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## Procurement Procedures

Document type: Procedure  
Policy Category: Support Service

Document number: A07/15

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### 1. Purpose

This document provides the framework for all procurement activities to be conducted in accordance with the approved University Procurement Policy.

### 2. Organisational scope

This document applies to all procurement made by the University, regardless of the source of funding and is applicable to all units (including all faculties, departments, support services, institutes, bureaus, centres, student bodies and residences). The University owned business enterprises and GIBS are excluded from this policy as they have their own governance structures.

### 3. Policy statement

The University requires that all purchases are made according to prescribed procedures supporting the approved Procurement Policy with an oversight and support function by the Procurement Division.

### 4. Definitions/Abbreviations

TERMINOLOGY	DEFINITION
approved supplier	A supplier that has met all mandatory requirements and was accredited by the Procurement Division for addition to the approved supplier database.
approver	Cost centre manager or higher authority who approves the procurement action in accordance with the approved delegations.
buyer	An employee in the Procurement Division responsible for the acquisition of goods and/or services.
closed tender	An invitation to tender, which is issued to a limited group of potential suppliers from the University's approved supplier database.
contract	The agreement that results from the acceptance of a tender by the University.
cost	The total amount payable for an item or service including, but not limited to, VAT, packing, installation, handling, shipping and delivery charges and price escalations over the contract period where applicable.



<b>TERMINOLOGY</b>	<b>DEFINITION</b>
emergency	Unforeseen situations requiring immediate action to: <ul style="list-style-type: none"> <li>• avoid or limit hardship or deal with a dangerous situation, or</li> <li>• enable the continuation of key activities, or</li> <li>• clear up damage, or prevent further damage or to deal with natural disasters, or</li> <li>• address operational or other safety risks.</li> </ul>
goods and/or services	All external purchases and contracting done by the University with funds other than the staff budget.
open tender	A tender published for general public attention.
procurement	A process which creates, manages and fulfills contracts relating to the provision of goods, works or services, the hiring of goods and/or services, disposal and the acquisition or granting of rights or concessions.
professional service	An occupation in the tertiary sector of the economy requiring special training in the arts or sciences. Some professional services require holding professional licenses such as architects, auditors, engineers, doctors and lawyers.
quotation	A written indication of fees and/or costs for the rendering of goods and/or services submitted by a supplier in response to a request by the University.
RFI	Request for Information
RFP	Request for Proposal
supplier	A person or legal entity that supplies goods and/or services to the University.
supplier database	A list of accredited suppliers the University will keep, update and distribute to all units in terms of this document.
requisition	A formal request to a buyer for the procurement of goods and/or services.
tender	A written offer by a supplier to enter into a contract in response to an invitation by the University for the provision of goods and/or services.
tender process	The process of soliciting quotations/offers from qualified suppliers to conclude a contract or afford the privilege or right to supply specified goods and/or services.
unit	A faculty, department, centre, bureau, support service, student body, institute or residence within the University.
VAT	Value added tax

## 5. Responsible officials

- 5.1 Each unit or delegated authority for expenditure must delegate officials within their units to raise and manage all requisitions for goods and/or services.
- 5.2 The requisition to the buyer will be in electronic format via the financial operating system for finance (People Soft).

- 5.3 The following supporting documentation must be uploaded upon the submission of the requisition as proof of procedure followed:
- written quotations obtained, and
  - tender award approval document
- 5.4 Upon receipt of the requisition the buyer will, depending on the type of request (catalogue item /non-catalogue item), ensure that the prescribed commercial process for the set monetary limits (see section 6) are adhered to in accordance with the University's approved Procurement Policy.
- 5.5 Final approval for the expense is the responsibility of the approver who must ensure compliance with all University policies and procedures. The "one up" principle applies in the case of the following expenses related to the use or consumption by the cost centre manager:
- flights;
  - accommodation;
  - entertainment;
  - conference attendances; and
  - office equipment such as laptops.

The line manager may grant prior approval, in which case the approval document must be attached to the requisition or the "Approver" must add the relevant line manager in the workflow approval process in the People Soft System.

