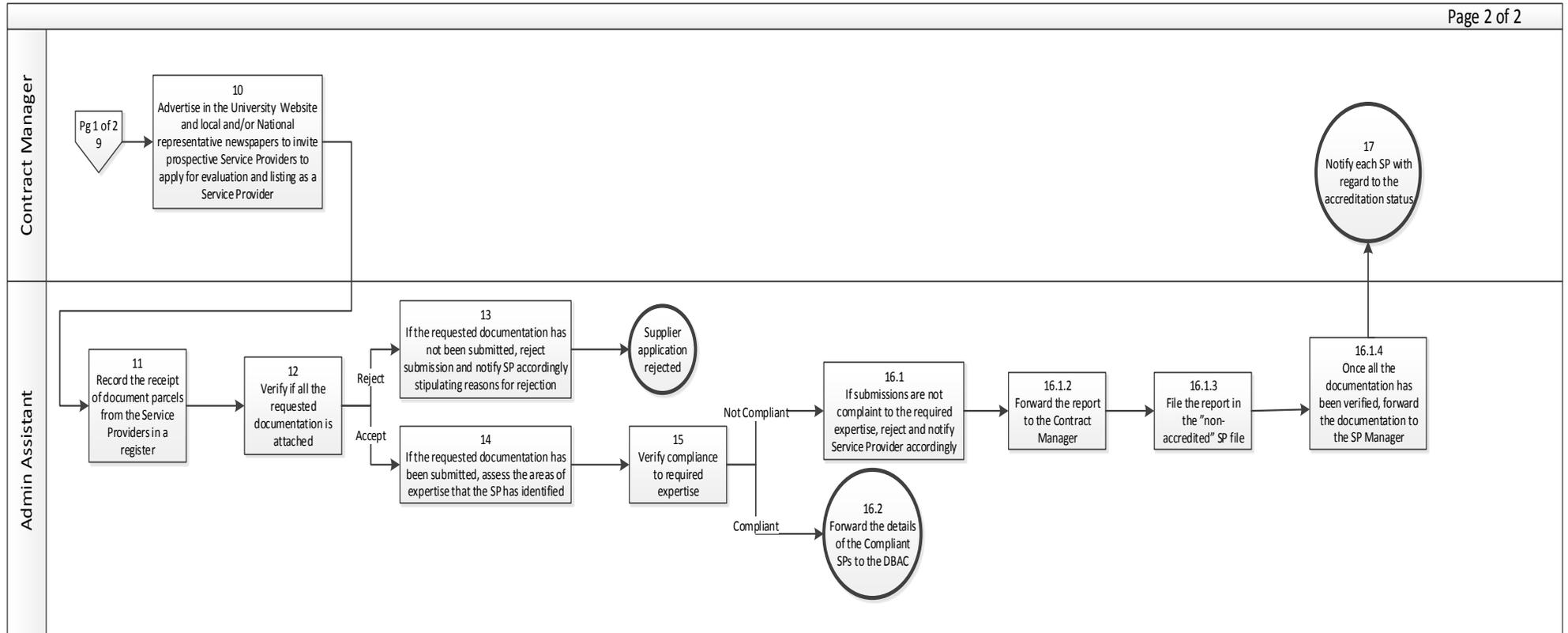


Figure Legend:



Detail Information:

Detail	<p>(A)</p> <p><u>The following documents must be requested from the prospective Service Providers:</u></p> <ul style="list-style-type: none"> • Name of the entity/individual. • Physical and postal address. • Entity type for example public company, private company, close corporation, partnership, or sole trader. • Appropriate registration numbers. • 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 entity. • Annual turnover of the entity/individual. • B-BBEE profile of the entity. Black economic empowerment profile of the entity (Valid BBEE Certificate issued by SANAS approved agency), • Proof that tax affairs are in order (compulsory) (tax clearance certificate). • List of products/services offered, linked to requirement categories determined. • A list of relevant previous/current projects with at least two (2) contactable references. • Bank details (physical, postal and electronic banking address). • Valid CIDB registration certificate • Financial position of the supplier. • Relevant license certificate for ICT products
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Table 1: Contract management – Service Provider Database

Procedure		Responsibility
1	Update categories of services required	Contract Manager
2	Discuss any further inputs with the Demand Manager, identified in the review of the Demand Management Plan	Contract Manager
3	Prepare evaluation criteria according to categories of service (in consultation with Client Office's)	Contract Manager
4	Submit evaluation criteria to SCM Manager HO for approval	Contract Manager
5	Review evaluation criteria	Procurement and Stores Manager
6	If not acceptable, return to the Service Provider Manager for correction	Procurement and Stores Manager
7	Correct the evaluation Criteria	Contract Manager
8	If acceptable, approve & return to Service Provider Manage	Procurement and Stores Manager
9	Prepare an advertisement requesting Service providers to be incorporated on the Service Provider Database. Clearly indicate the address where the documents should be posted or the website for registration.	Contract Manager
10	Advertise in the University Website and local newspapers to invite prospective Service Providers to apply for evaluation and listing as a Service Provider	Contract Manager
11	Record the receipt of document parcels from the Service Providers in a register	Admin Assistant
12	Verify if all the requested documentation is attached	Admin Assistant
13	If the requested documentation has not been submitted, reject submission and notify SP accordingly stipulating reasons for rejection	Admin Assistant
14	If the requested documentation has been submitted, assess the areas of expertise that the SP has identified	Admin Assistant
15	Verify compliance to required expertise	Admin Assistant
16.1.1	If submissions are not complaint to the required expertise, reject and notify Service Provider accordingly	Admin Assistant
16.1.2	Forward the report to the Contract Manager	Admin Assistant
16.1.3	File the report in the "non-accredited" SP file	Admin Assistant
16.1.4	Once all the documentation has been verified, forward the documentation to the SP Manager	Admin Assistant
16.2	Forward the details of the Compliant SPs to the DBAC	Admin Assistant
17	Notify each SP with regard to the accreditation status	Contract Manager

31. PROCURE TO PAY

31.1.1. Requisition

31.1.2. The SCM Policy must be adhered to in procuring and sourcing of goods and services.

31.1.3. A request originates from the department, school, faculty or end user that has a need for goods or services.

31.1.4. All acquisition of goods and/ or services must be authorized by the budget holder/authorised personnel within the limits of his/her authority.

31.1.5. Only capital assets budgeted for and approved by University Authority/ Management/Council may be procured.

31.1.6. Where the acquisition is urgent and the budget holder is not available, the next level of seniority within the line function shall be used to authorize such acquisition.

31.1.7. The budget holder may delegate in writing his/her authority to a junior staff member for a specified limited period.

31.1.8. For all tender items, only the Executive Management shall authorize such acquisition.

31.1.9. The request for goods and services must be forwarded to the SCM unit to source quotations for purchases of a transaction value over R1 000 but less than R500 000.

31.1.10. All goods and services above a transaction value of R500 000 must follow a competitive bidding process.

Figure 2: Acquisition – Purchasing management – Up to R1,000

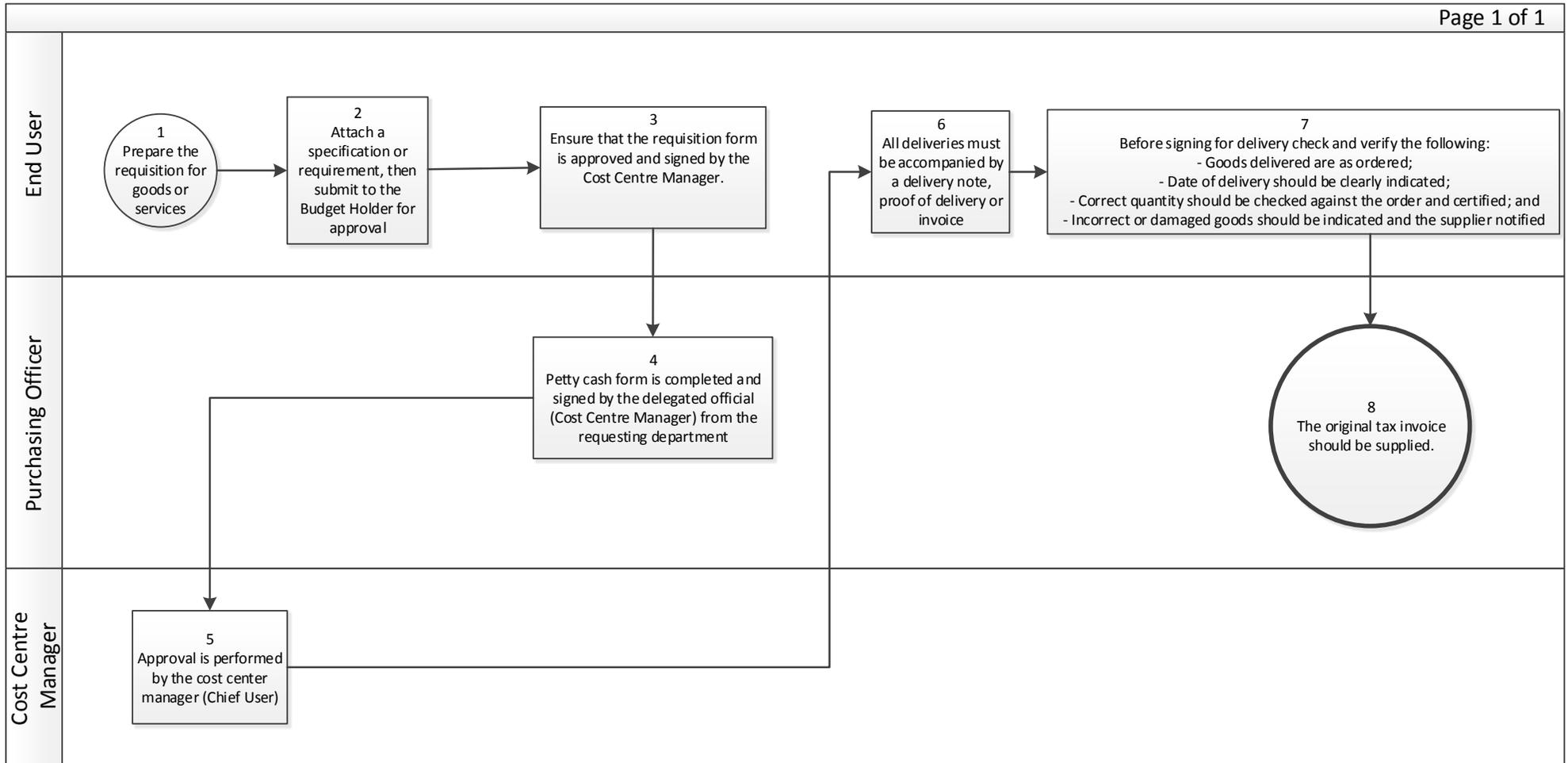


Table 2: Acquisition – Purchasing management – Up to R1,000

Procedure		Responsibility
1	Prepare the requisition for goods or services. Indicate the following on the requisitions: Department, Description of Goods/Services, Quantity Required, Estimated/Budget Value, Required date of delivery/service, Venue, Reason for requisition, Name of the requested and date, Signature of Cost Centre Manager	End User
2	Attach a schedule of specifications, then submit to the Chief User for signature and approval	End User
3	Ensure that the requisition form is approved and signed by the Cost Centre Manager	End User
4	Petty cash form is completed and signed by the delegated official (Cost Centre Manager) from the requesting department	Purchasing Officer
5	Approval is performed by the Cost Centre Manager (Chief User)	Cost Centre Manager
6	All deliveries must be accompanied by a delivery note, proof of delivery or invoice	End User
7	Before signing for delivery check and verify the following: <ul style="list-style-type: none"> - Goods delivered are as ordered; - Date of delivery should be clearly indicated; - Correct quantity should be checked against the order and certified; and - Incorrect or damaged goods should be indicated and the supplier notified 	End User
8	The original tax invoice should be supplied.	Purchasing Officer

Figure 3: Acquisition – Purchasing management – R1,000 – R10,000

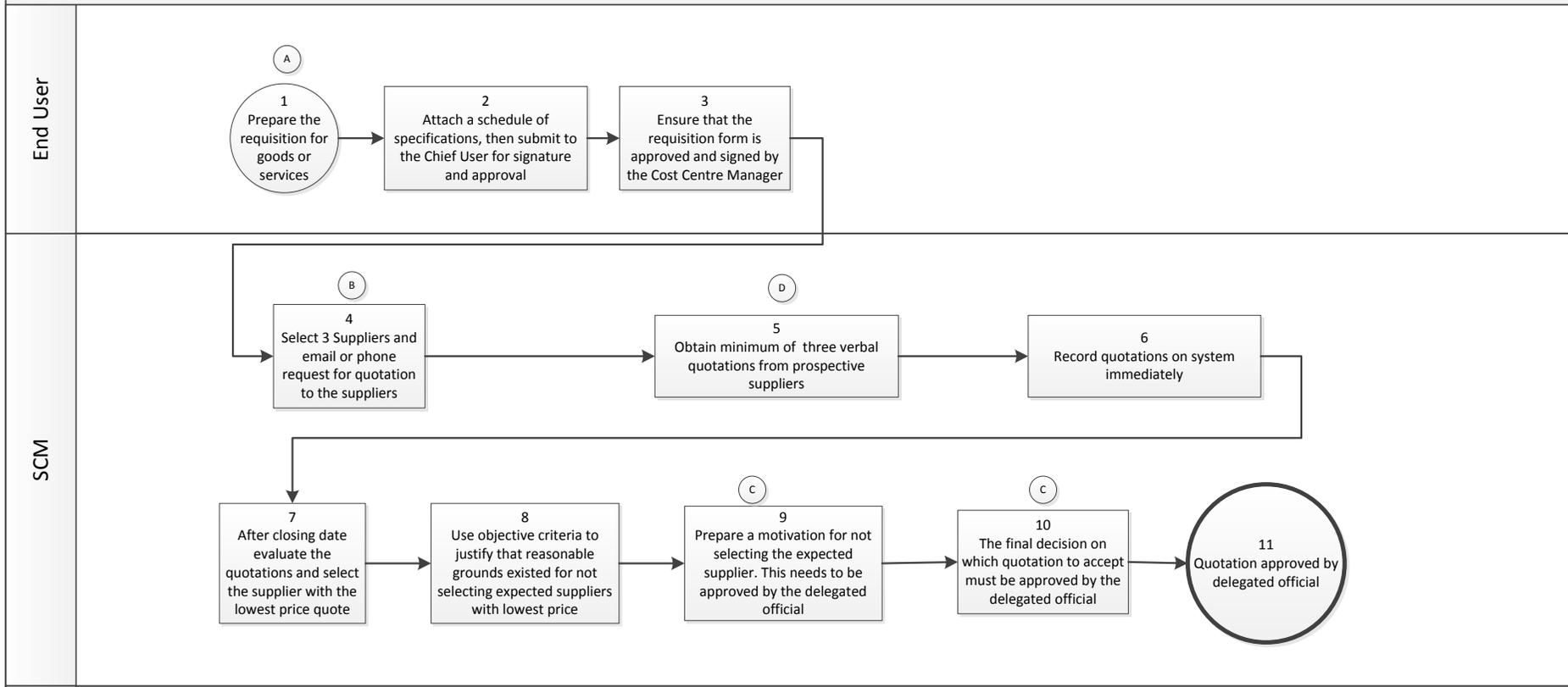


Table 3: Acquisition – Purchasing management – R1,000 – R10,000

Procedure		Responsibility
1	Prepare the requisition for goods or services. Indicate the following on the requisitions: Unit, Description of Goods/Services, Quantity Required, Estimated/Budget Value, Required date of delivery/service, Venue, Reason for requisition, Name of the requested and date, Signature of Cost Centre Manager	End User
2	Attach a schedule of specifications, then submit to the Chief User for signature and approval	End User
3	Ensure that the requisition form is approved and signed by the Cost Centre Manager	End User
4	Select suppliers and email or phone request for quotation to the suppliers. The following documents must be attached when suppliers are listed on the Supplier Database: (1) Registration certification and (2) Tax Clearance Certificate	SCM
5	Obtain minimum of three verbal quotations from prospective suppliers.	SCM
6	Record quotations on system immediately	SCM
7	Record quotations on system annually	
8	After closing date evaluate the quotations and select the supplier with the lowest price quote	SCM
9	Use objective criteria to justify that reasonable grounds existed for not selecting expected suppliers with lowest price	SCM
10	Prepare a motivation for not selecting the expected supplier. This needs to be approved by the delegated official	SCM
11	The final decision on which quotation to accept must be approved by the delegated official.	SCM
12	Quotation approved by delegated official	SCM

Figure 4 Acquisition: – Purchasing management – R10,000 – R500,000

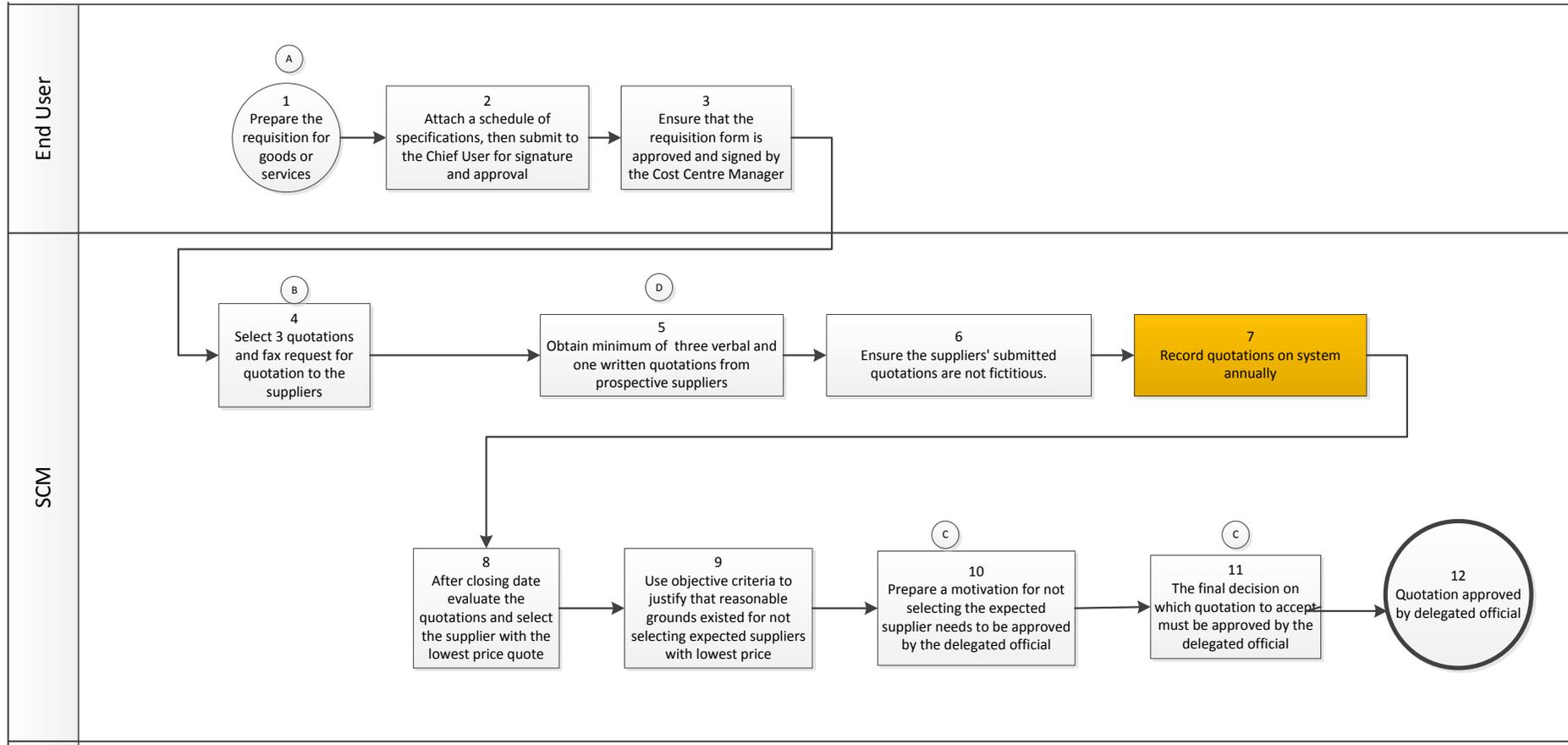
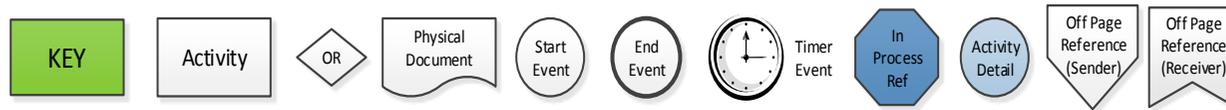