## **6. Prescribed commercial processes – excluding capital, refurbishment and maintenance projects**

### **6.1 Cash purchases up to R5000 (total cost including VAT)**

Where goods and/or services costing **R5000** and below are to be purchased, a cash order may be issued at the discretion of the unit or user. All cash purchases must be limited to a maximum of R5000 per purchase and are restricted to consumable items only.

### **6.2 Written quotations – up to R1 000 000 (total cost per line item including VAT)**

- 6.2.1 **R1 – R20 000:** At least one telephonic/written quotation must be obtained for any individual goods and/or services - **cost** is calculated for the total quantity required.
- 6.2.2 **R20 001 – R75 000:** At least two written quotations must be invited by the unit or user for goods and/or services.
- 6.2.3 **R75 001 – R1 000 000:** At least three written quotations must be invited by the unit or user for goods and/or services.

### 6.3 Tenders – R1 000 001 and higher per item (total cost per line item including VAT)

- 6.3.1 A tender process is generally followed when the specifications of the goods and/or services are well defined. It generally provides the highest degree of assurance with respect to price and quality.
- 6.3.2 The Procurement Policy provides that a tender process be followed for goods and/or services where the estimated cost exceeds R1 000 000. As a minimum, the following applies:
  - 6.3.2.1 **R1 000 001 – R5 000 000:** Closed tender - at least **four** appropriate suppliers must be invited from the approved supplier database.
  - 6.3.2.2 **R5 000 001 – R20 000 000:** A public tender process must be followed. All public tenders are advertised on the University's website and is administered by the Procurement Division.
  - 6.3.2.3 **Above R20 000 000:** A public tender process must be followed and the Unit for Internal Audit should be notified of the specifications, advertisement and scheduled dates prior to the advertisement.
- 6.3.3 In exceptional cases, goods and/or services in excess of **R1 000 000 (including VAT)** per item may be purchased without following the tender process. Such purchases must be fully substantiated by the user through the Dean of the faculty or Director of the support unit to the Manager: Procurement for approval of a waiver of the tender process, prior to entering into the contract. Such waivers will be approved by the **Procurement Committee** established specifically for this purpose (Section 14 of the Procurement Policy).

## 7. Prescribed commercial processes – capital, refurbishment and maintenance projects

### 7.1 Written quotations – up to R250 000 per project (including VAT)

- 7.1.1 **R1 - R50 000:** At least one written quotation must be obtained for project related goods and/or services.
- 7.1.2 **R50 001 – R250 000:** At least three written quotations must be obtained for project related goods and/or services.

### 7.2 Tenders – R250 001 (including VAT) and greater per item

The Procurement Policy provides that a tender process be followed for capital, refurbishment and maintenance projects where the estimated cost exceeds R250 000 per project. As a minimum, the following applies:

- 7.2.1 **R250 001 - R5 000 000:** Closed tender - at least **four** suppliers from the approved preferred supplier list must be invited by the unit or user for project related goods and/or services.
- 7.2.2 **R5 000 001 – R20 000 000:** A public tender process must be followed. All public tenders are advertised on the University's website by the Procurement Division.

7.2.3 **Above R20 000 000:** A public tender process must be followed and the Unit for Internal Audit should be notified of the specifications, advertisement and scheduled dates prior to the advertisement.

7.3 In exceptional cases, goods and/or services in excess of R250 000 per item may be purchased without following the tender process. Such purchases must be fully substantiated by the user through the Director of the Unit to the Manager: Procurement for approval of a waiver of the tender process, prior to entering into the contract. Such waivers will be approved by the **Procurement Committee** established specifically for this purpose.

## 8. Tender practice

8.1 The data contained in the tender may vary depending on the nature of the project or the type of goods and/or services. Generally the following information is contained in a tender:

- A detailed description of the goods and/or services including functional specifications;
- A copy of a draft contract with terms and conditions prescribed by the University. The Legal Department of the University will assist in the drafting of contracts and advise accordingly;
- Request for pricing based on meeting the University's requirements. The tender should also estimate the volume of purchase and request pricing based on those volumes. Appointment does not guarantee any business unless explicitly stated otherwise by the University;
- The closing date and location where the, **Tender, RFP or RFI** should be returned to the University;
- The **general terms and conditions of tender** (see annexure 1);
- The tender fee being charged where deemed necessary. The fee may vary from a minimum of **R1000 up to R2500** depending on the nature of the item or service being procured and the additional direct expenses that may be incurred in the process of evaluating the tender.

8.2 When additions, deletions or other changes are made to the original specification, drawing, etc. which were furnished to suppliers in an RFI, tender or RFP, all suppliers requested to submit a response are to be notified of these changes simultaneously.

8.3 In general, contracts will be awarded to the tenderer who obtains the highest points in the tender evaluation scorecard. Transportation, set up and any miscellaneous charges should also be considered in the award decision and documented accordingly. However, the tenderer with the highest score will not be considered for the award if there is a price variance of more than **5%** from the lowest price on offer in the tender with the proviso that the price difference, in monetary value, must not be greater than **R5m** from the lowest price on offer. In addition, the University, at its sole discretion, may award to any other tenderer if it is in its best interest. When this situation occurs, reasons must be documented in detail.

8.4 After the award of the tender, a written notification should be sent to all unsuccessful tenderers to advise them that their tender offer was not selected.

8.5 The following supporting information must be documented and maintained in the departmental files:

- A copy of the tender/RFI/RFP and instructions to tenderers;
- The original tender responses;
- Copies of the quote award letter and quote rejection letters;
- All pertinent internal correspondence, project addenda, forecasts, quote plans, specifications and other information including documentation for qualifying and/or disqualifying potential suppliers;
- A list of all tenderers invited and who submitted, showing the name of the tenderer, the amount and/or pricing arrangement and any additional pertinent information. Any tender withdrawn by a supplier or rejected by the University should also be included with a written explanation supporting the withdrawal or rejection;
- The contract award information;
- All resulting agreements, contracts, revisions, etc. should be included in this file. It is the responsibility of the unit to maintain a copy of the contract with original signatures and forward a copy to the Legal Department of the University for maintaining a centralised database of all University concluded contracts. The unit must maintain and retain the original signed contract not only during its applicable term but also in compliance with applicable legislative retention requirements after its expiration for five (5) years.

8.6 Tenders for goods and/or services (excluding capital refurbishment and maintenance projects) with an estimated cost exceeding **R5 000 000 (including VAT)** per item will be administered by the Procurement Division in conjunction with the unit/user. All other tenders and quotations must be solicited by the relevant units with guidance sought from the Procurement Division where considered necessary.

8.7 The length of time between advertising date and appointment of supplier or service provider should be reasonable in light of applicable circumstances (e.g. nature of goods/services, pace of technological/scientific/market developments, complexity of the project etc., failing which the tender process lapses and should begin afresh.

## **9. Composition and functioning of tender evaluation and adjudication committees**

### **9.1 Tender evaluation committees**

This committee is responsible for the opening, shortlisting, evaluation and award recommendation to be made to the tender adjudication committee and comprises:

- The head of department, project manager or internal client for the tender under consideration;
- The relevant buyer;
- Where considered necessary, any one or more of the following:-
  - ❖ a person with a legal background;
  - ❖ a person with a financial background;
  - ❖ a specialist in the goods and/or services required or an external consultant may be included;

- ❖ For tenders greater than R50m, the Director: Finance or his/her delegated representative.

## 9.2 Tender adjudication committees for tenders less than R8m

This committee is responsible for the adjudication and approval of the tender awards for all tenders **below R8m** and comprises:

- The relevant Dean/Director or his/her delegated representative as chair;
- The project manager or internal client for the tender under consideration;
- The Director: Finance or his/her delegated representative;
- Where considered necessary, a person with a legal background or a specialist in the goods and/or services required or an external consultant may be included;
- Affected stakeholder groups who may have a direct interest in the tender under review, may be invited to send an observer to the meeting.

## 9.3 Tender adjudication committees for tenders R8m and greater

This committee is responsible for the adjudication and approval of the tender awards for all tenders **greater than R8m** and comprises:

- The relevant Executive Director/Vice-Principal or his/her delegated representative as chair;
- The project manager or internal client for the tender under consideration;
- The Director: Finance or his/her delegated representative;
- Where considered necessary, a person with a legal background or a specialist in the goods and/or services required or an external consultant may be included;
- Affected stakeholder groups who may have a direct interest in the tender under review, may be invited to send an observer to the meeting.