Figure Legend:



Detail Information:

Detail	<p>(A)</p> <p><u>Indicate the following on the requisitions</u> Directorate/Unit, Description of Goods/Services, Quantity Required, Estimated/Budget Value, Required date of delivery/service, Venue, Reason for requisition, Name of the requested and date, Signature of Cost centre Manager</p>	<p>(B)</p> <p>The following documents must be attached when suppliers are listed on the Supplier Database: 1.Registration certification 2.Tax Clearance Certificate</p>	<p>(C)</p> <p>Delegated Officials: Executive Director Finance</p>	<p>(D)</p> <p>Ensure that goods or services are not deliberately split into parts or items of lesser value merely to avoid complying with the requirements of the SCM policy. If the goods or services are more than R500 000, competitive bids must be invited.</p>
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Table 4: Acquisition – Purchasing management – R10,000 – R500,000

Procedure		Responsibility
1	Prepare the requisition for goods or services. Indicate the following on the requisitions: Unit, Description of Goods/Services, Quantity Required, Estimated/Budget Value, Required date of delivery/service, Venue, Reason for requisition, Name of the requested and date, Signature of Cost Centre Manager	End User
2	Attach a schedule of specifications, then submit to the Chief User for signature and approval	End User
3	Ensure that the requisition form is approved and signed by the Cost Centre Manager	End User
4	Select suppliers and email or phone request for quotation to the suppliers. The following documents must be attached when suppliers are listed on the Supplier Database: (1) Registration certification and (2) Tax Clearance Certificate	SCM
5	Obtain minimum of three written quotations from prospective suppliers. Ensure that goods or services are not deliberately split into parts or items of lesser value merely to avoid complying with the requirements of the SCM policy. If the goods or services are more than R500 000, competitive bids must be invited.	SCM
6	Record quotations on system immediately	SCM
7	Record quotations on system annually	
8	After closing date evaluate the quotations and select the supplier with the lowest price quote	SCM
9	Use objective criteria to justify that reasonable grounds existed for not selecting expected suppliers with lowest price	SCM
10	Prepare a motivation for not selecting the expected supplier. This needs to be approved by the delegated official	SCM
11	The final decision on which quotation to accept must be approved by the delegated official. (SCM
12	Quotation approved by delegated official	SCM

Figure 5: Acquisition – Purchasing management - Sole supplier of goods

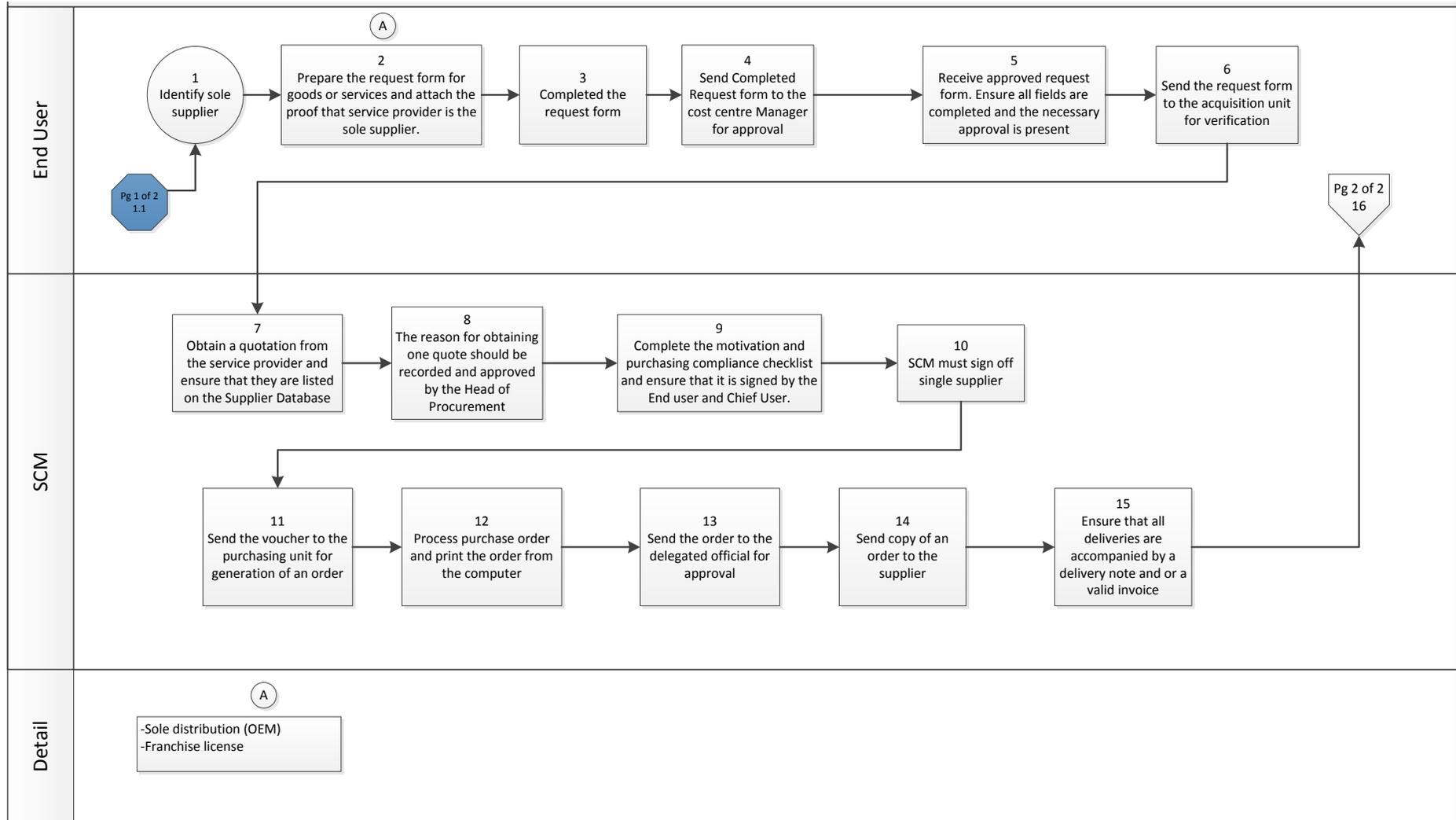


Figure 5 (continued): Acquisition – Purchasing management - Sole supplier of goods

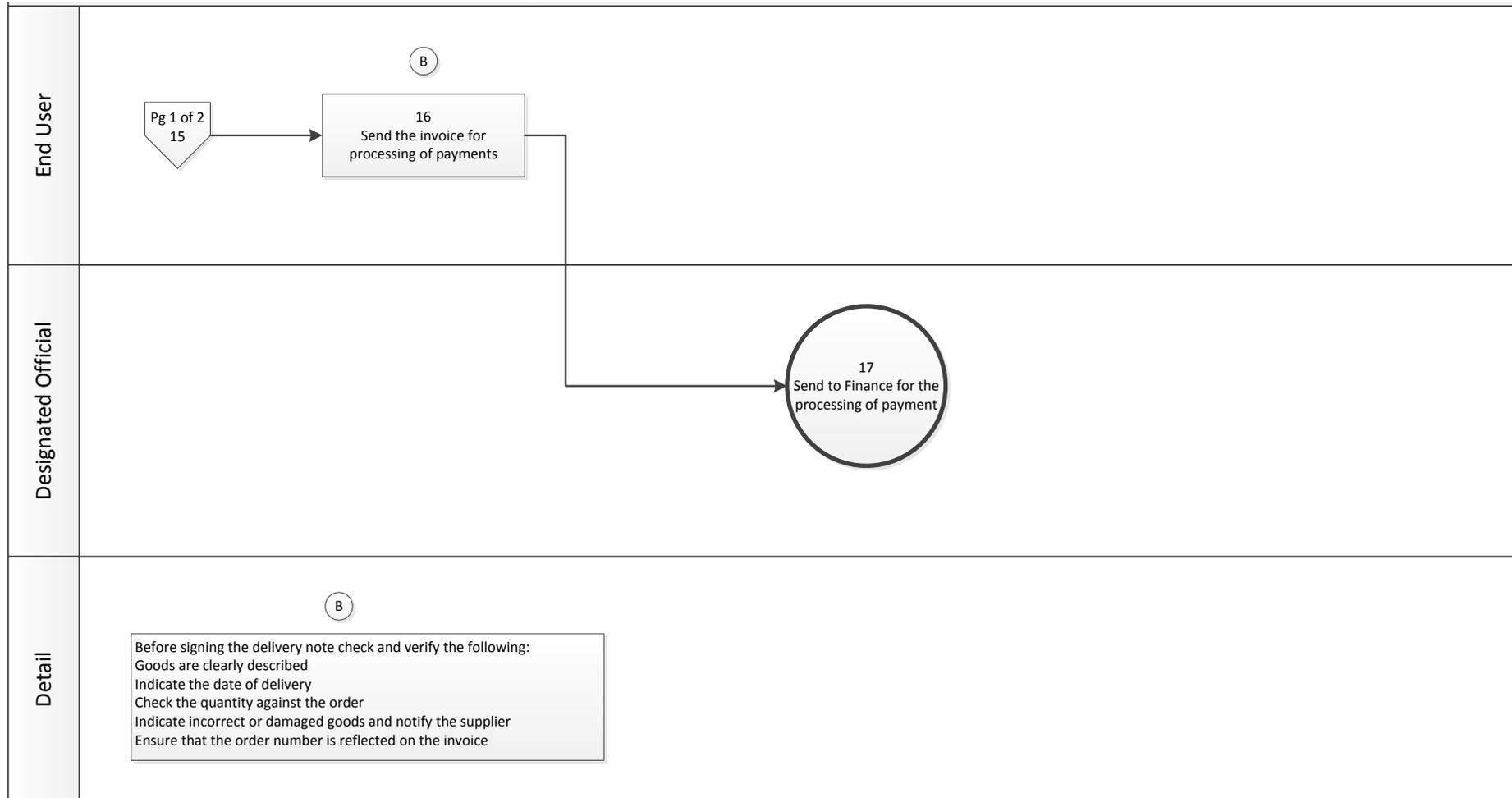


Table 5: Acquisition – Purchasing management - Sole supplier of goods

Procedure		Responsibility
1	Identify sole supplier	End User
2	Prepare the request form for goods or services and attach the proof (Sole distribution (OEM) and Franchise license) that service provider is the sole supplier.	End User
3	Completed the request form	End User
4	Send Completed Request form to the cost centre Manager for approval	End User
5	Receive approved request form. Ensure all fields are completed and the necessary approval is present	End User
6	Send the request form to the acquisition unit for verification	End User
7	Obtain a quotation from the service provider and ensure that they are listed on the Supplier Database	SCM
8	The reason for obtaining one quote should be recorded and approved by the Head of Procurement	SCM
9	Complete the motivation and purchasing compliance checklist and ensure that it is signed by the End User and Chief User.	SCM
10	SCM must sign off single supplier	SCM
11	Send the voucher to the purchasing unit for generation of an order	SCM
12	Process purchase order and print the order from the computer	SCM
13	Send the order to the delegated official for approval	SCM
14	Send copy of an order to the supplier	SCM
15	Ensure that all deliveries are accompanied by a delivery note and or a valid invoice	SCM
16	Send the invoice for processing of payments	End User
17	Send to Finance for the processing of payment	Designated official

Figure 6: Acquisition – Purchasing management – Emergency cases

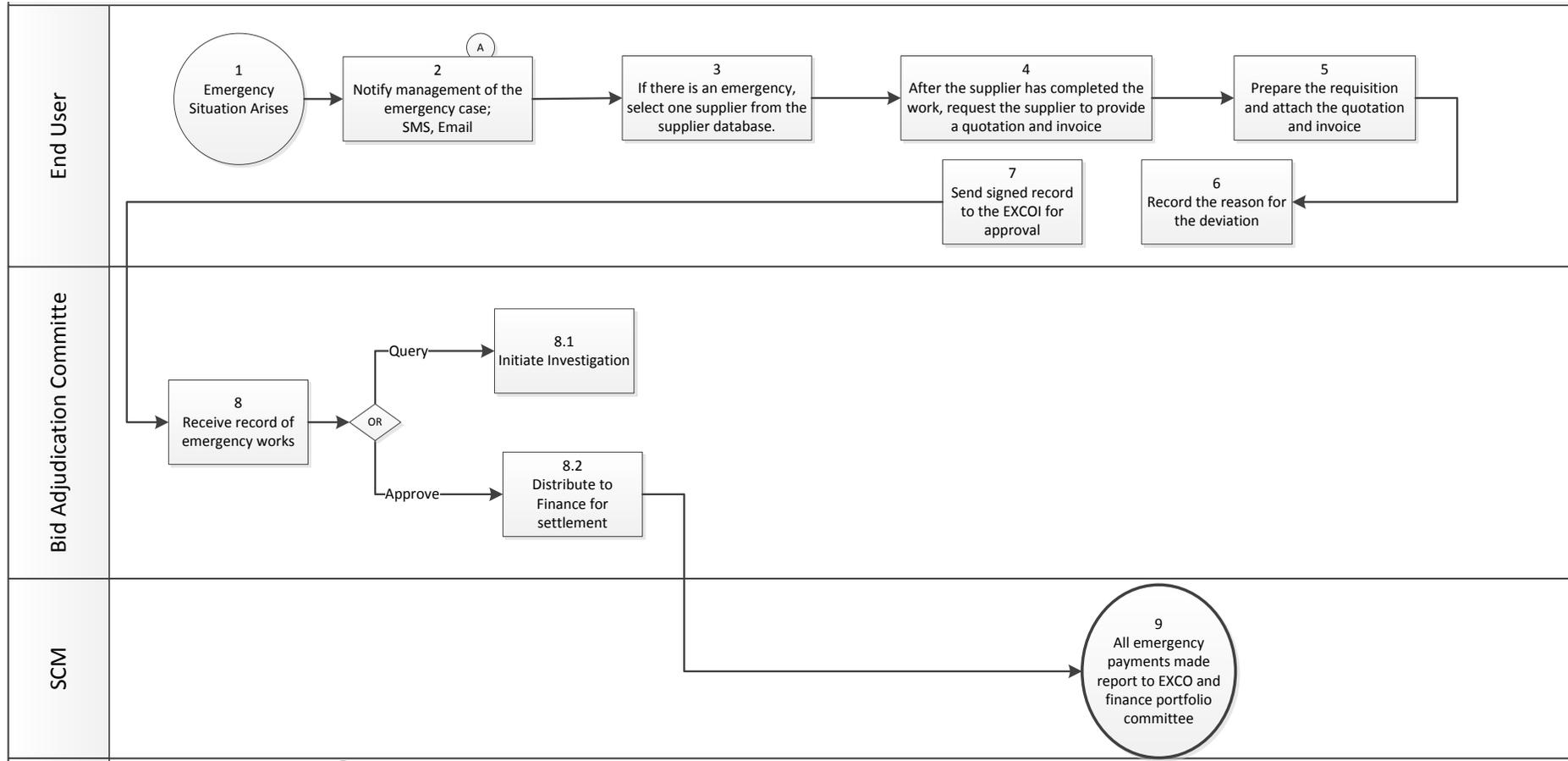


Table 6: Acquisition – Purchasing management – Emergency cases

Procedure		Responsibility
1	Emergency situation	End User
2	Notify Executive Management of the emergency case; via SMS or Email for approval	End User
3	Select one supplier from the supplier database. Emergency cases are cases where early delivery is of importance and the invitation of competitive bids is either impossible or impractical. However, a lack of proper planning should not be constituted as an emergency case	End User
4	After the supplier has completed the work, request the supplier to provide a quotation and invoice	End User
5	Prepare the requisition and attach the quotation and invoice	End User
6	Record the reason for the deviation	End User
7	Send signed record to the DBAC for approval	End User
8	Receive record of emergency works	Bid Adjudication Committee
8.1	Initiate Investigation	Bid Adjudication Committee
8.2	Distribute to Finance for settlement	Bid Adjudication Committee
9	All emergency payments made report to EXCO and finance portfolio committee	SCM