- 9.4 Approval of a tender award must be in accordance with the policy on internal delegation of authority. These delegations vary according to whether the procurement is within the budget or outside of the budget.

## 10. Tender evaluations

There are two methods followed by the University in evaluating tenders and the selection of the most appropriate process is dependent on the type of service or goods required. The following guidelines are provided and the choice of the method of evaluation must be decided prior to invitation of tender and approved by the “approver”.

### 10.1 Basic compliance applicable to all tenders regardless of method chosen

- Evaluate tender submission for compliance to all submission requirements.
- Submissions that do not meet the mandatory requirements will not advance to the next stage of assessment. No points allocated at this stage.

**Documents to be submitted – first six are compulsory:**

- Correctly completed tender and signed by authorized signatories
- Company registration certificate
- Valid tax clearance certificate
- Vat registration certificate
- Proof of bank account
- BBBEE certification or letter of exemption from the SANAS registered verification agency or the accountant, or registered Independent Regulator of Board of Auditors (IRBA)
- Registration certificate: Unemployment Insurance Fund
- Certificate of good standing: skills levy
- Copy of Skills Development Plan submitted and inspected by the Department of Labour or exemption note issued by the Department of Labour or issued by the relevant body with legal authority
- Copy of Employment Equity Plan submitted and inspected by the Department of Labour or exemption note issued by the Department of Labour or issued by the relevant body with legal authority
- Registration certificate: Compensation of Occupational Injuries and Diseases
- Proof of public liability cover
- Most recent audited annual financial statements or annual financial statements signed by the accounting officer for Close Corporations together with comparatives. No holding company financial statements will be accepted. Contractors will be assessed on their financial capabilities to execute the contract successfully.
- Proof of local infrastructure (e.g. Utility bill or lease agreement)
- Implementation plan
- Generic quality plan

**10.2 Least cost method (LCM) (option 1)**

- Evaluation based on the cost of the completed asset or cost of service committed by the bidder
- Only price and BBBEE (preferential points system) is considered and the tenderer scoring the highest points will be awarded the tender (see 10.3.1.- Stage 2)

**10.3 Quality and cost-based selection (QCBS) (option 2)**

- Evaluation based on the cost committed by the tenderer and the technical qualification of the tenderer
- Stage 1 involves the functional analysis to determine the technical qualification and capability of the tenderer to qualify for Stage 2.
- Stage 2 considers only price and BBBEE
- Applied as a default method of evaluation for all tenders as prescribed below:

**10.3.1 Stage 1: functional analysis**

The minimum qualifying score for functionality for a tender to be considered:

- (a) may not be generic;



- (b) must be determined separately for each tender; and
- (c) may not be so:
  - i. low that it may jeopardise the quality of the required goods or services; or
  - ii. high that it is unreasonably restrictive.

The following steps must be followed by the tender evaluation committees:

- Evaluate submissions against functional criteria
- Rate each submission against each criterion
- Apply weightings and calculate total functional score
- Eliminate tenderers that fail to obtain the minimum qualifying score for functionality

**Example of criteria to be used in the functional analysis:**

Functionality	Points
<b>References: Contactable customer list (minimum of three references not exceeding ten) of contracts of a similar size.</b> 1 reference = 5 points 2 references = 10 points 3 and above references = 20 points	20
<b>Years of company's experience of the management for the provision of personnel in relevant industry etc.</b> > 0 <= 3year = 2 points > 3 <= 5years = 5 points > 5 <= 9 years = 7 points > 9 years = 10 points	10
<b>Contractor manager's experience in the relevant industry (CV submitted)</b> > 0 <= 3year = 2 points > 3 <= 5years = 5 points > 5 <= 9 years = 7 points > 9 years = 10 points	10
<b>30 Days implementation plan</b> <b>Service providers must submit a implementation plan detailing the following:</b> <ul style="list-style-type: none"> <li>• Detailed timeline for implementation</li> <li>• Procurement of resources e.g. personnel</li> <li>• Procedures to be followed in the preparation for commencement of the contract</li> </ul>	15
<b>Quality management system</b> <b>Service providers must submit a generic quality plan detailing the following:</b> <ul style="list-style-type: none"> <li>• Standard operating procedure</li> <li>• Monitoring and control</li> <li>• KPIs of the management of the contract (response time, number of non-conformance), etc.</li> </ul>	30