Figure 7: Acquisition – Purchasing management – Open tender

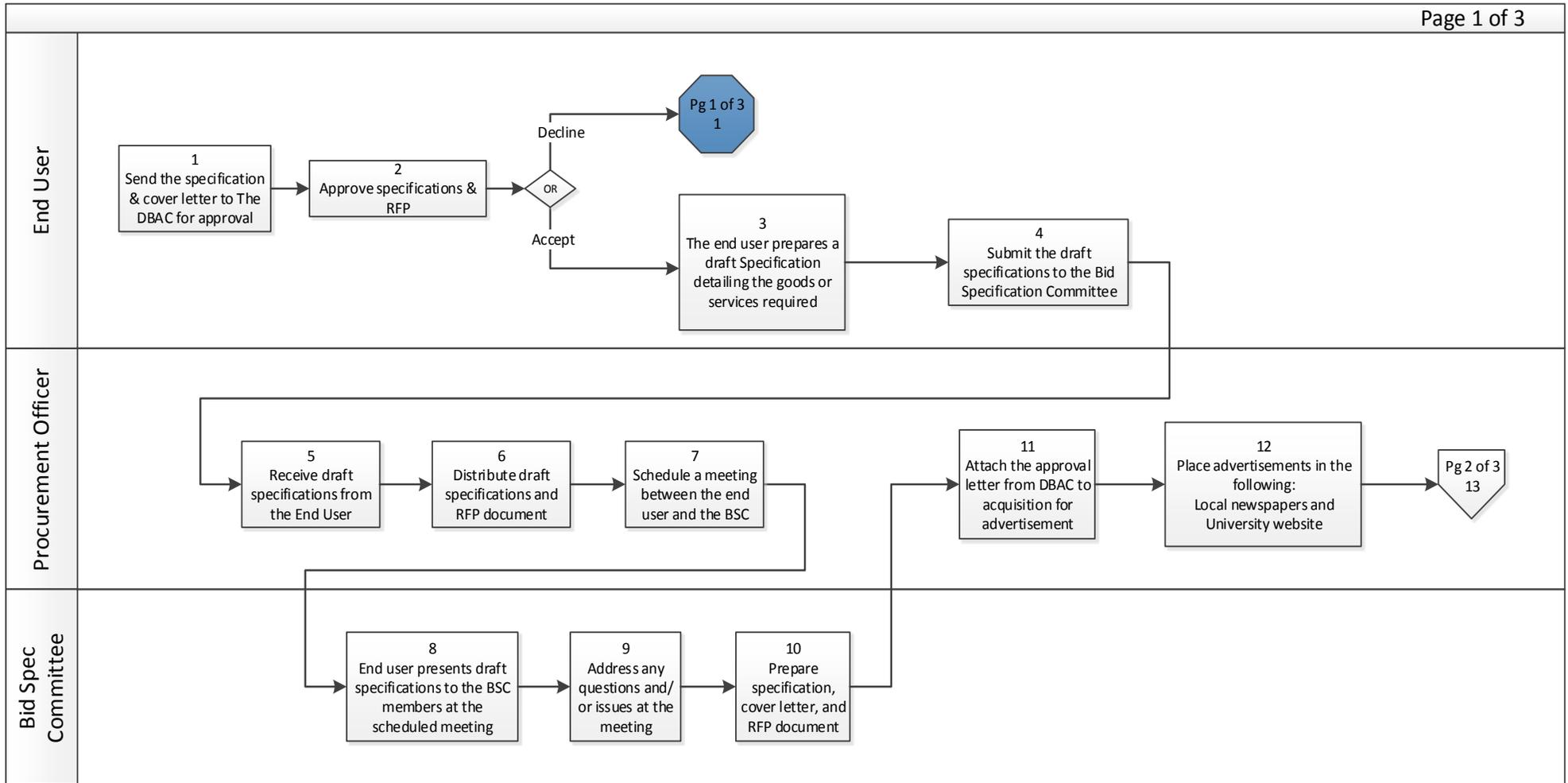


Figure 7 (continued): Acquisition – Purchasing management – Open tender

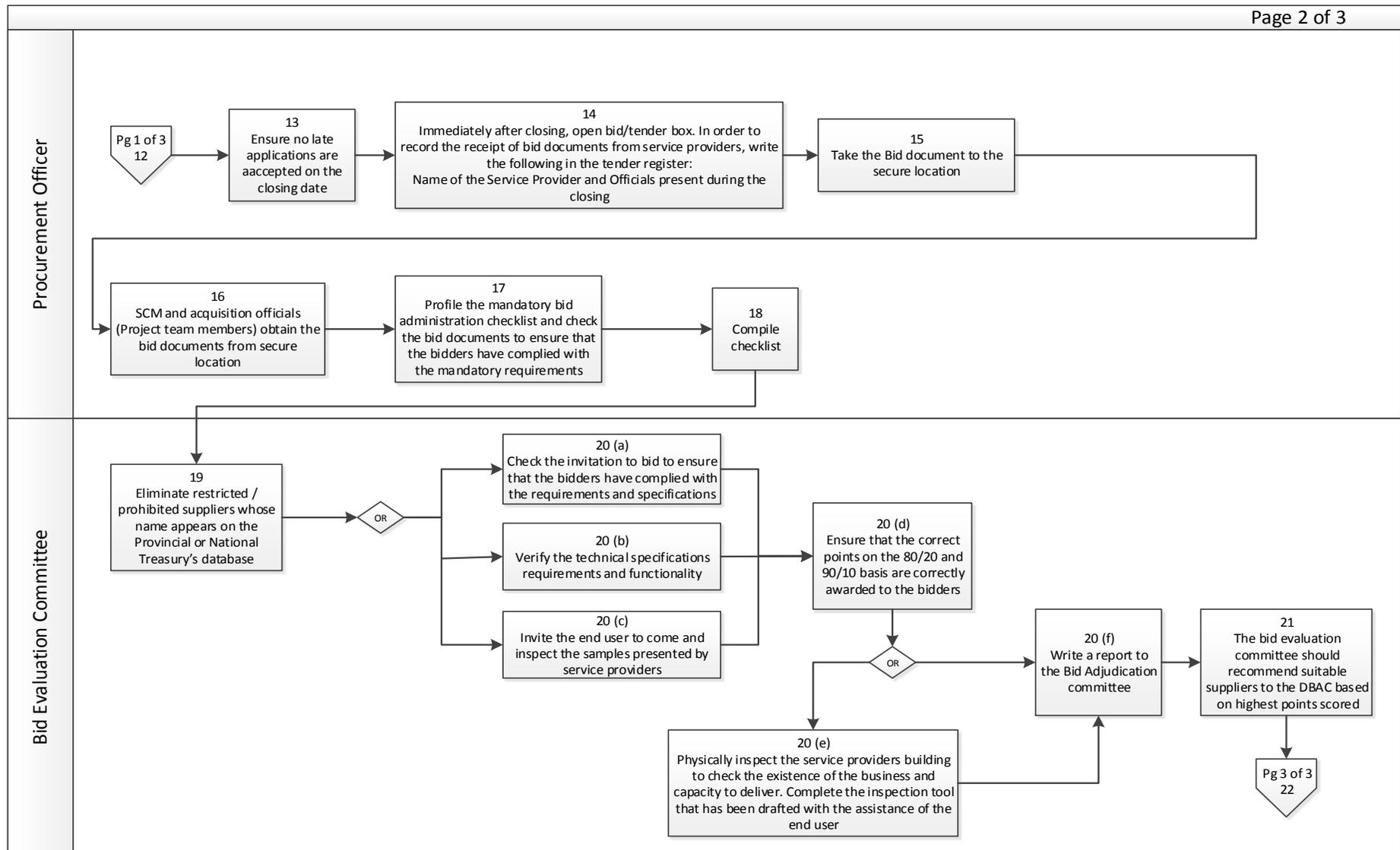


Figure 7 (continued): Acquisition – Purchasing management – Open tender

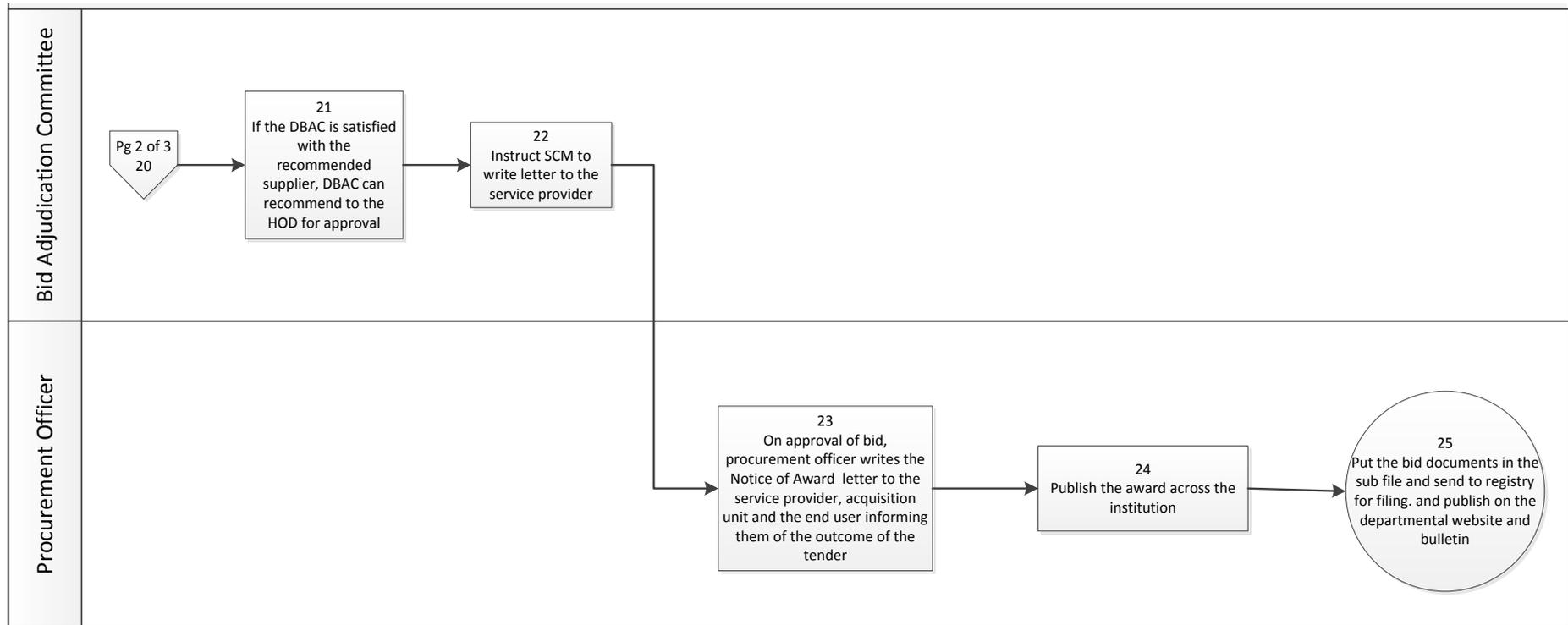


Table 7: Acquisition – Purchasing management – Open tender

Procedure		Responsibility
1	Send the specification & cover letter to The DBAC for approval	End User
2	Approve specifications & RFP	End User
3	The end user prepares a draft Specification detailing the goods or services required	End User
4	Submit the draft specifications to the Bid Specification Committee	End User
5	Receive draft specifications from the End User	Procurement Officer
6	Distribute draft specifications and RFP document	Procurement Officer
7	Schedule a meeting between the end user and the BSC	Procurement Officer
8	End user presents draft specifications to the BSC members at the scheduled meeting	Bid Spec Committee
9	Address any questions and/or issues at the meeting	Bid Spec Committee
10	Prepare specification , cover letter, and RFP document	Bid Spec Committee
11	Attach the approval letter from DBAC to acquisition for advertisement	Procurement Officer
12	Place advertisements in the following: Local newspapers and university website. Ensure the Advertisement includes the following: Bid Number, Bid Description, Compulsory pre-bid meeting information including physical address of location, bid documentation, fee, evaluation criteria, contact person, closing date and time, physical address of location for submission and the enquiries details. Use the following documentation to compile the Bid Document; Invitation to bid, the standard bidding forms (SBD) from Treasury, the approved specifications, The general conditions of contracts, SIDBS, Bills of Quantities and the special conditions of contract	Procurement Officer
13	Ensure no late applications are accepted on the closing date	Procurement Officer
14	Immediately after closing, open bid/tender box. In order to record the receipt of bid documents from service providers, write the following in the tender register: Name of the Service Provider and Officials present during the closing	Procurement Officer
15	Take the Bid document to the secure location	Procurement Officer
16	SCM and acquisition officials (Project team members) obtain the bid documents from secure location	Procurement Officer

Table 7 (continued): Acquisition – Purchasing management – Open tender

Procedure		Responsibility
17	Profile the mandatory bid administration checklist and check the bid documents to ensure that the bidders have complied with the mandatory requirements	Procurement Officer
18	Compile checklist	Procurement Officer
19	Eliminate restricted / prohibited suppliers by checking on the Treasury website	Bid Evaluation Committee
20 (a)	Check the invitation to bid to ensure that the bidders have complied with the requirements and specifications	Bid Evaluation Committee
20 (b)	Verify the technical specifications requirements and functionality	Bid Evaluation Committee
20 (c)	Invite the end user to come and inspect the samples presented by service providers	Bid Evaluation Committee
20 (d)	Ensure that the correct points on the 80/20 and 90/10 basis are correctly awarded to the bidders	Bid Evaluation Committee
20 (e)	Physically inspect the service providers building to check the existence of the business and capacity to deliver. Complete the inspection tool that has been drafted with the assistance of the end user	Bid Evaluation Committee
20 (f)	Write a report to the Bid Adjudication committee	Bid Evaluation Committee
21	The bid evaluation committee should recommend suitable suppliers to the DBAC based on highest points scored	Bid Evaluation Committee
22	If the DBAC is satisfied with the recommended supplier, DBAC can recommend to the HOD for approval	Bid Adjudication Committee
23	Instruct SCM to write letter to the service provider	Bid Adjudication Committee
24	On approval of bid, procurement officer writes the Notice of Award letter to the service provider, acquisition unit and the end user informing them of the outcome of the tender	Procurement Officer
25	Publish the award across the institution	Procurement Officer
26	Put the bid documents in the sub file and send to registry for filing. and publish on the university website and local newspaper	Procurement Officer

Figure 8: Demand management procedures

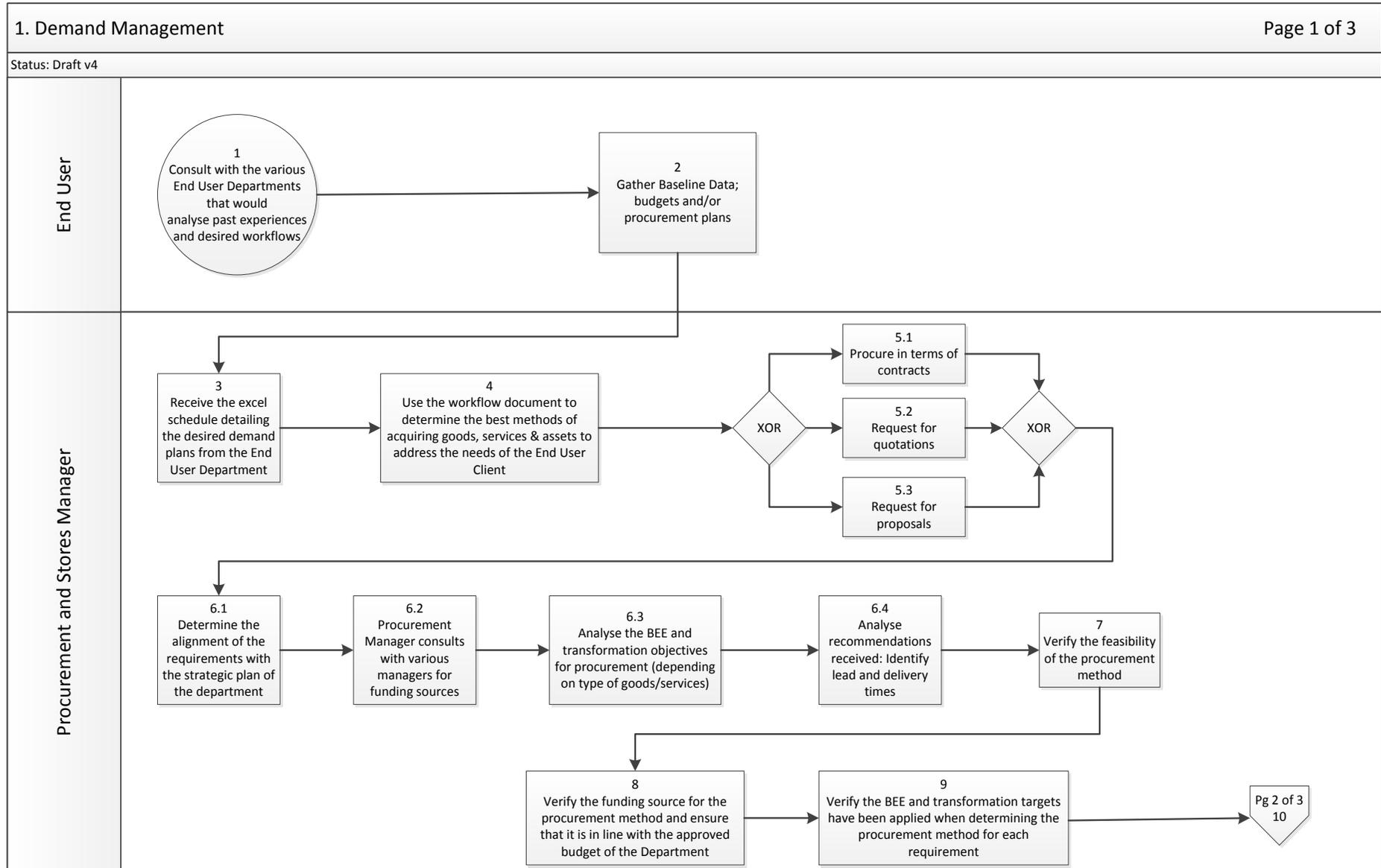


Figure 8 (continued): Demand management procedures

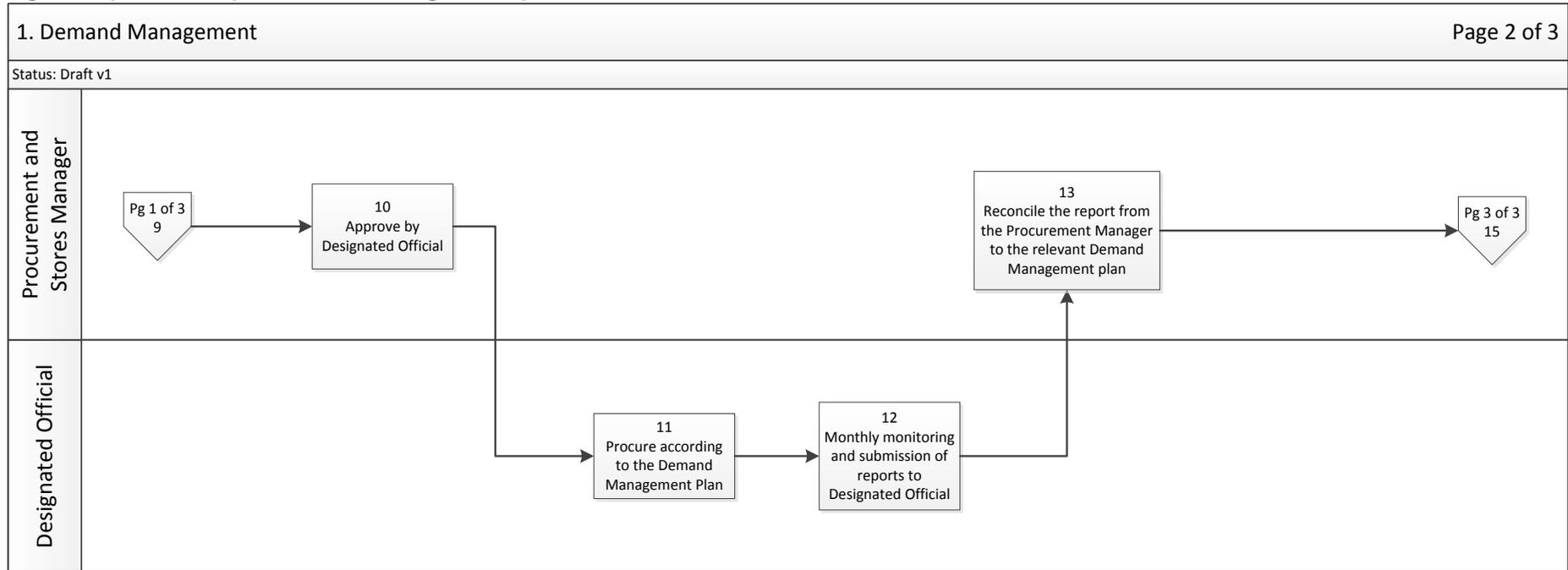


Figure 8 (Continued): Demand management procedures

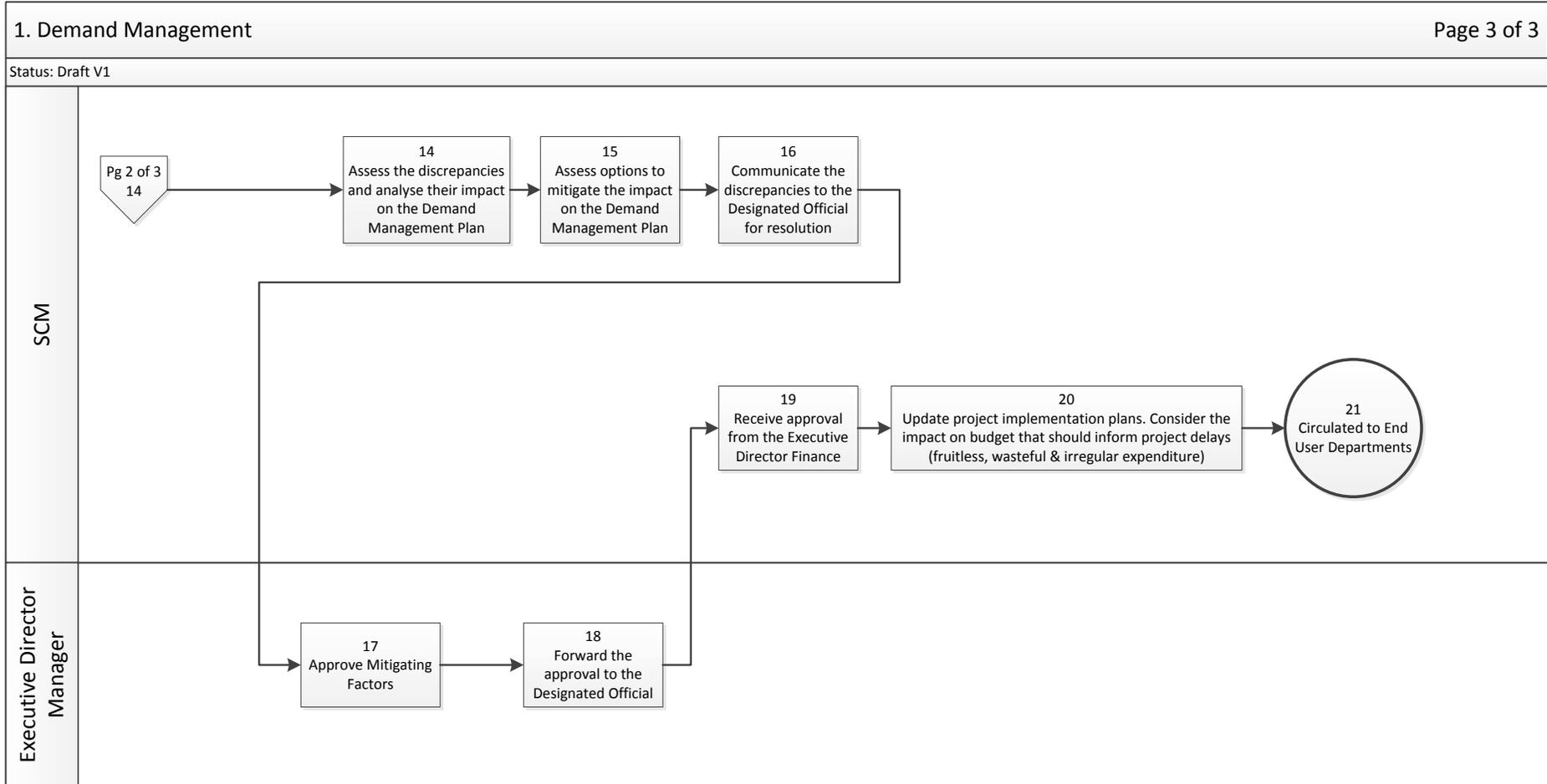


Table 8: Demand management operating procedure

Procedure		Responsibility
1	Consult with the various End User Departments that would analyse past experiences and desired workflows	End User
2	Gather Baseline Data; budgets and/or procurement plans	End User
3	Receive the excel schedule detailing the desired demand plans from the End User Departments	Procurement and Stores Manager
4	Use the workflow document to determine the best methods of acquiring goods, services & assets to address the needs of the End User Department	Procurement and Stores Manager
5.1	Procure in terms of contracts	Procurement and Stores Manager
5.2	Request for quotations	Procurement and Stores Manager
5.3	Request for proposals	Procurement and Stores Manager
6.1	Determine the alignment of the requirements with the strategic plan of the department	Procurement and Stores Manager
6.2	Procurement Manager consults with various managers for funding sources	Procurement and Stores Manager
6.3	Analyse the BEE and transformation objectives for procurement (depending on type of goods/services)	Procurement and Stores Manager
6.4	Analyse recommendations received: Identify lead and delivery times	Procurement and Stores Manager
7	Verify the feasibility of the procurement method	Procurement and Stores Manager
8	Verify the funding source for the procurement method and ensure that it is in line with the approved budget of the Department	Procurement and Stores Manager
9	Verify the BEE and transformation targets have been applied when determining the procurement method for each requirement	Procurement and Stores Manager
10	Approve by Designated official	Procurement and Stores Manager
11	Procure according to the Demand Management Plan	Designated official
12	Monthly monitoring and submission of reports to Designated official	Designated official
13	Reconcile the report from the Procurement Manager to the relevant Demand Management plan and resolves variances identified	Procurement and Stores Manager
14	Assess the discrepancies and analyse their impact on the Demand Management Plan	Procurement and Stores Manager
15	Assess options to mitigate the impact on the Demand Management Plan	Procurement and Stores Manager
16	Communicate the discrepancies to the Designated official for resolution	Procurement and Stores Manager

Table 8 (continued): Demand management operating procedure

Procedure		Responsibility
17	Approve Mitigating Factors	Designated official
18	Forward the approval to the Procurement Manager	Designated official
19	Receive approval from the Designated official	SCM
20	Update project implementation plans. Consider the impact on budget that should inform project delays (fruitless, wasteful & irregular expenditure)	SCM
21	Circulated to End User Departments	SCM

31.2. Quotations

31.2.1. For any purchase of assets, goods and services, a minimum of three quotations shall be sourced from prospective suppliers in preparation for sourcing of goods or services.

31.2.2. If an error is made in the quotation or an apparent error is detected, the process of obtaining revised quotations shall be overseen by the SCM unit.

31.2.3. Revised quotations shall only be allowed under exceptional circumstances as evaluated by the Designated official, with the understanding that all bidders shall be given this opportunity to revise their quotations.

31.2.4. University employees are not allowed to conduct business with the University while employed by the University.

31.2.5. Former University employees are welcome to submit quotations or seek to do business with University provided that a period of two years has elapsed since conclusion of their employment with University. Such previous employment, including the date of voluntary resignation or retirement, shall be declared in writing.

31.3. Bid documents

31.3.1. Signing of bid documents:

- a) All bid documents, as well as all annexures, shall be signed by a properly authorised signatory of the bidder. Failure to do so shall disqualify a bid.
- b) The bidder shall properly initial any alterations to the bid documents and annexures. Failure to do so shall disqualify a bid.
- c) No correction fluid may be used on the tender documents.

31.4. Signatories guarantee

31.4.1. The bidder shall confirm that its signatory has the authority of the legal entity to sign the applicable documents, by attaching a certified copy of the relevant resolution of the legal entity. Failure to do so shall disqualify the bid.

31.5. Specification

31.5.1. No bid shall be considered unless it is accompanied by adequate or certified documentation indicating that the goods offered comply with the specifications.

31.5.2. Bidders shall stipulate the country of origin and the name of the manufacturer(s) of the articles offered.

31.5.3. Bidders shall clearly indicate, in a separate annexure together with applicable substantive documentation, alternative equivalents or substitutable articles that comply with the specifications.

31.5.4. Bidders shall indicate whether the articles offered are manufactured according to South African National Standards (SANS) specifications, and, if so, a certified copy of the latest SANS certificate shall be attached to the tender documents.

31.5.5. In cases where a bidder has indicated that the article (or articles) offered complies with SANS specifications, the University retains the right to have the article (or articles) tested by the SANS at the bidder's expense if according to the University, it has been found that the article (or articles) offered do (does) not comply with the specifications. The tests shall be carried out before the Bid Committee makes its recommendation.

31.6. Price information

31.6.1. Bidders shall indicate clearly whether prices are fixed or are in any way conditional, subject to escalation, confirmation or a particular rate of exchange.

31.6.2. If prices quoted are not fixed, price increases shall be accepted only if the bidder can submit documentary proof to the satisfaction of the Bid/Adjudication Committee that such price increases are anticipated and are unavoidable. Proof of such conditions shall be submitted with the bid.

31.6.3. In the absence of such information, prices shall be regarded as fixed for the full duration of the contract.

31.6.4.All quoted prices shall be itemised indicating specifics such as handling, insurance, delivery and installation costs, packaging costs and transaction-related costs that shall affect the total cost to the university.

31.6.5.All Bids should be inclusive of VAT.

31.7. Currency

31.7.1.All prices shall be quoted in South African currency and shall be in accordance with VAT legislation.

31.7.2.In the case of foreign procurement then the order will be issued in ZAR but will clearly indicate both the equivalent value in foreign currency due for payment as well as the exchange rate used.

31.8. Discounts

31.8.1. Any discounts granted to the University of Zululand shall be indicated.

31.9. Delivery conditions

31.9.1.Bidders shall stipulate delivery conditions clearly and shall execute all orders within the delivery period.

31.10. Acceptance of Bids

31.10.1.The Contracts Manager and the representative of the Bid Adjudication Committee or his /her nominee shall collect bids from the bids box.

31.10.2.Bids shall be opened after the advertised cut-off date and time by the above University officials and shall be entered in the bid register.

32. ORDERING

32.1.1.No purchase order number shall be generated without evidence of three written quotations sourced from suppliers who are registered on the University's Supplier Database.

32.1.2.Only the Supply Chain Unit may process or place official orders with the suppliers.

32.1.3. All approved orders shall be generated through the official IT system of the Supply Chain Unit. When the official IT system is down, manual orders shall be generated and processed onto official IT system once it is up and running.

32.1.4. All orders shall bear the following minimum information:

- a) The University official address and logo;
- b) The system generated order number;
- c) The date the order is generated;
- d) The supplier's name and address;
- e) The details of items orders (specifications);
- f) The quantity being ordered;
- g) The unit description;
- h) The unit price;
- i) The total price;
- j) VAT levied on the total price;
- k) The grand total price inclusive of VAT;
- l) The delivery instructions;
- m) The acceptance instructions; and
- n) The terms and conditions of payment

32.1.4.1. Should the IT system also allow and accommodate foreign currency the foreign currency amount will also be captured on the order (refer to section 31.7). Foreign purchase tax determination must be made according to South African VAT regulations and included in the order".

32.1.5. A senior finance officer shall sign all orders for correctness to verify them before they are sent out to suppliers.

32.1.6. Purchase orders shall be approved as per the Delegation of Authority approved by Council Designated official

32.1.7. For acquisition of assets, a copy of order must be sent to the Assets section, daily for information purposes. Another copy must be sent to the Stores department.

33. DELIVERY OF GOODS AND SERVICES

33.1.1. All goods shall be delivered to central stores.

33.1.2. On receipt of goods, the store man shall:

33.1.2.1. Receive the delivery note;

33.1.2.2. Obtain order reference from file/ official IT system of the Supply Chain Unit;

33.1.2.3. Check whether it is full delivery or part thereof;

33.1.2.4. Confirm item details, description and quantity on the delivery note to those ordered.

33.1.2.5. Sign the delivery note, once satisfied, in acceptance of goods/ service;

33.1.2.6. Prepare GRV on a daily basis in ITS stores subsystem that will bear the order reference and print a copy;

33.1.2.7. Send a copy of the GRV together with the delivery note and order, daily to the Creditors section for processing and payment;

33.1.2.8. If items received are fixed assets, assets control shall:

a) In consultation with the Accountant/Senior Finance Officer, barcode them immediately;

b) The item must then be delivered to the site/office/person it was ordered for; and

c) If the asset needs installation, it may be bar-coded once commissioned.

33.1.3. Some goods or services may not be delivered to Stores due to the nature of the product (it may need special handling equipment), in such a case:

a) The receiving official takes all the responsibilities of the store manager;

b) The receiving official must check the goods/service for correctness to items ordered; and

c) Sign the delivery note/invoice and send it to Stores for the generation of GRV.

34. OUTSTANDING COMMITMENTS

34.1.1. The procurement department must review all outstanding commitments on a monthly basis.

34.1.2. An outstanding commitment schedule must be produced by the Procurement Manager every month by the 15th working day of the following month;

34.1.3. An outstanding commitment schedule must indicate the age of such outstanding commitment each month;

34.1.4. Procurement Manager must make a follow up on 60 days and above outstanding commitments; and

34.1.5. The Procurement Manager must give a detailed report on 90 days and over outstanding commitments to the Designated official.

35. PAYMENT OF SUPPLIERS

35.1. Monthly reconciliations between the creditor's ledger and supplier statements must be prepared for each creditor by the Creditors clerks and reviewed by a senior officer. The reconciliations must also include the following supporting documents:

- a) Approved purchase order;
- b) Goods Receive Voucher (GRV) and delivery note; and
- c) Invoice

35.2. All supporting documents are marked as "PAID" to prevent duplicate payment.

35.3. EFT payments and cheques payments must be released by two authorized bank signatories (A&B signatory).

35.4. Access to the payments system and banking module is restricted to authorized personnel. (Password controls and dual signatory controls exist for the banking module). These personnel have properly segregated duties (i.e. do not order, requisition, GRV, invoice and master file maintenance).

35.5. All unused cheques are stored in a fireproof safe and access to unused cheques is restricted.

36. CONTRACT MANAGEMENT

36.1. Formal contracts shall be concluded with suppliers as and when required. Such contracts shall incorporate all legal matters and provisions as set out in the SCM Policy and shall be reviewed and authorised as per the delegation of authority of the University.

- 36.2. Contracts are preferable for services rendered and for recurring orders, especially where the agreement is in place for a period of more than 12 months.
- 36.3. Contracts pertaining to bids shall be signed within one month after the Bid Adjudication Committee decision to award the bid.
- 36.4. A contractor shall not abandon, transfer, assign or cede a contract or part thereof without the written permission of the University.
- 36.5. A contract register must be established where all university contracts are recorded. The contract register must have the following minimum information:
- a) Name of the contractor;
 - b) Contract number /Bid Number;
 - c) Duration of the contract (start and end date);
 - d) Description;
 - e) Total price /amount of the contract; and
 - f) Monthly payments
- 36.6. The SCM Contract Management Unit shall ensure the contractor fulfils its obligations and accepts its liabilities under the contract and must ensure the contractors are treated fairly and honestly. Both parties adhering to the agreed terms will result in:
- a) Value for money;
 - b) Timelines;
 - c) Cost effectiveness; and
 - d) Contract performance
- 36.7. The Designated official will submit a monthly progress report of the contract performance to the Executive Management.
- 36.8. Delegation of Authority:
All contracts shall comply with the Policy on Official Signing Powers regarding Cheques, Electronic Payments and Contracts.

Figure 9: Contract management –Administration

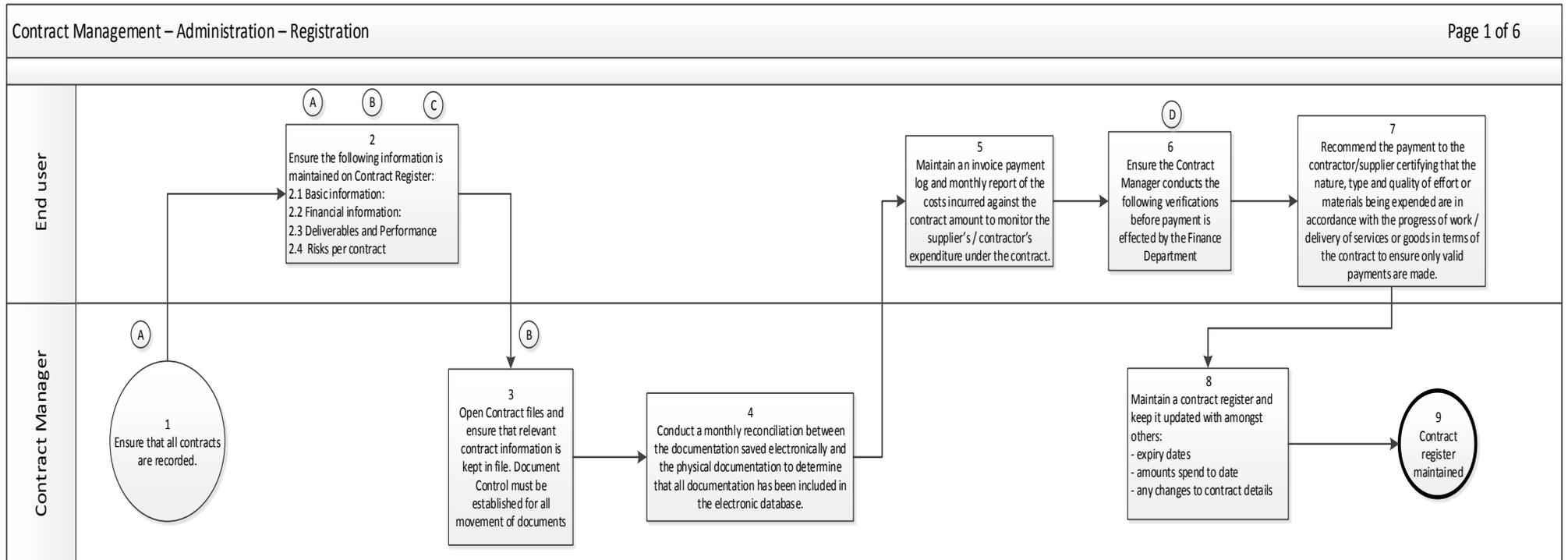


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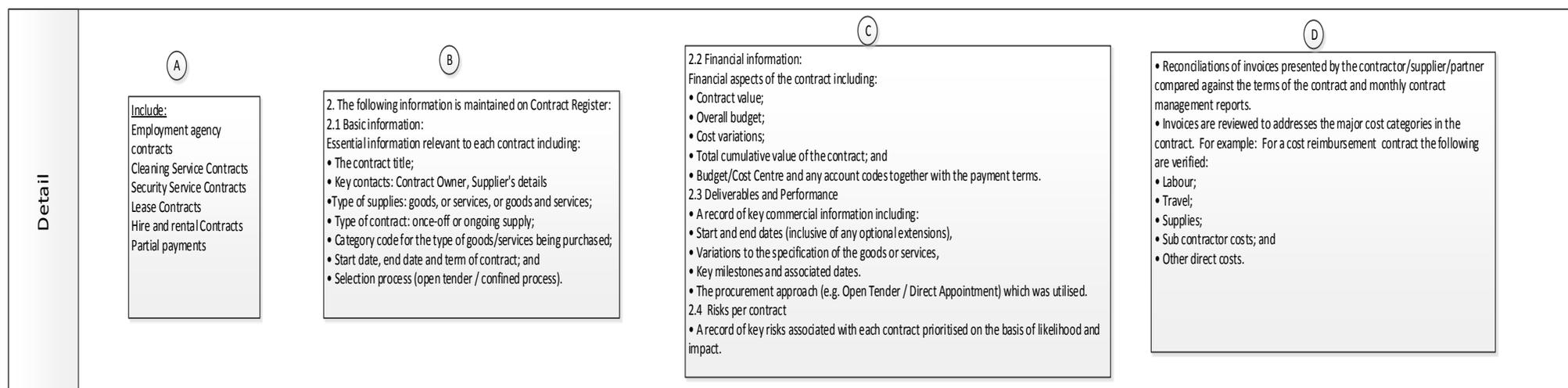


Table 9: Contract management – Administration

Procedure		Responsibility
1	Ensure that all contracts are recorded. Within 3 days of signature by Service Provider and the AO, the approved contract documents are scanned in and electronically saved by SCM & Legal Services.	Contract Manager
2	Ensure the following information is maintained on Contract Register, such as: Basic information; Financial information; Deliverables and Performance; and Risks, per contract	Contract Owner/ End user
3	Open Contract files and ensure that relevant contract information is kept in file. Control must be established for all movement of documents	Contract Manager
4	Conduct a monthly reconciliation between the documentation saved electronically and the physical documentation to determine that all documentation has been included in the electronic database. Access to electronic database is restricted to authorised users. The Electronic Database Administrator only allocates user accounts based on documented and approved requests. Requests are approved by the Designated official. The Designated official annually reviews a report of active users and users who no longer require the access their access are suspended.	Contract Manager
5	Maintain an invoice payment log and monthly report of the costs incurred against the contract amount to monitor the supplier's/ contractor's expenditure under the contract.	Contract Owner/ End user
6	Ensure the Contract Manager conducts the following verifications before payment is effected by the Finance Department.	Contract Owner/ End user
7	Recommend the payment to the contractor/supplier certifying that the nature, type and quality of effort or materials being expended are in accordance with the progress of work / delivery of services or goods in terms of the contract to ensure only valid payments are made.	Contract Owner/ End user
8	Maintain a contract register and keep it updated with details such as: contract expiry dates; amounts spend; and any changes to contract details.	Contract Manager
9	Contract register maintained	Contract Manager