Functionality	Points
<ul style="list-style-type: none"> <li>Management report</li> <li>Safety, good housekeeping and legal requirements</li> <li>Contingency plan in the event of any industrial action by service provider's employees and absenteeism</li> </ul>	
<b>Samples to be submitted</b> <ul style="list-style-type: none"> <li>Pro-forma employment agreement</li> <li>Pro-forma salary advice</li> <li>Disciplinary code and grievance procedure</li> </ul> Non-Submission = 0 points	<b>15</b>
<b>TOTAL</b>	<b>100</b>

### 10.3.2 Stage 2: price & preference analysis

Each tender that obtained the minimum qualifying score for functionality must be evaluated further in terms of price and the preference points system. The focus is on price (**90 points for price** will be allocated in accordance with the formula) and BBEE (**10 points on BBEE** will be allocated in accordance with the service provider's BBEE status).

The following steps must be followed:

- Calculate price points out of 90
- Apply preference points according to B-BBEE status
- Add price points and preference points
- Recommend tenderer with highest points for award to the **Tender Adjudication Committee**.
- In general, the tenderer with the highest score will **not** be considered for the award if there is a price variance of more than **5%** from the lowest price on offer in the tender with the proviso that the price difference, in monetary value, must not be greater than **R5m** from the lowest price on offer. In such cases each tenderer will be considered in strict order of the final scores tabulated from the highest and continues down the list until the price variance from the lowest price on offer is within the above thresholds.

#### 10.3.2.1 Price points calculation formula

Calculation for awarding points on pricing:

$$PS = 90 \times \left[ 1 - \left( \frac{Pt - P_{min}}{P_{min}} \right) \right]$$

**Where**

- Ps = Points scored for comparative price of tender or offer under consideration;
- Pt = Comparative price of tender or offer under consideration;

Pmin = Comparative price of lowest acceptable tender or offer

#### 10.3.2.2 B-BBEE score card

B-BBEE Status Level of Contributor	Number of Points
Level 1	10
Level 2	9
Level 3	8
Level 4	5
Level 5	4
Level 6	3
Level 7	2
Level 8	1
Non-complaint contributor	0

See Annexure 2 for evaluation score sheet applicable for Stage 2.

### 11. Leases and Rentals

The estimated cost (including VAT) of the equipment to be leased or rented is considered in determining the prescribed commercial process required to conclude the contract. A full maintenance agreement is preferred and must be approved by the University's Legal Department.

### 12. Direct Imports

12.1 The Procurement Division in consultation with the unit/user may purchase goods and/or services directly from overseas suppliers. This decision is made when:

- Quotations or tenders have been invited locally without success; or
- prices quoted in response to a bid invitation are regarded as exorbitant and the purchase from the overseas supplier is financially advantageous to the University; or
- supplies required are not obtainable locally or through local representatives and that no other brand/product will serve the purpose.

12.2 The Procurement Division will ensure that the most cost effective method of payment, for example, purchase of forward cover, letter of credit, bank draft, etc. will be used when paying for goods and/or services provided from abroad. The Procurement Division will also be responsible for all arrangements with customs and excise and with the local clearing agents where applicable.

12.3 The Procurement Division, prior to the authorisation of an overseas purchase order, will obtain pro-forma invoices. Alternatively, current price lists may be used with prior authority of the Manager: Procurement.

### 13. Request for Proposals (RFPs)

13.1 This is an alternate procurement method that should be employed where goods and/or services are available from different suppliers but differ from each other not only in

price but in other aspects (i.e. quality, availability, functionality, etc.). A RFP is typically used when the goods and/or services cannot be defined with absolute specificity and further dialogue with suppliers concerning the subject of the RFP is expected.

13.2 Seeking competitive proposals is the preferred method of contracting for services such as systems requirements and turnkey projects and for obtaining certain professional services such as engineering, architecture, accounting, auditing, etc. However, if circumstances do not permit multiple proposals, this must be adequately documented. RFPs will be utilised for obtaining information relative to particular goods and/or services, when exact requirements are unknown or undetermined. RFPs do not constitute an “offer” to buy or do business, but rather, serve as an inquiry of the marketplace as to what, if any, options are available.

13.3 Contract awards based on competitive proposals must be documented and must state the criteria used in the selection process. Minimum documentation should include:

- List of suppliers considered or if no other suppliers were considered, the reasons why;
- Qualification of the suppliers such as experience, specialised skills, availability, etc.;
- Price quotations including any services offered as a “package” such as installation, warranties, etc.;
- Consideration of B-BBEE;
- Credit approval, insurance compliance;
- Any additional considerations used in evaluating the proposal.

#### **14. Request for Information (RFI)**

14.1 RFI’s are issued by the University to determine availability of goods and/or services in the marketplace. From such responses, suppliers may be “pre-screened” to ascertain whether they can meet the University’s requirements. Only those suppliers who meet the pre-screening criteria will be issued a tender or RFP, which details the University’s requirements.

14.2 The information contained in the RFI varies. The following minimum information may be included in all RFIs:

- A description of the goods and/or services to be supplied, or the purpose for which they are required including any specifications as may be available to alternately describe the need required;
- The dates for which goods and/or services are required;
- The tender office address where the RFI is to be submitted;
- Request for itemised pricing that may or may not include volumes;
- The closing date and location for the response to be provided;
- A statement alerting potential suppliers that they may be “pre-screened” in order to enable the University to ascertain whether they will be able to meet the University’s requirements;
- The University’s approved general terms and conditions of tender;
- The University’s proprietary statement on all RFI’s;
- Evaluation criteria.

## 15. Single source negotiations

15.1 Single source negotiations should be used when one of the other procurement procedures is impractical or otherwise inappropriate. Comparison of prices with goods and/or services of like complexity, nature or similar costs should be used as a substitute for competitive procurement processes in this method. This method of procurement is recommended for:

- sole supplier situations – this method of procurement refers to situations when there is only one supplier for specific goods and/or services. An example would be specialised requirements or procurement for research purposes where a sole supplier exists for the required goods and/or services – proof of sole supplier status must be obtained. “Brands” are not considered when determining whether a sole supplier situation exists;
- the appointment of professional services such as financial, medical, security, legal etc. where individual expertise is required;
- ad hoc once-off purchases such as conference attendance and the use of performing artists;
- purchases from University owned business entities;
- emergency situations (as defined in the Procurement Policy) or where the needs of the University preclude the use of the competitive quotation or competitive proposal processes.

All decisions to procure goods/services on a single source basis must be well documented by the relevant user and must always be approved by the relevant approver. Where the estimated cost of the procurement exceeds the threshold set for quotations (par. 6.2 and par.7.1), approval must be sought from the **Procurement Committee**.

15.2 Items to be considered when procuring such goods and/or services on a single source basis should, at a minimum, include:

- Previous performance of the supplier;
- Capacity of the supplier to perform within the required time;
- Experience of the firm in the specialised requirement;
- Reputation and standing of the individual or company within the community;
- or
- Equitable distribution of the University business where cost to the University is essentially the same.

15.3 It is the responsibility of all staff involved in the procurement process to ensure that the negotiated terms and prices are fair and reasonable based upon comparison of prices for goods and/or services of like complexity, nature or cost. A comparison of prices for similar goods and/or services must be performed and documented. Such comparisons must be used to support the decision made.

15.4 Single source emergency purchases should be reviewed as they occur to determine whether the emergency situations are emergencies as defined by this practice. Documentation regarding the emergency should be maintained in the files of the relevant unit.

## 16. Types of contracts/agreements

16.1 It is necessary to enter into a formal, written contract for the procurement of goods and/or services greater than **R500 000** (including VAT), or where the University determines the complexity and/or risk to be significant enough to warrant it. The provisions of a contract are always binding on the contracting parties. Therefore, a contract, where the terms and conditions are not legally enforceable by the contracting parties, must not be entered into. The Legal Department should be requested to review contracts to ensure that the University's interests are protected.