Figure 10: Contract management – administration

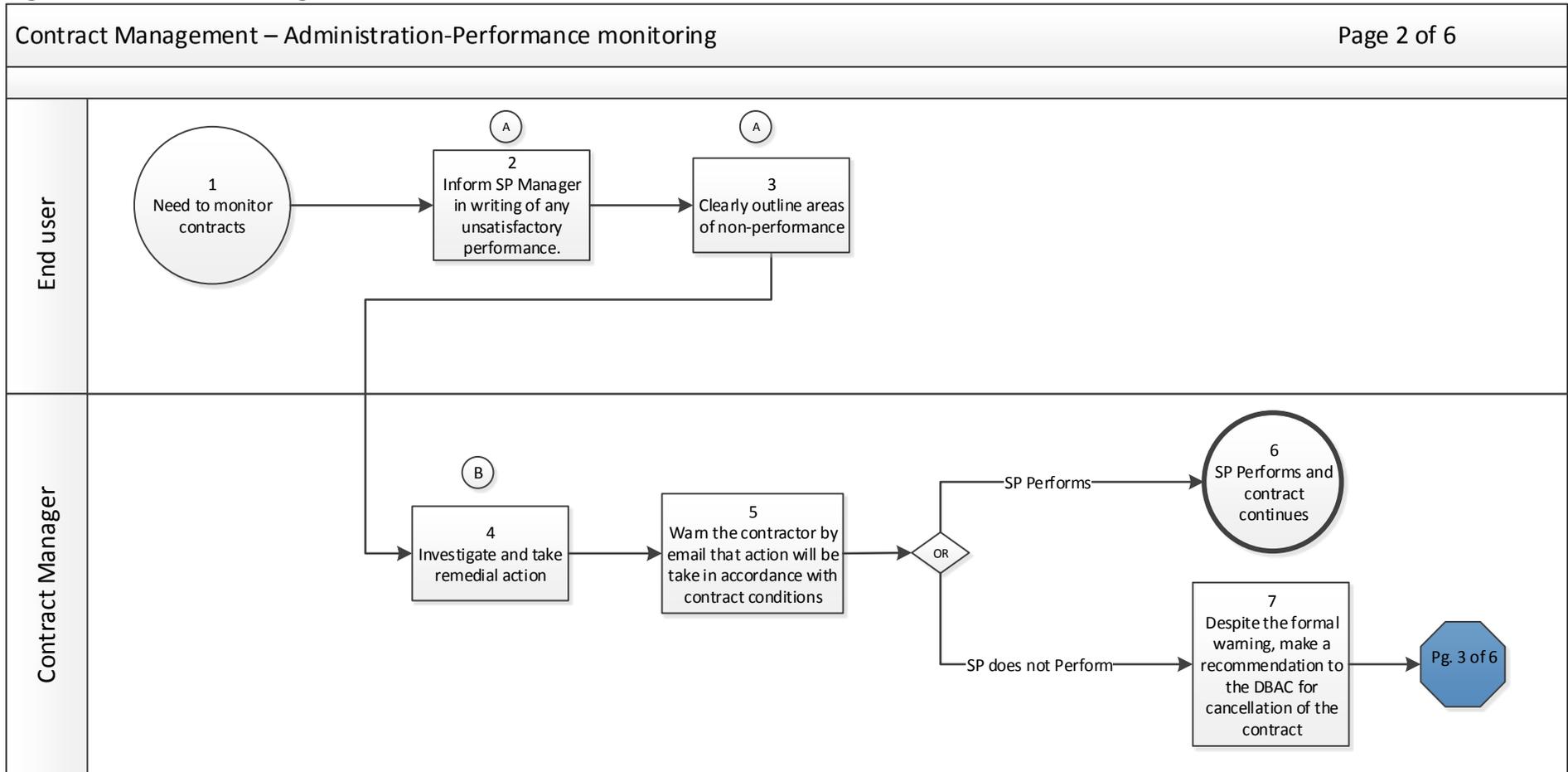


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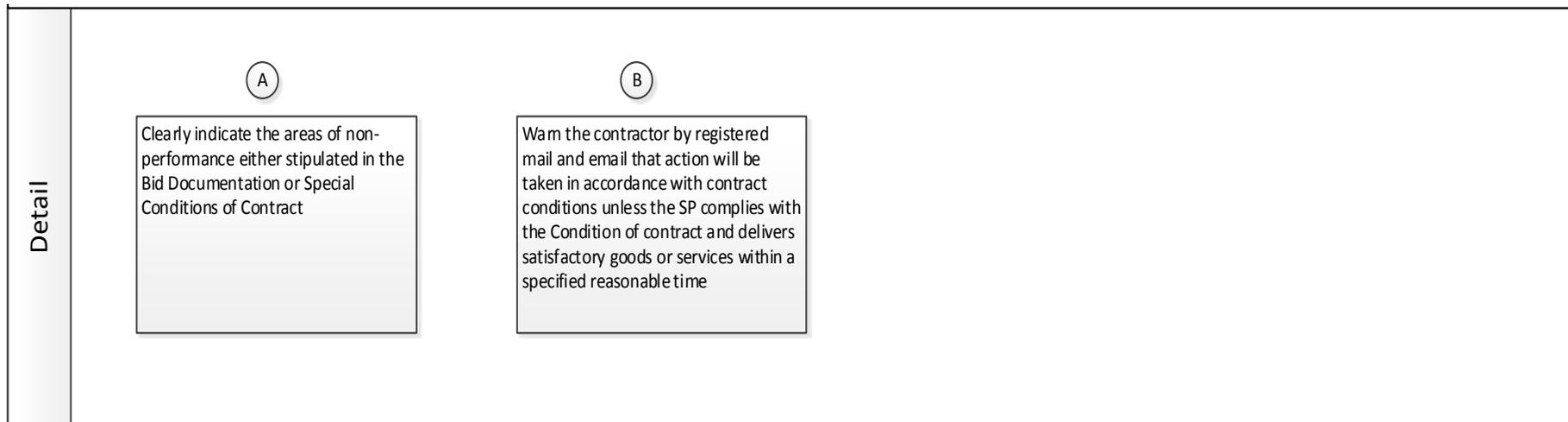


Table 10: Contract management – Administration

Procedure		Responsibility
1	Need to monitor contracts	Contract Owner/ End user
2	Inform SP Manager in writing of any unsatisfactory performance.	Contract Owner/ End user
3	Clearly outline areas of non-performance	Contract Owner/ End user
4	Investigate and take remedial action	Contract Manager
5	Warn the contractor by registered mail that action will be take in accordance with contract conditions	Contract Manager
6	SP Performs and contract continues	Contract Manager
7	Despite the formal warning, make a recommendation to the DBAC for cancellation of the contract	Contract Manager

Figure 11: Contract management – Administration

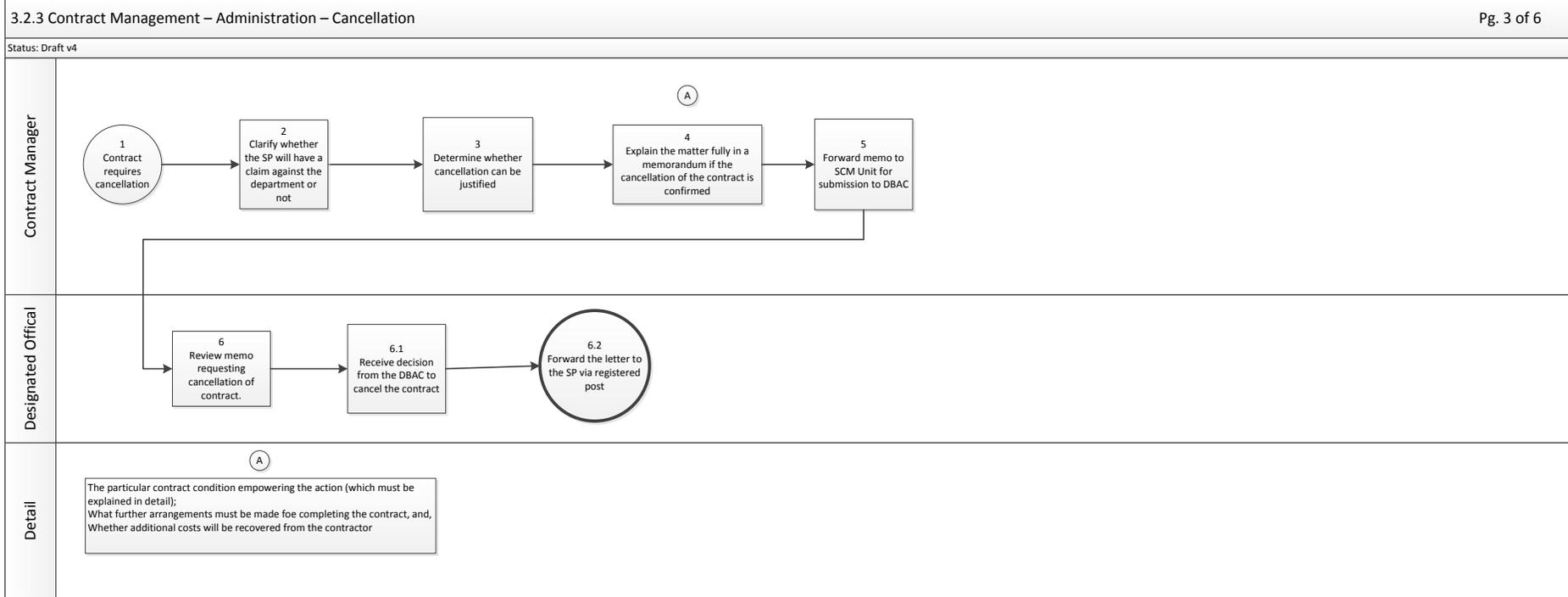
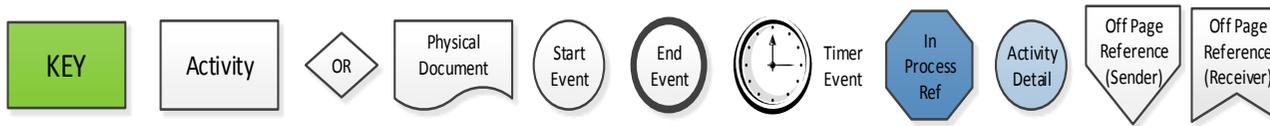


Figure Legend:



Detail Information:

Detail	<p>(A)</p> <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: auto;"><p>The particular contract condition empowering the action (which must be explained in detail); What further arrangements must be made for completing the contract, and, Whether additional costs will be recovered from the contractor</p></div>
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Table 11: Contract management –Administration

Procedure		Responsibility
1	Contract requires cancellation	Contract Manager
2	Clarify whether the SP will have a claim against the department or not	Contract Manager
3	Determine whether cancellation can be justified	Contract Manager
4	Explain the matter fully in a memorandum if the cancellation of the contract is confirmed	Contract Manager
5	Forward memo to SCM Unit for submission to DBAC	Contract Manager
6	Review memo requesting cancellation of contract.	Designated official
6.1	Receive decision from the DBAC to cancel the contract	Designated official
6.2	Forward the letter to the SP via registered post	Designated official

Figure 12: Contract management – Administration

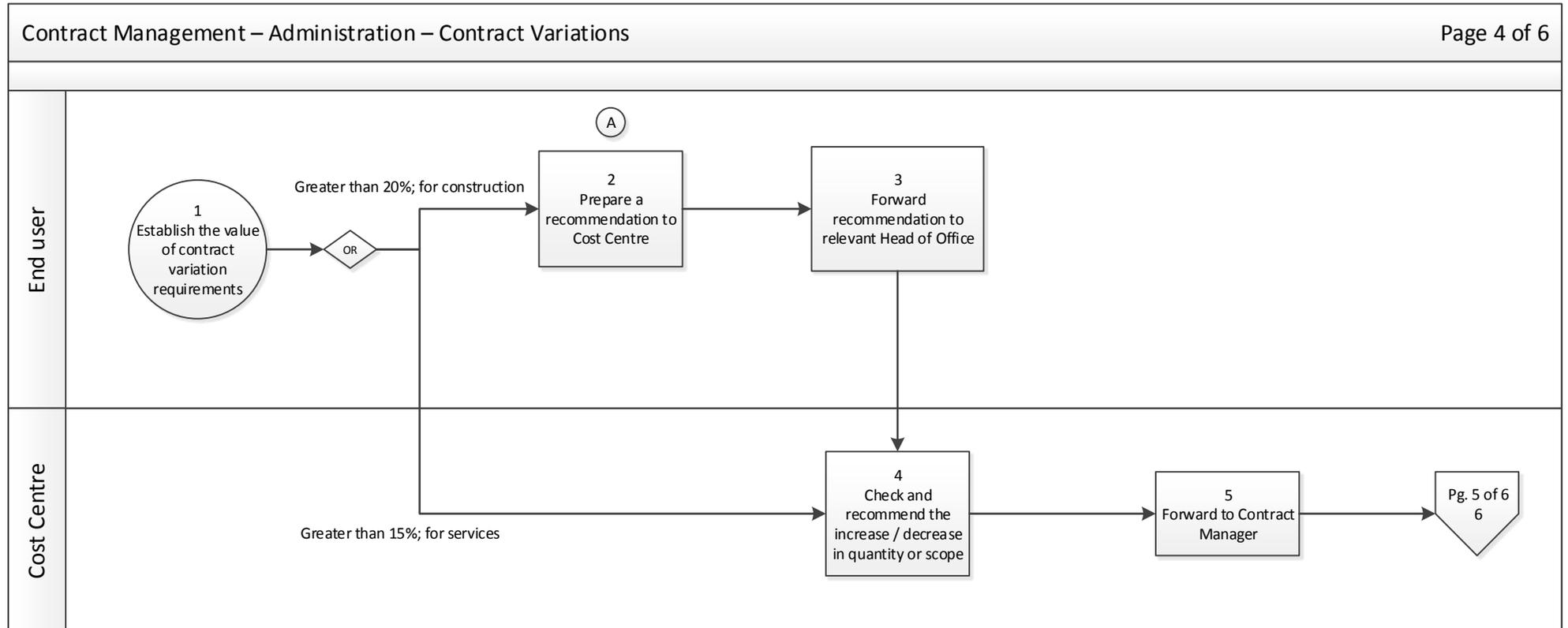


Figure 12 (continued): Contract management – Administration

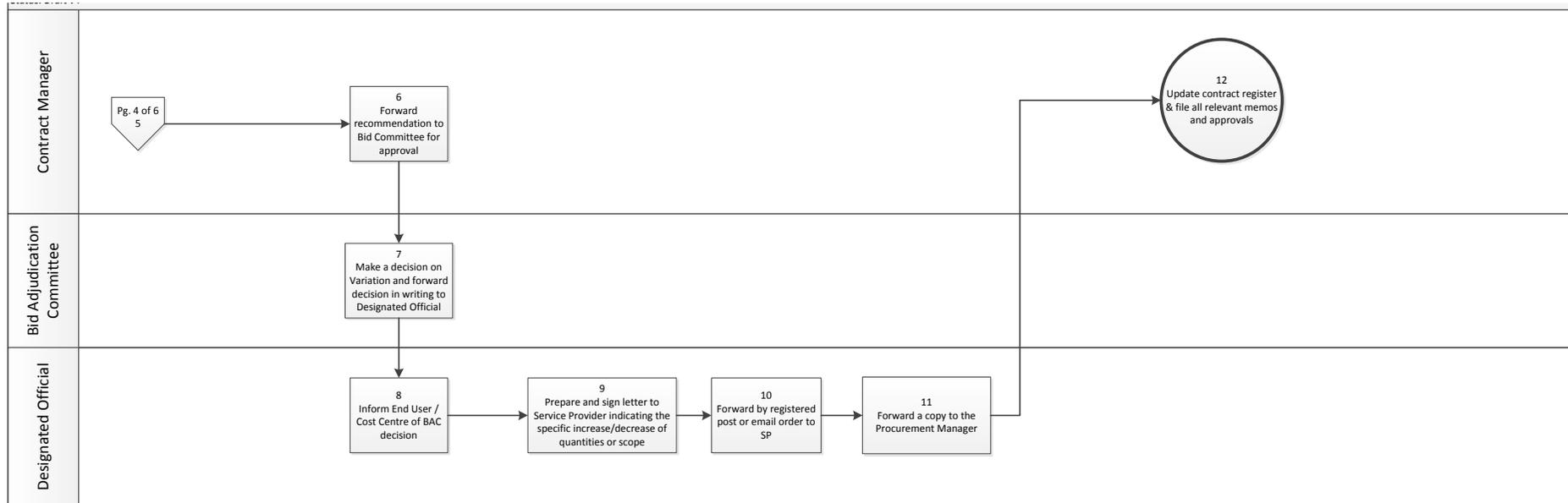
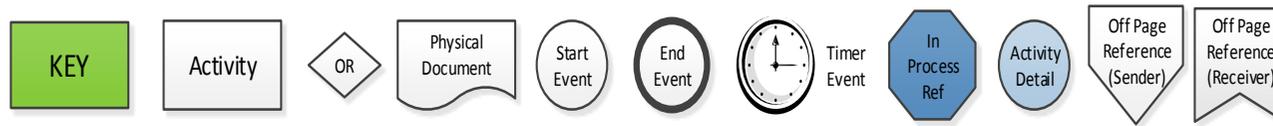


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Detail Information:

Detail	<p>(A)</p> <div style="border: 1px solid black; padding: 5px;"><p><u>Recommendation should include:</u></p><ul style="list-style-type: none">• Valid reasons for the increase/decrease in quantities / scope• The cost implication to the Department• How the increase/decrease will benefit service delivery outputs• How this will comprise other Service Providers• How this will comprise procurement processes• Any associated risks</div>
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Table 12: Contract management - Administration

Procedure		Responsibility
1	Establish the value of contract variation requirements	Contract Owner/ End user
2	Prepare a recommendation to Cost Centre	Contract Owner/ End user
3	Forward recommendation to relevant Cost Centre	Contract Owner/ End user
4	Check and recommend the increase / decrease in quantity or scope	Cost Centre
5	Forward to Service provider Manager	Cost Centre
6	Forward recommendation to Bid Committee for approval	Contract Manager
7	Make a decision on Variation and forward decision in writing to Designated official	Bid Adjudication Committee
8	Inform End User / Cost Centre of BAC decision	Designated official
9	Prepare and sign letter to Service Provider indicating the specific increase/decrease of quantities or scope	Designated official
10	Forward by registered post to SP	Designated official
11	Forward a copy to the Procurement Manager	Designated official
12	Update contract register & file all relevant memos and approvals	Contract Manager

Figure 13: Contract management – Administration

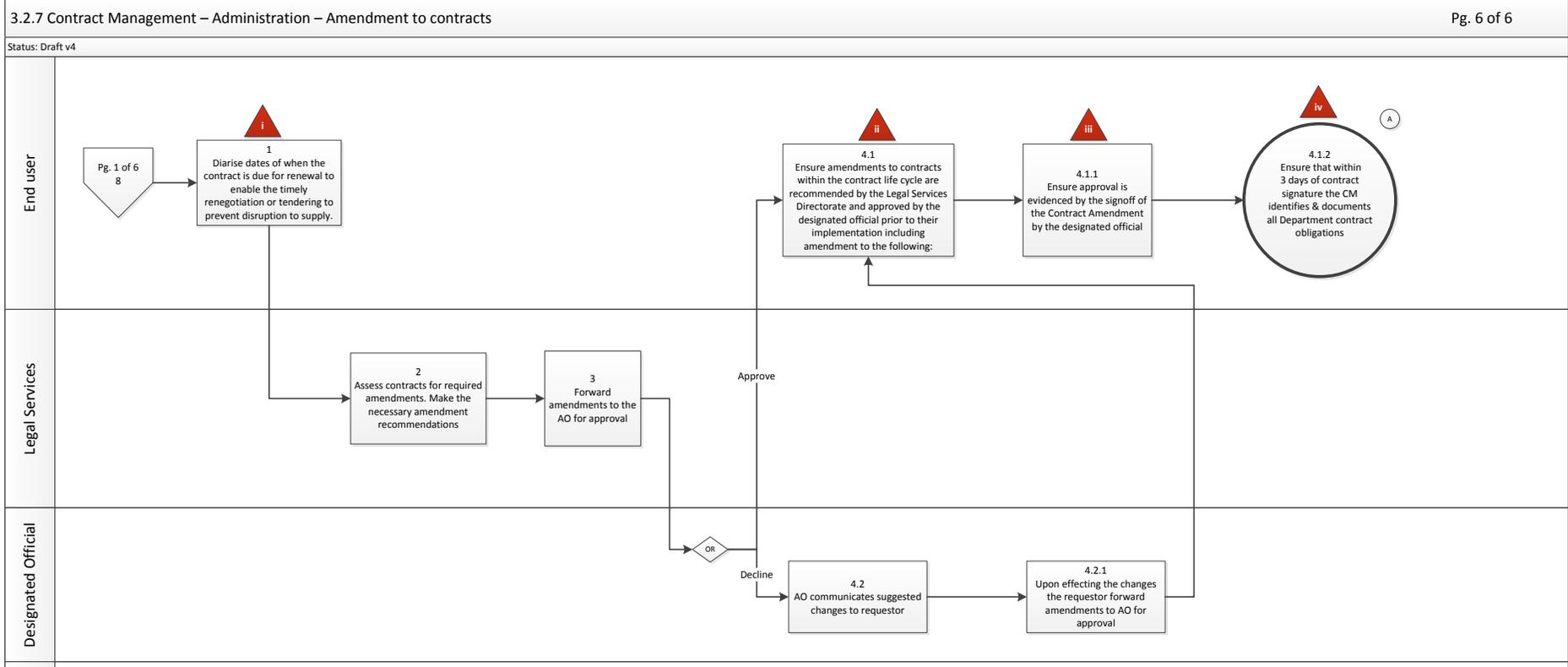
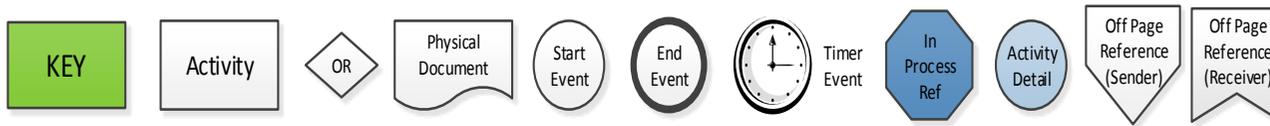


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Detail Information:

Detail	<p>(A)</p> <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: auto;"><p>Including: warranty requirement / service plan obligation / software upgrade requirements, and ensure that plans are documented and communicated to ensure that these obligations are met in a timely manner and that warranties / service plans are not invalidated.</p></div>
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Table 13: Contract management – Administration