16.2 The following table provides details of some of the types of contracts frequently entered into by the University:

<b>Commitment contract</b>	Consists of agreed upon terms and conditions for definite quantities, minimum/maximum stocks, goods and/or services schedules, scope of work, or any combination of the above.
<b>Non-commitment contract</b>	Without a specified quantity. This type of contract is often referred to as an "as ordered" contract. It does not obligate the University to purchase a predetermined quantity. Purchase orders are placed against the contract and when accepted by the supplier, a commitment is established under the terms and conditions of the contract.
<b>General Agreements</b>	Non-commitment agreements, containing terms and conditions that govern a purchase should the University place an order or negotiate a contract with the supplier. Such an agreement would save time in future negotiations and transactions. Such agreements have particular application with multi-contract suppliers, a continuing source of supply or a continuing service provider. A subsequent purchasing document or contract that is subordinate to the terms and conditions of the main agreement, is needed to complete any transaction under the general agreement.
<b>Purchase Orders</b>	An official University document containing pre-printed pre-approved terms and conditions used to formalise a purchase transaction. A purchase order, when placed with a supplier, acts as a contract when there is no existing contract to reference and should normally contain: statements as to the quantity, description and price of the goods and/or services ordered; reference (by number) to any pre-negotiated contract which provides the terms and conditions of the purchase; agreed terms as to payment, discounts, date of performance, transportation terms, invoice address, delivery notes and all other agreements pertinent to the purchase and its execution by the supplier.
<b>Service Contracts</b>	Either commitment or non-commitment and contain agreed upon terms and conditions for a well-defined scope of work statement, which in turn describes the service to be provided. The how, when and where the service is to be

	performed is contained in a commitment contract or in a purchase order for a non-commitment contract.
<b>Fixed Cost or Flat-Sum Contracts</b>	Specify the total amount to be paid to the supplier for the goods and/or services rendered. When the specifications for the desired goods and/or services are sufficiently complete these types of contracts are the most desirable because they fix the total cost and in most instances will result in the least overall cost.
<b>Unit Cost Based Contracts</b>	Specify costs per hour, item, etc. for goods and/or services to be performed for the University on an as-ordered, non-commitment basis.

## 17. Service level agreements (SLAs)

17.1 In the event that the contract/order does not specify the key deliverables and timeframes within which to execute the requirement, a service level agreement must be concluded between the University and the supplier.

17.2 Typically an SLA includes the following:

- Key deliverables;
- Timeframe to complete each deliverable;
- Quality standards;
- Statutory compliance requirements;
- Special terms and conditions;
- Special payment terms;
- Incentives;
- Penalties.

## 18. Associated documents

- The University's approved Procurement Policy (SCC 06/15);
- The Higher Education Act, 101 of 1997 as amended;
- Section 217 of the Constitution of South Africa;
- The Department of Trade and Industry's Code of Good Practice applicable to Broad-Based Black Economic Empowerment published in the Government Gazette (Act 53/2003, Notice 1019 of 2013);
- The prescribed scorecard of the Codes applicable to universities. The requirements are based on the relevant legislation (Act 53/2003), and
- The Preferential Procurement Policy Framework Act (PPPFA) (Act 5/2000) and its Regulations.

## 19. Appendices

**Annexure 1** – General terms and conditions of tender

**Annexure 2** – Tender evaluation score sheet

**Annexure 3** – Quick reference guide

## 20. Responsibility for implementation

The Director: Finance

**21. Document life cycle**

This document should be reviewed every three years.

**22. Document metadata**

Document number:	<i>A 07/15 (Amended)</i>
Document version:	<i>Fourth</i>
Document approval authority:	<i>Executive</i>
Document approval date:	<i>15 March 2017</i>
Document owner:	<i>Director: Finance</i>
Document author(s):	<i>P Asrie; N M Moolla</i>
Date:	<i>16 November 2016</i>



## GENERAL TERMS AND CONDITIONS OF TENDER

### 1. GENERAL

Unless otherwise specifically agreed in writing between the University and the supplier these tender terms and conditions form a part of each tender and contract and apply to contracts for the purchase of materials, supplies, equipment and services.