Procedure		Responsibility
1	Diaries dates of when the contract is due for renewal to enable the timely renegotiation or tendering to prevent disruption to supply	Contract Owner/ End user
2	Assess contracts for required amendments. Make the necessary amendment recommendations	Legal Services
3	Forward amendments to the AO for approval	Legal Services
4.1	Ensure amendments to contracts within the contract life cycle are recommended by the Legal Services Directorate and approved by the accounting officer prior to their implementation	Contract Owner/ End user
4.1.1	Ensure approval is evidenced by the signoff of the Contract Amendment by the Designated official	Contract Owner/ End user
4.1.2	Ensure that within 3 days of contract signature the CM identifies & documents all Department contract obligations such as warrantee requirement / service plan obligation / software upgrade requirements, and ensure that plans are documented and communicated to ensure that these obligations are met in a timely manner and that warrantees / service plans are not invalidated.	Contract Owner/ End user
4.2	AO communicates suggested changes to the requestor	Designated official
4.2.1	Upon effecting the changes the requestor forward amendments to AO for approval	Designated official

Figure 14: Contract management –Planning

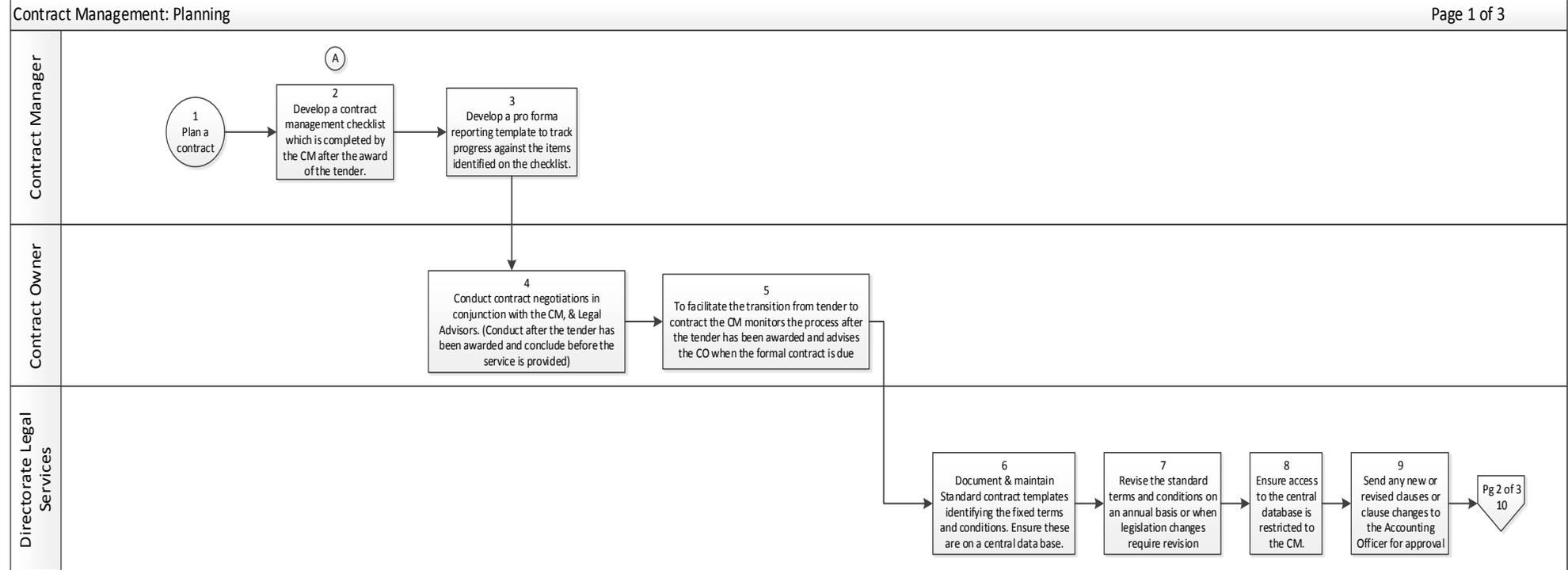


Figure 14 (continued): Contract management – Planning

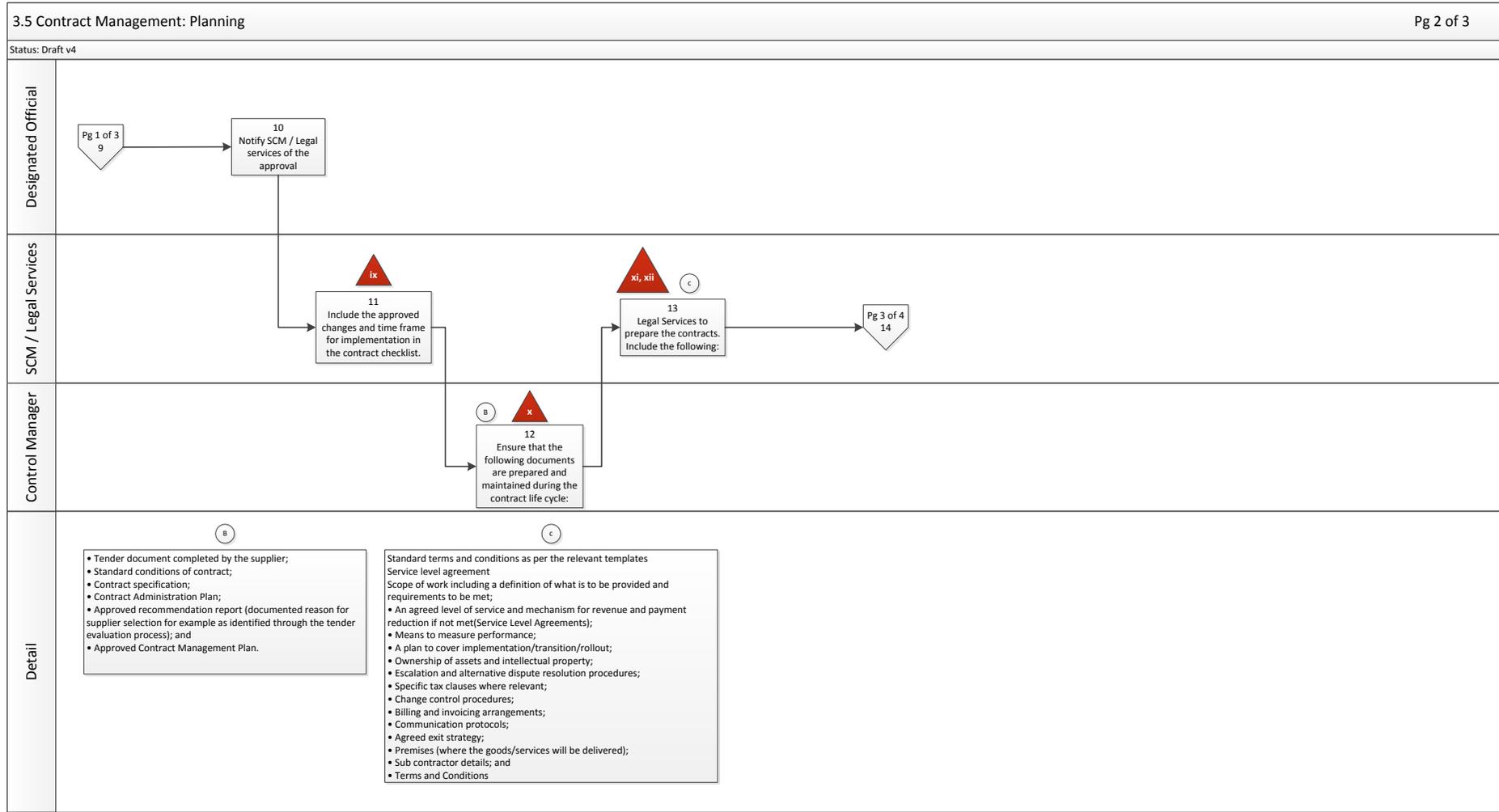


Figure 14 (continued): Contract management – Planning

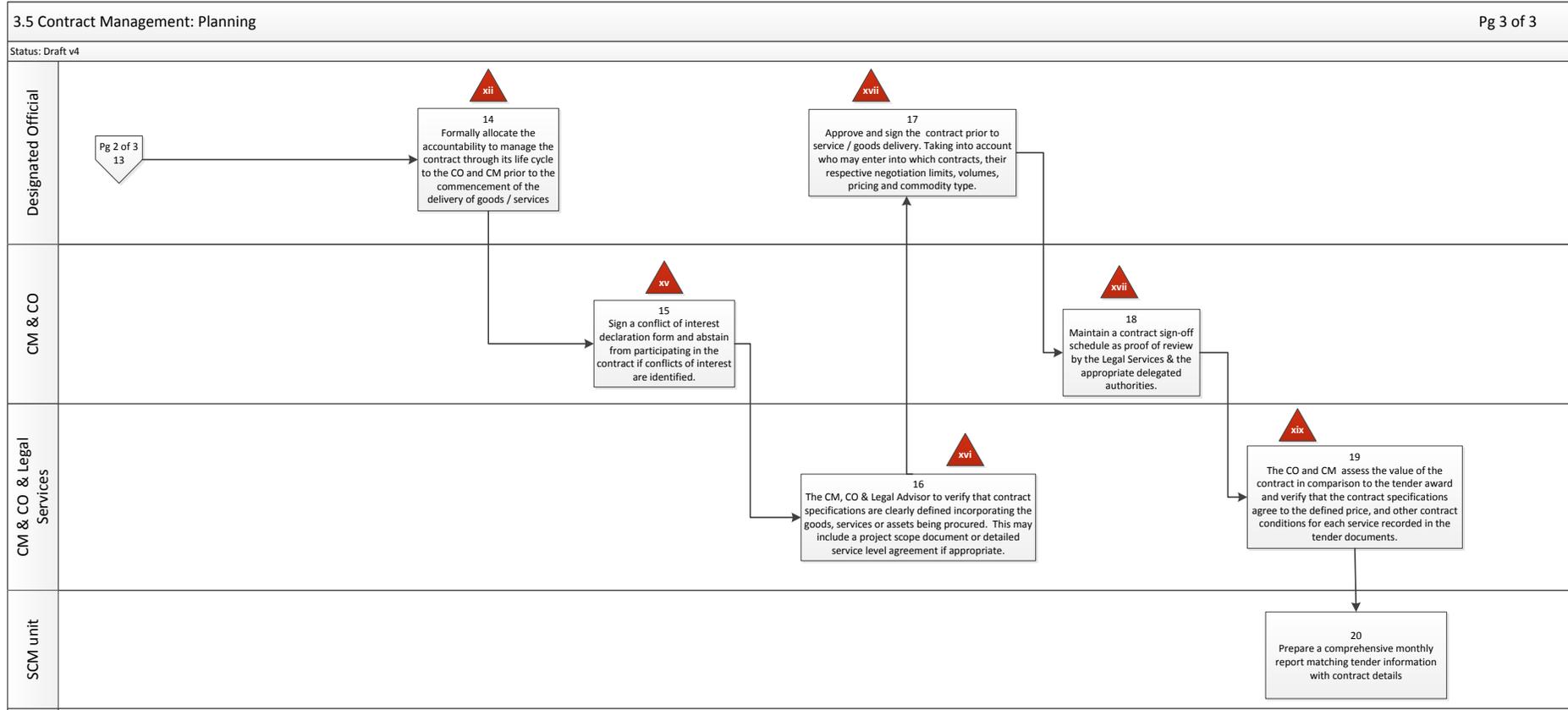


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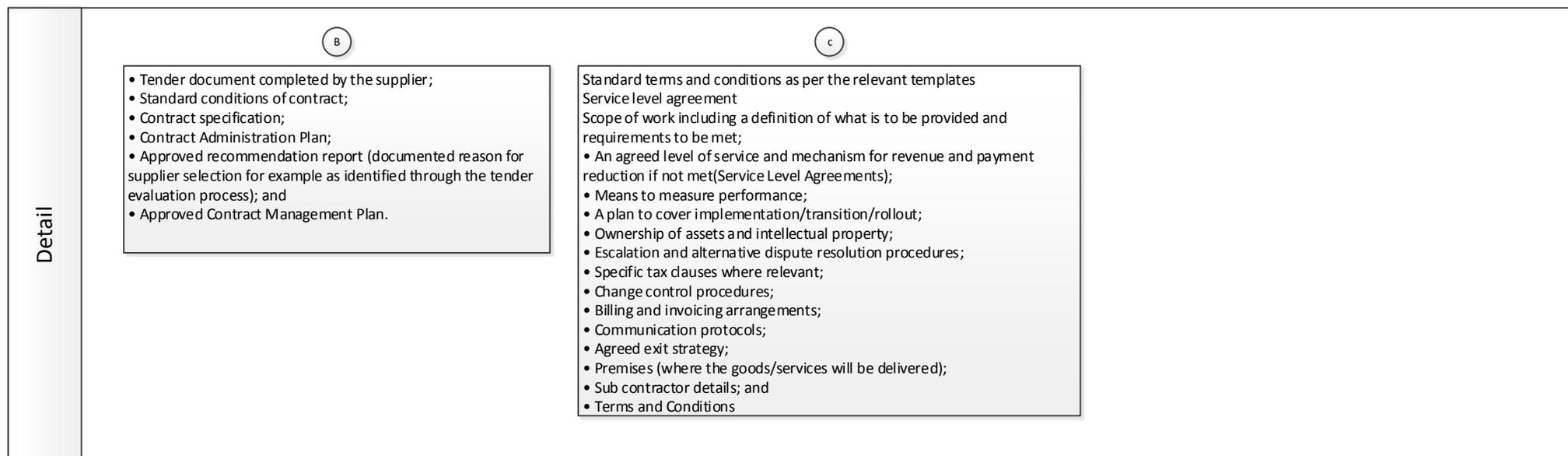


Table 14: Contract management – Planning

Procedure		Responsibility
1	Plan a contract	Contract Manager
2	Develop a contract management checklist which is completed by the CM after the award of the tender. CM in collaboration with Director Legal Services develop a contract management checklist which is completed by the CM after the award of the tender. The checklist contains the following information: (Detail Information)	Contract Manager
3	Develop a pro forma reporting template to track progress against the items identified on the checklist. CM develops a pro forma reporting template to track progress against the items identified on the checklist.	Contract Manager
4	Conduct contract negotiations in conjunction with the CM, & Legal Advisors. (Conduct after the tender has been awarded and conclude before the service is provided). Contract negotiations are conducted by the CM, the CO and Legal Advisors. Contract negotiations are completed after the tender has been awarded and concluded before the service is provided.	Contract Owner
5	To facilitate the transition from tender to contract the CM monitors the process after the tender has been awarded and advises the CO when the formal contract is due.	Contract Owner
6	Document & maintain Standard contract templates identifying the fixed terms and conditions. Ensure these are on a central data base.	Directorate Legal Services
7	Revise the standard terms and conditions on an annual basis or when legislation changes require revision. The Directorate Legal Services are responsible to annually revise the standard terms and conditions or when legislation changes require revision of the standard terms and conditions.	Directorate Legal Services
8	Ensure access to the central database is restricted to the CM.	Directorate Legal Services
9	Send any new or revised clauses or clause changes to the Accounting Officer for approval	Directorate Legal Services
10	Notify SCM / Legal services of the approval	Designated official
11	Include the approved changes and time frame for implementation in the contract checklist.	SCM / Legal Services
12	Ensure that the following documents are prepared and maintained during the contract life cycle	Control Manager
13	Legal Services to prepare the contracts. To safeguard the Department against legal claims in the event of a dispute at tender development or when the contract is prepared by Legal Services. The contract includes the standard terms and conditions as per the relevant templates and includes the scope of work and a service level agreement when applicable. Include the following: (Detail Information)	SCM / Legal Services

Table 14 (continued): Contract management – Planning

Procedure		Responsibility
14	Formally allocate the accountability to manage the contract through its life cycle to the CO and CM prior to the commencement of the delivery of goods / services. Prior to the commencement of the delivery of goods / services, the accountability to manage the contract through its life cycle is formally allocated to the CO and CM by the Designated official.	Designated official
15	Sign a conflict of interest declaration form and abstain from participating in the contract if conflicts of interest are identified.	CM & CO
16	The CM, CO & Legal Advisor to verify that contract specifications are clearly defined incorporating the goods, services or assets being procured. This may include a project scope document or detailed service level agreement if appropriate.	CM & CO & Legal Services
17	Approve and sign the contract prior to service / goods delivery. Taking into account who may enter into which contracts, their respective negotiation limits, volumes, pricing and commodity type.	Designated official
18	Maintain a contract sign-off schedule as proof of review by the Legal Services & the appropriate delegated authorities.	CM & CO
19	The CO and CM assess the value of the contract in comparison to the tender award and verify that the contract specifications agree to the defined price, and other contract conditions for each service recorded in the tender documents.	CM & CO & Legal Services
20	Prepare a comprehensive monthly report matching tender information with contract details	SCM unit

Figure 15: Contract management –Delivery

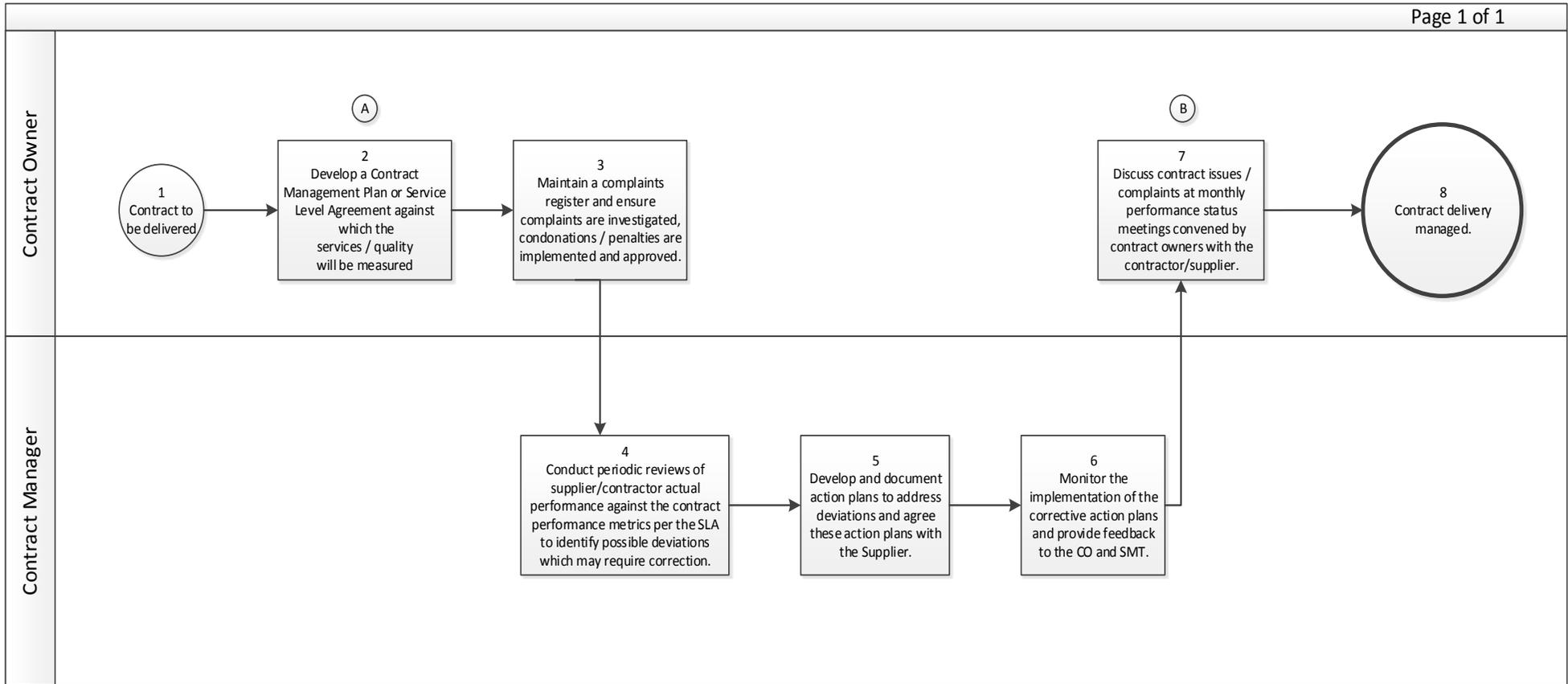
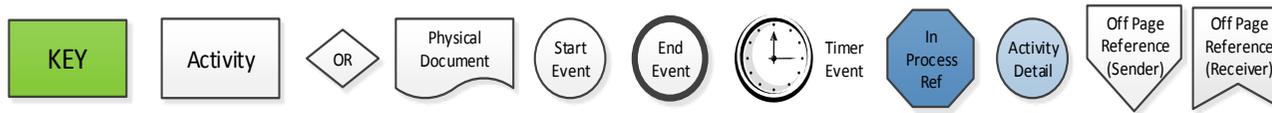


Figure Legend:



Detail Information:

Detail	A	B
	<p><u>The CMP / SLA should include: as determined by Contract Manager</u></p> <ul style="list-style-type: none"> • CO at Department; • Key responsibilities of both the supplier and Department; • Supplier's legal name; • Key deliverables; • Expiry date; • A revenue or payment schedule which detail what will be received or paid for and when; • Total contract cost; • Performance monitoring: collecting data on performance and performance assessment (does the performance meet Department's expectations); • Contract variation log. Detailing who will approve, negotiate and accept variations; • Contract dispute resolution protocols; • Renewal periods and renegotiation periods and setting the appropriate flags and alerts; • Confidentiality undertakings; • Appropriate use of pre-planned inspections; • Validation of complaints; and • Random unscheduled inspections by Department. 	<p><u>The following is discussed at the performance meetings and reported during status meetings with the contractor and reported to the appropriate governance forum:</u></p> <ul style="list-style-type: none"> • Number of late deliverables; • Actual costs monitored against payment plan/methodology; • Performance issues or concerns; • Planned to actual cost variances above a certain %; • Contract requirements not met; • Status of previous corrective actions; • Issues not being resolved at the time of contract signature are recorded and action plans to address these issues are recorded; and • Long outstanding unpaid items or claims

Table 15: Contract management – Delivery

Procedure		Responsibility
1	Contract to be delivered	Contract Owner
2	Develop a Contract Management Plan or Service Level Agreement against which the services / quality will be measured.	Contract Owner
3	Maintain a complaint register and ensure complaints are investigated; condonations / penalties are implemented and approved.	Contract Owner
4	Conduct periodic reviews of supplier/contractor actual performance against the contract performance metrics per the SLA to identify possible deviations which may require correction. The CM conducts periodic reviews of supplier/contractor actual performance against the contract performance metrics per the SLA to identify possible deviations which may require correction. The CM develops and documents action plans to address deviations and agrees these action plans with the Supplier. The CM monitors the implementation of the corrective action plans and provides feedback to the CO and SMT.	Contract Manager
5	Develop and document action plans to address deviations and agree these action plans with the Supplier. The CM conducts periodic reviews of supplier/contractor actual performance against the contract performance metrics per the SLA to identify possible deviations which may require correction. The CM develops and documents action plans to address deviations and agrees these action plans with the Supplier. The CM monitors the implementation of the corrective action plans and provides feedback to the CO and SMT.	Contract Manager
6	Monitor the implementation of the corrective action plans and provide feedback to the CO and SMT. The CM conducts periodic reviews of supplier/contractor actual performance against the contract performance metrics per the SLA to identify possible deviations which may require correction. The CM develops and documents action plans to address deviations and agrees these action plans with the Supplier. The CM monitors the implementation of the corrective action plans and provides feedback to the CO and SMT.	Contract Manager
7	Discuss contract issues / complaints at monthly performance status meetings convened by contract owners with the contractor/supplier.	Contract Owner
8	Contract delivery managed.	Contract Owner

37. RECORD KEEPING AND REPORTING

Records need to be kept by the University of all goods and services procured. The SCM Unit will be held responsible for the record keeping of the following information/documents:

- a) Bid documents issued per bid invited;
- b) List of bids received per bid number;
- c) Bid register for concluded bids;
- d) Formal written quotations register;
- e) Contracts register for all contracts concluded each financial year;
- f) Specific Term Contracts;
- g) Lease agreement contracts;
- h) Complaints received from end users, bidders or contractors;
- i) All cases of fraud or corruption reported; and
- j) Staff Gifts Declaration register
- k) Value of purchase orders placed with BBBEE vendors

38. MEETINGS, MINUTES AND RECORD KEEPING

38.1. Meetings

38.2. Items for the agenda together with the written submissions must be lodged with the secretary of the relevant Committee 3 (three) days before the scheduled date of the meeting. Late submissions shall be carried over to the next meeting or be made in addition to the agenda as per the Committees' discretion.

38.3. Exceptional meetings will be held as and when considered necessary due to exceptional circumstances, as determined by the chairperson. Any member of the Committee may request the chairperson for convening of exceptional meetings. The Committee member requesting the exceptional meeting must furnish the reason/purpose of such a meeting in writing.

38.4. The chairperson will preside over each meeting. In his absence the Committee will appoint a chairperson in which case he/she will occupy the chair for the duration of the meeting, even if the chairperson should arrive during the course of the meeting.

38.5. Notice of meetings

- 38.6. Notice to ordinary meetings is to reach members 3 (three) days before the scheduled date of the meeting. Notice should include agenda, minutes and submissions.
- 38.7. The agenda of a meeting serves as the program of the meeting and unless the Committee decides otherwise, the items and sequence may not be changed during the meeting.
- 38.8. Notice to special meetings are to reach committee members at least 2 (two) days before the scheduled time. The meeting shall generally be convened for urgent matters that cannot be held over until the next ordinary meeting.
- 38.9. Notice to exceptional meetings is to reach members at least three hours before the meeting. Telephonic or other electronic messages conveying date, time and purpose of the meeting are acceptable.
- 38.10. The agenda must be supplied before or at the start of the meeting. Minutes of the previous meeting will not be handled at such a meeting unless they form part of the purpose of the meeting.
- 38.11. Generally this meeting will attend to urgent queries arising from previous decisions of the committee which may have legal or financial implications or any other matter that the committee sees it fit to attend, which if not attended to might have a detrimental effect to the Organisation, be it financially or legally.
- 38.12. Non-attendance
Non-attendance of meeting will be noted "with" or "without" apology. Repeated failure to attend meetings without valid reasons for three consecutive meetings shall result in the matter being reported to the Vice -Chancellor for action.
- 38.13. Minutes and record keeping
The SCM Unit shall be responsible for the secretariat work, including minute taking. All deliberations in Committee meetings shall be recorded on tape. The SCM Unit shall further be responsible for safe keeping of all correspondence generated by or received on behalf of the Committee.

- 38.14. The secretary to the Bid Adjudication Committee shall be responsible for the safe keeping of the tapes on which the deliberations of the Bid Adjudication Committee have been recorded, as well as copies of minutes signed by the relevant chairperson as accuracy and validity of proceedings.
- 38.15. The senior managers must include in their monthly report for all procurement above R500 000.00 to Bid Adjudication Committee for noting.
- 38.16. Decision making
Normally decisions will be reached by consensus. Should there be differences between members over any specific matter, a decision may be arrived at by voting with the show of hand (chairperson will have a casting vote).
- 38.17. Where the Bid Adjudication Committee disagrees with the recommendation of the relevant Bid Evaluation Committee on the adjudication of a contract, the request with the recommendation of the Bid Evaluation Committee, the commentary and reasons of the Bid Adjudication Committee is to be submitted to the Vice-Chancellor as delegated authority for a final decision.
- 38.18. The Council may obtain advice as deemed necessary.
- 38.19. Should the Bid Adjudication Committee, after the recommendation has been referred back, not obtain consensus with the Bid Evaluation Committee on the final award of the bid, the final recommendations must be submitted to the Vice-Chancellor for a final decision.
- 38.20. Thus, if a quote/bid other than the one recommended by the Bid Evaluation Committee is approved by the Bid Adjudication Committee, the Vice-Chancellor delegated, must first be notified.
- 38.21. The Vice-Chancellor may after consideration of the reasons for the deviation, ratify or reject the decision of the Bid Adjudication Committee.
- 38.22. If the Bid Adjudication Committee/Vice-Chancellor decides to approve a bid other than the one recommended by the Bid Evaluation Committee the Council must be notified in writing within 7 days of the reasons for deviating from such recommendation.

- 38.23. The Vice-Chancellor may at any stage refer any recommendation made by the Bid Evaluation Committee or the Bid Adjudication Committee back to that committee for reconsideration.
- 38.24. Confidentiality
All bids plus any related correspondence and deliberations thereon must be treated as confidential information. No member of the Bid Committees or any other official of the Organisation may divulge information relating to bids unless/he is authorised to do so. Any person liable for such conduct may be charged with misconduct.
- 38.25. Matters of a confidential nature in the possession of supply chain or other officials should be kept confidential unless legislation, the performance of duty or the provisions of law requires otherwise. Such restrictions should also apply after leaving the service of university.
- 38.26. Declaration of interest
Each member of the procurement structures must declare possible conflict of interest and confidentiality agreement prior to the commencement of the evaluation process. No member who has an interest (or whose relative or friend has an interest) in a particular offer will be allowed to participate in the evaluation, consideration and adjudication of the relevant bid.
- 38.27. If a SCM practitioner or other role player, or close family member, partner or associate of such practitioner or other role player, has any private or business interest in any contract to be awarded, that practitioner or other role player must:
- a) Disclose that interest; and
 - b) Withdraw from participating in any manner whatsoever in the process relating to the contract.
- 38.28. All Committee members as well as the secretary should be required to declare their financial interest annually and at each subsequent meeting.
- 38.29. Members must declare all gifts and invitations accepted to social events received from suppliers or potential suppliers, irrespective of the value of such

a gift. Such declarations must be captured in the minutes of the meeting and must be reported to the Director Finance. Any such gifts and/or invitations accepted by the Director Finance must be reported to the Vice-Chancellor.

38.30. Attendance Registers

Members and all other attendees shall sign a register at each meeting.

39. OTHER MATTERS

39.1. Collaborative Procurement

University may enter into collaborative agreements where it is to the advantage of the University, this shall be achieved through a bidding process to establish a list of preferred suppliers.

39.2. Where collaborative agreements have been negotiated and more than one supplier is identified, quotation requirements shall apply but may be restricted to the suppliers on the agreement.

39.3. Samples

Where submissions of samples are a requirement for the bid, such samples shall be submitted to the Supply Chain and be delivered to the end user as and when requested. Failure to adhere to this requirement shall render the bid invalid.

39.4. Such samples shall be retained for the full duration of the contract so that they may be referred to in the event of a dispute that might occur.

39.5. Bidders shall state clearly whether or not the samples shall be returned. Should there be no indication in this regard the samples shall be retained without any liability being assumed for them.

39.6. Any costs incurred in returning the samples shall be for the account of the Bidder.

39.7. University shall not be held responsible for any loss or damages suffered due to the destruction or loss of the samples whilst in the possession of the Supply Chain or end user department.

- 39.8. **Inspection rights**
University retains the right to test or inspect, at any time during the manufacturing process, all goods to be delivered according to the contract to ascertain the quality of the material used as well as the finishing of the products.
- 39.9. Such inspection and/or test shall be deemed to be merely for the purpose of satisfying the University as to the aforementioned and shall in no way relieve the contractor of any obligations in terms of the contract.
- 39.10. **Contract/sub-contracting**
A contract is entered into only with the bidder and the contract, or any portion thereof, or any share or interest therein, may not be transferred, assigned or granted to someone else without the specific written permission and conditions of the University.
- 39.11. **Confidentiality and Accuracy of Information**
The confidentiality of information received in the bidding process shall be respected and be treated with great care and sensitivity.
- 39.12. Specific details of suppliers' bids shall not be disclosed, unless it is in accordance with the Promotion of Access to Information Act, 2000 (Act 2 of 2000) and if written permission from suppliers or their legal representatives has been obtained
- 39.13. All members of the Supply Chain, Finance Department, Bid Evaluation and Bid Adjudication Committee serving on bids-related committees or attending supply chain related meetings shall sign the confidentiality form.

40. ASSET DISPOSAL

Figure 16: Asset disposal

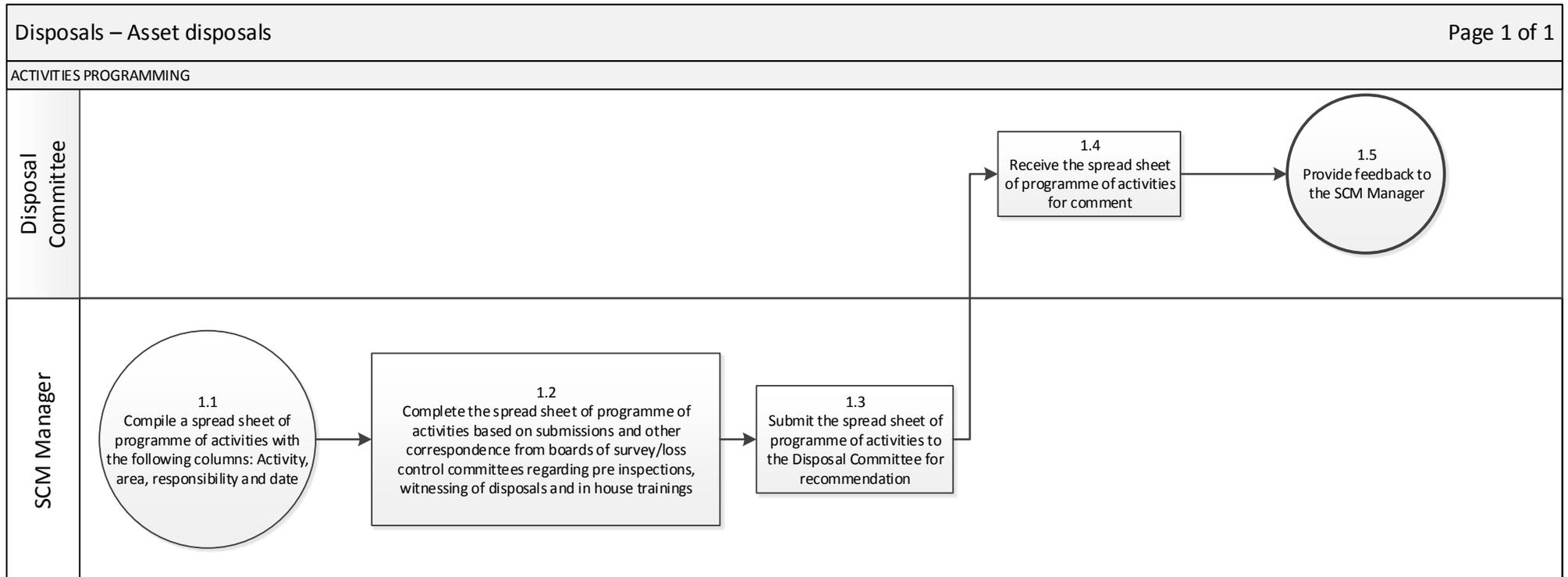


Table 16: Asset disposal

Procedure		Responsibility
1.1	Compile a spread sheet of programme of activities with the following columns: Activity, area, responsibility and date	SCM Manager
1.2	Complete the spread sheet of programme of activities based on submissions and other correspondence from boards of survey/loss control committees regarding pre inspections, witnessing of disposals and in house trainings	SCM Manager
1.3	Submit the spread sheet of programme of activities to the Disposal Committee for recommendation	SCM Manager
1.4	Receive the spread sheet of programme of activities for comment	Disposal Committee
1.5	Provide feedback to SCM Manager	Disposal Committee

Figure

17:

Asset

disposal

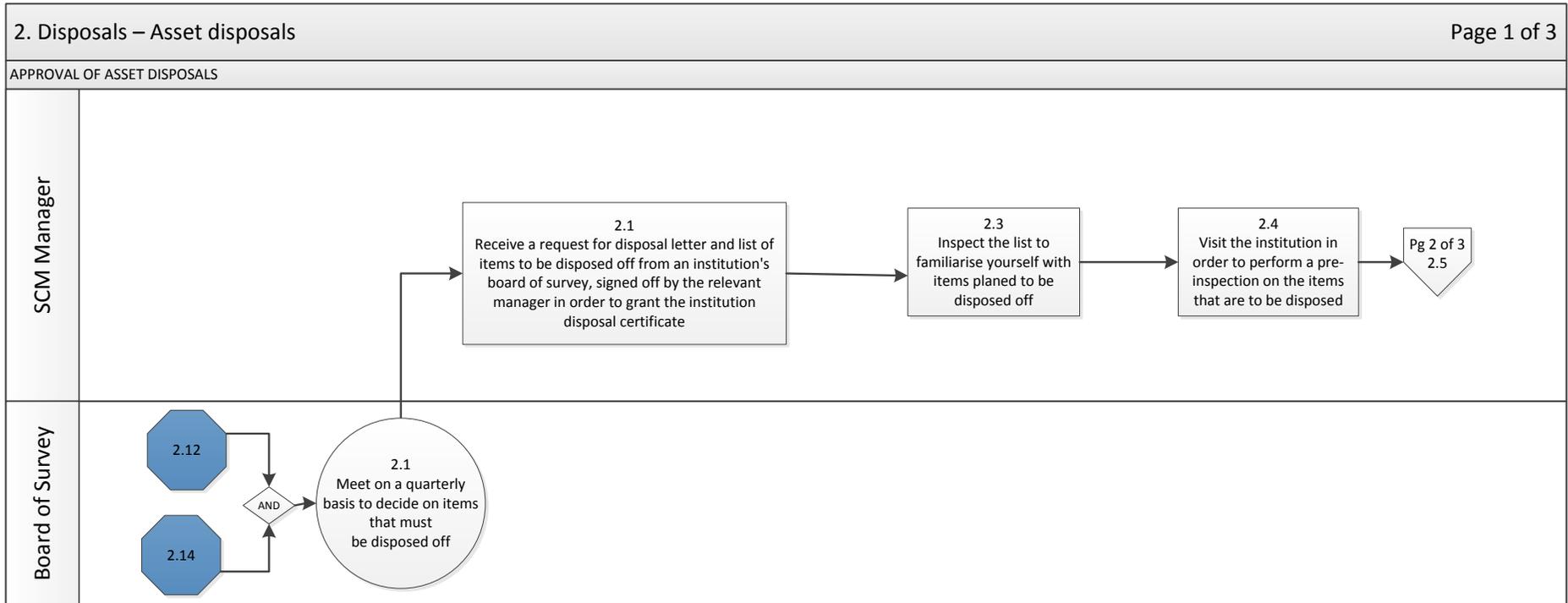
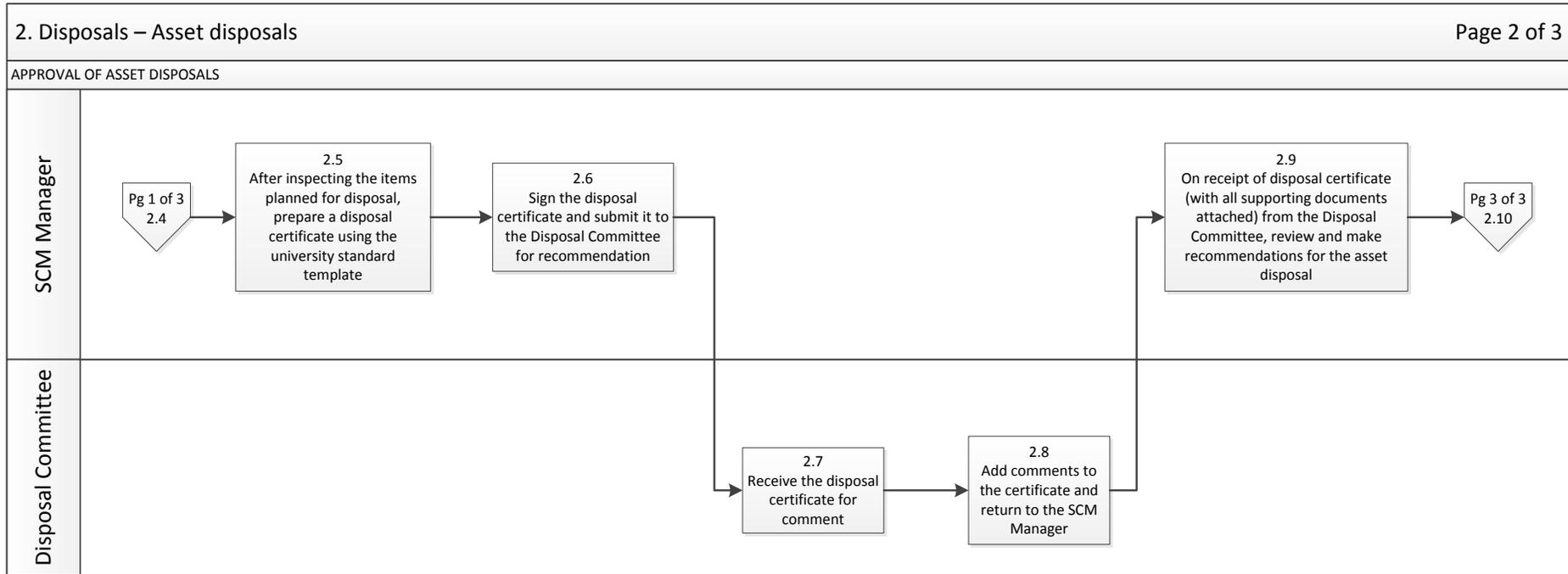


Figure 17 (continued): Asset disposal



Figure

17

(continued):

Asset

disposal

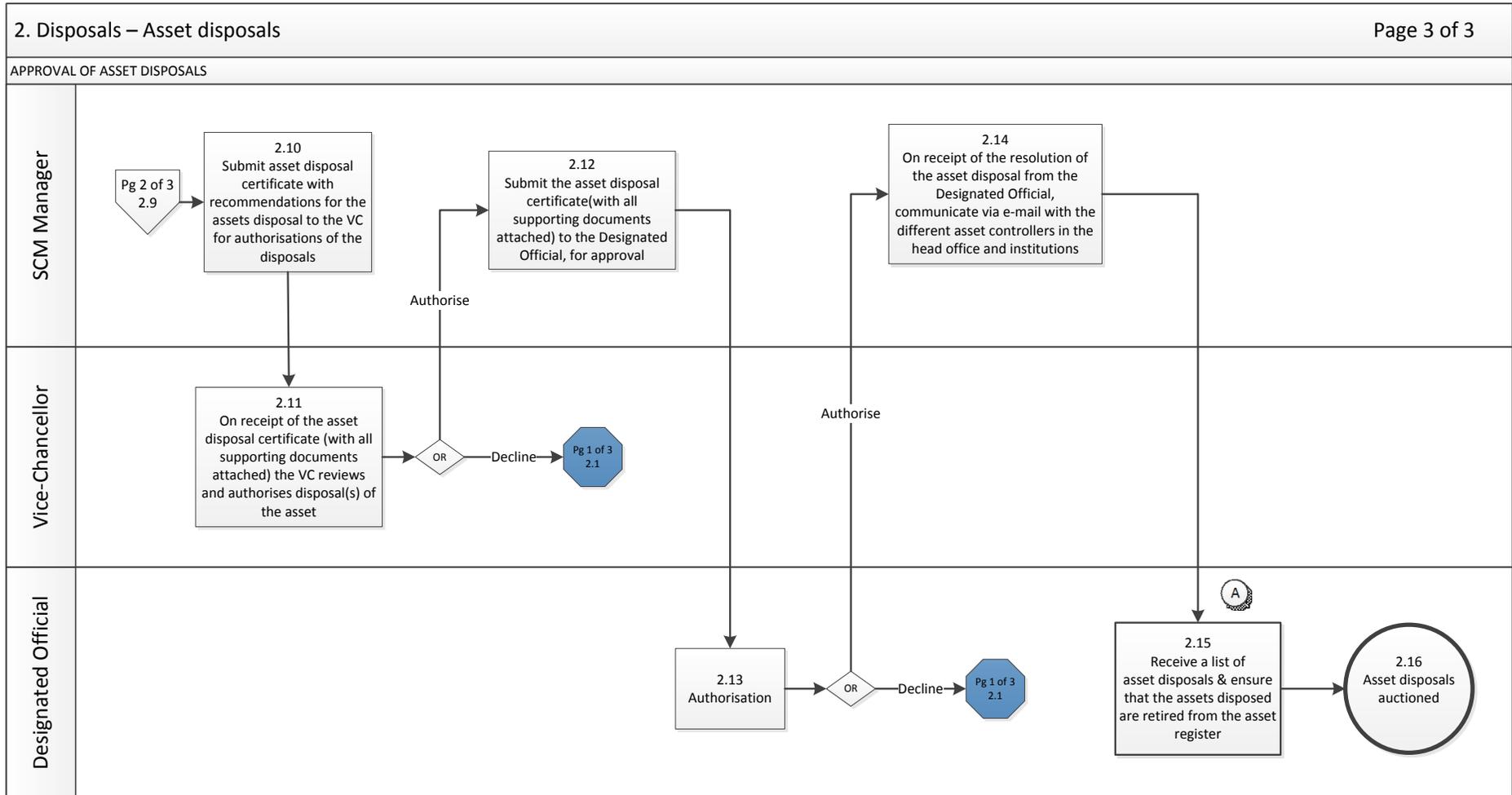


Figure Legend:



Detail Information:

Detail	A
	<p>The following information must be included on the disposal register:</p> <ul style="list-style-type: none">• Description of the disposed item (asset number of applicable);• Reason for disposal;• Date of disposal;• Disposal method applied;• Book value of the item at disposal date;• Income generated from disposal if applicable; and• Detail of person/institution that the item was sold/given to where applicable

Table 17: Asset disposal

Procedure		Responsibility
2.1	Meet on a quarterly basis to decide on items that must be disposed off	Board of Survey
2.2	Receive a request for disposal letter and list of items to be disposed off from an institution's board of survey, signed off by the relevant manager in order to grant the institution disposal certificate	SCM Manager
2.3	Inspect the list to familiarise yourself with items planned to be disposed off	SCM Manager
2.4	Visit the institution in order to perform a pre-inspection on the items that are to be disposed	SCM Manager
2.5	After inspecting the items planned for disposal, prepare a disposal certificate using the university standard template	SCM Manager
2.6	Sign the disposal certificate and submit it to Disposal Committee for recommendation	SCM Manager
2.7	Receive the disposal certificate for comment	Disposal Committee
2.8	Add comments to the certificate and return to the SCM Manager	Disposal Committee
2.9	On receipt of disposal certificate (with all supporting documents attached) from the Disposal Committee, review and make recommendations for the asset disposal	SCM Manager
2.10	Submit asset disposal certificate with recommendations for the assets disposal to the VC for authorisations of the disposals	SCM Manager
2.11	On receipt of the asset disposal certificate (with all supporting documents attached) the VC reviews and authorises disposal(s) of the asset	Vice-Chancellor
2.12	Submit the asset disposal certificate(with all supporting documents attached) to the Designated official, for approval	SCM Manager
2.13	Authorisation	Designated official
2.14	On receipt of the resolution of the asset disposal from the Designated official, communicate via e-mail with the different asset controllers in the head office and institutions	SCM Manger
2.15	Receive a list of asset disposals & ensure that the assets disposed are retired from the asset register	Designated official
2.16	Asset disposals auctioned	Designated official

Figure 18: Asset disposal

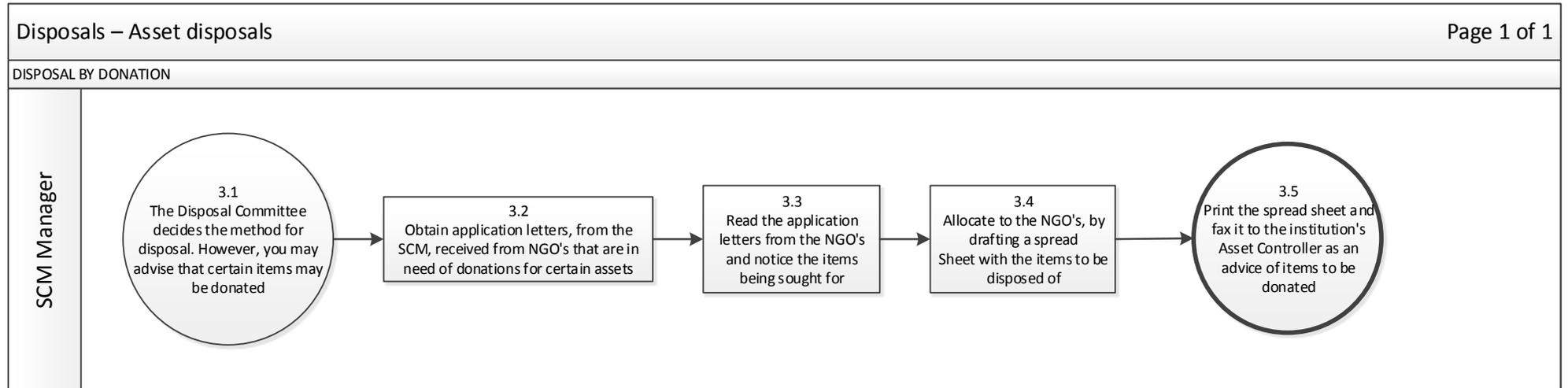


Table 18: Asset disposal

Procedure		Responsibility
3.1	The Disposal Committee decides the method for disposal. However, you may advise that certain items may be donated	SCM Manager
3.2	Obtain application letters, from the SCM, received from NGO's that are in need of donations for certain assets	SCM Manager
3.3	Read the application letters from the NGO's and notice the items being sought for	SCM Manager
3.4	Allocate to the NGO's, by drafting a spread Sheet with the items to be disposed of	SCM Manager
3.5	Print the spread sheet and fax it to the institution's Asset Controller as an advice of items to be donated	SCM Manager

Figure 19: Asset disposal

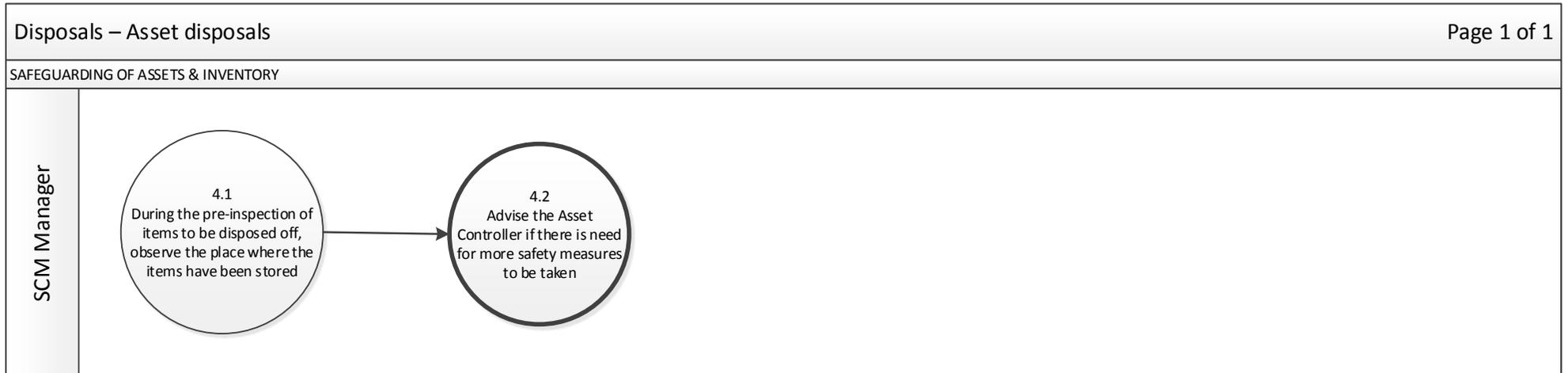


Table 19: Asset disposal

Procedure		Responsibility
4.1	During the pre-inspection of items to be disposed off, observe the place where the items have been stored	SCM Manager
4.2	Advise the Asset Controller if there is need for more safety measures to be taken	SCM Manager

41. INVENTORY DISPOSAL

Figure 20: Inventory disposal

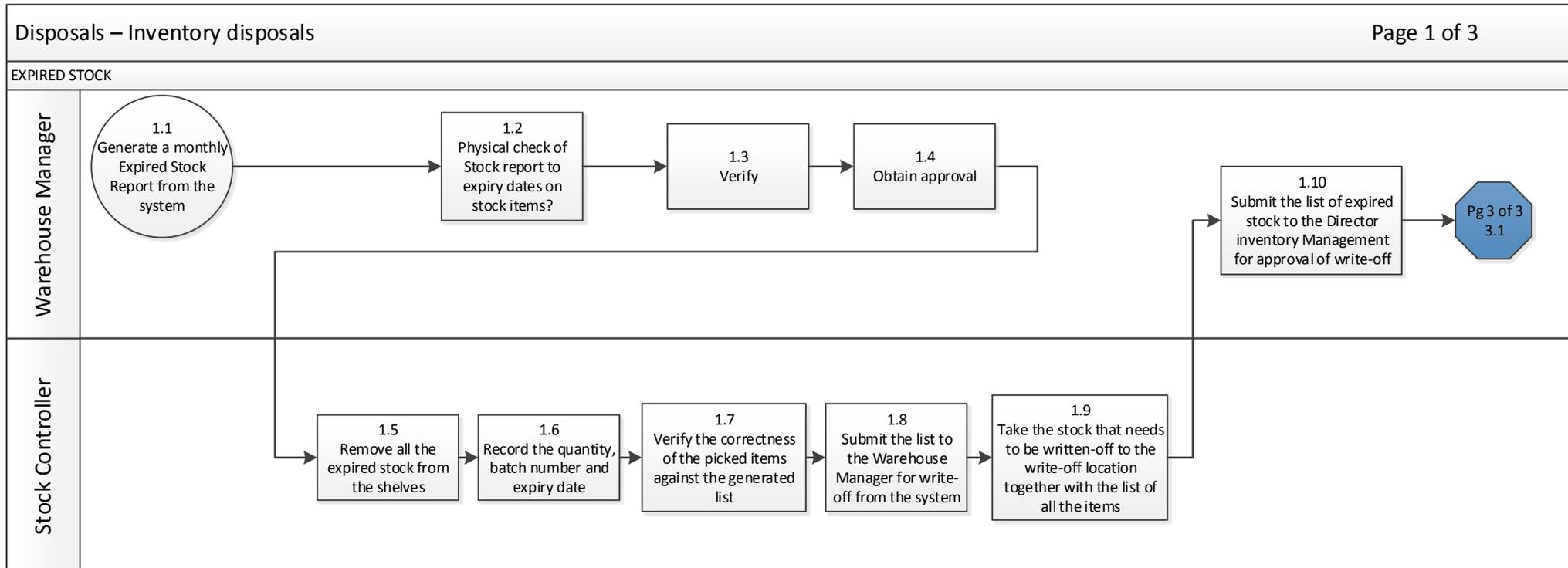


Table 20: Inventory disposal

Procedure		Responsibility
1.1	Generate a monthly Expired Stock Report from the system	Warehouse Manager
1.2	Physical check of Stock report to expiry dates on stock items?	Warehouse Manager
1.3	Verify	Warehouse Manager
1.4	Obtain approval	Warehouse Manager
1.5	Remove all the expired stock from the shelves	Stock Controller
1.6	Record the quantity, batch number and expiry date	Stock Controller
1.7	Verify the correctness of the picked items against the generated list	Stock Controller
1.8	Submit the list to the Warehouse Manager for write-off from the system	Stock Controller
1.9	Take the stock that needs to be written-off to the write-off location together with the list of all the items	Stock Controller
1.10	Submit the list of expired stock to the Director inventory Management for approval of write-off	Warehouse Manager

Table 21: Inventory disposal

Procedure		Responsibility
2.1	Damaged Stock may be identified during the stock count or at any other point during the handling of stock	Stock Controller
2.2	Damaged stock must be recorded including the description and the stock code of the item	Stock Controller
2.3	This list must be brought to the attention of Warehouse Manager Record: the quantity, batch number and expiry date	Stock Controller
2.4	Distribute to the warehouse manager	Stock Controller
2.5	The warehouse manager inspects the stock to ensure there is damage	Warehouse Manager
2.6	This list of damaged stock will be submitted to the Director Inventory Management for approval	Warehouse Manager

Figure 22: Inventory disposal

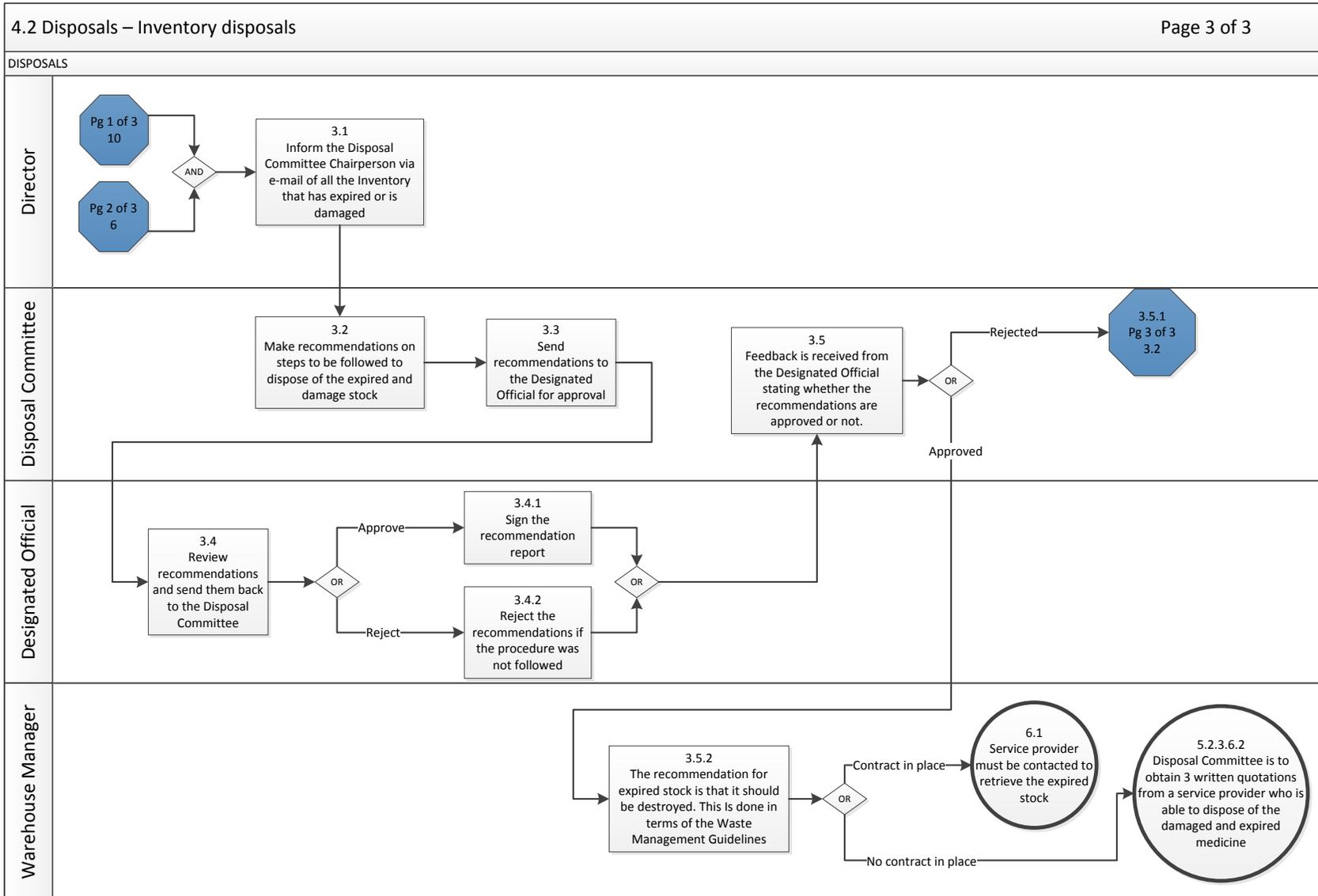


Table 22: Inventory disposal

Procedure		Responsibility
3.1	Inform the Disposal Committee Chairperson via e-mail of all the Inventory that has expired or is damaged	Director
3.2	Make recommendations on steps to be followed to dispose of the expired and damage stock	Disposal Committee
3.3	Send recommendations to the Designated official for approval	Disposal Committee
3.4	Review recommendations and send them back to the Disposal Committee	Designated official
3.4.1	Sign the recommendation report	Designated official
3.4.2	Reject the recommendations if the procedure was not followed	Designated official
3.5.1	Feedback is received from the Designated official stating whether the recommendations are approved or not.	Disposal Committee
3.5.2	The recommendation for expired stock is that it should be destroyed. This is done in terms of the Waste Management Guidelines	Warehouse Manager
6.1	Service provider must be contacted to retrieve the expired stock	Warehouse Manager
6.2	Disposal Committee is to obtain 3 written quotations from a service provider who is able to dispose of the damaged and expired stock	Warehouse Manager