### 2. SUBMISSION OF TENDERS

<p>Tenders must be posted to:</p> <p>The Procurement Manager: Procurement University of Pretoria Private Bag X20 Hatfield 0028</p>	<p>Or hand delivered in a sealed envelope to:</p> <p>The Procurement Manager Procurement University of Pretoria Administration Building, Room 5-29 Corner of Lynnwood Road and Roper Street Hatfield</p>
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### 3. EXECUTION OF TENDER

The tender form must be signed in the space provided on the form with the signature of the tenderer or the responsible official of the enterprise tendering. Hard copy submissions must be written or printed in ink and all corrections must be initialed by the person signing the tender documents.

### 4. PRICES AND TERMS

Firm prices should be tendered and include all packing, installation, handling, shipping charges and delivery to the destination shown therein.

The following must be noted when prices are determined for tenders:

- 4.1 VAT (where applicable) must be included in all prices.
- 4.2 Prices quoted must remain firm for at least 60 days from closing.
- 4.3 Tenderers are encouraged to allow educational discounts in the prices quoted.
- 4.4 Settlement discounts may be offered for prompt payment.
- 4.5 Claims: Claims for an increase in price due to a variation in the rates of exchange will only be considered if:
  - it was a condition of the tender;
  - the amount to be remitted overseas in foreign currency and the rate of exchange applied was stated in the tender;
  - documentary proof of date of payment and the rate of exchange ruling at the time of payment is furnished;
  - the order was satisfactorily executed within the stipulated delivery period.

**IF ANY GAIN IS OCCASIONED BY ANY VARIATION IN THE RATE OF EXCHANGE THIS SHOULD BE PAID FORTHWITH TO THE UNIVERSITY.**

## **5. PAYMENT**

The standard terms of settlement are 30 days after receipt of the first month-end statement on completion of satisfactory delivery of goods/services. Unless otherwise specified, partial payments or advance payments will not be made.

## **6. DELIVERY**

Unless actual date of delivery is specified (or if specified delivery cannot be met) mention must be made of the number of days required to effect delivery after receipt of an official University purchase order. Delivery time may be a basis for making an award. Delivery will be within the normal working hours of the University, Monday to Friday (07:30 to 16:00) unless otherwise stated.

## **7. ERRORS**

Failure to examine the specifications, delivery schedule, tender prices, extensions and all instructions will be at the tenderer's risk. The unit price will govern in the case of a mistake in extension.

## **8. QUALITY OF MATERIAL**

Unless otherwise stipulated the goods tendered, should be **NEW** i.e. in the unused condition, neither second-hand nor reconditioned.

## **9. SAFETY**

All manufactured items and fabricated assemblies should comply with applicable requirements of the Occupational Safety Health Act. (Act No. 85 of 1993 and any standards thereunder).

## **10. SECURITIES**

The successful tenderer, when called upon to do so, has to provide security to the satisfaction of the University for the due fulfilment of a contract or order. Such security will be in the form of a deed of suretyship furnished by an approved bank, building society, insurance or guarantee corporation carrying on business in South Africa.

## **11. MANUFACTURERS' NAMES AND APPROVED EQUIVALENTS**

Any reference to manufacturers' names, trade names, brand names, information and/or catalogue numbers listed in a specification are for information and not intended to limit competition. If tenders are based on equivalent products, indicate on the tender form the manufacturer's name and number. Tenderers have to submit with proposals, drawings, sketches and descriptive literature and/or complete specifications. The University reserves the right to determine acceptance of item(s) as an approved equivalent.

## **12. SAMPLES**

If samples are required, such samples must be furnished free of all charges, on or before the closing date of the tender. If tenderers desire such samples returned it will be at their own risk and cost. All requests for return of samples will be accompanied by instructions which include

method of return with the tender submission. If instructions are not received the commodities will be disposed of by the University.

**13. FACILITIES**

The University reserves the right to visit/inspect the tenderer's facilities at any time with prior notice.

**14. DISQUALIFICATION OF TENDERER**

More than one tender from an individual, firm, partnership, corporation or association under the same or different names will not be considered. Reasonable grounds for believing that a tenderer is involved in more than one proposal for the same work will be cause for rejection of all proposals in which such tenderers are believed to be involved. Any or all proposals will be rejected if there is reason to believe that collusion exists between tenderers. Tenders that contain prices which are obviously unbalanced, as to affect adversely the interest of the University, may be rejected.

**15. CHANGE IN SCOPE**

The University reserves the right to change the scope and extent of supply of the goods and/or services requested in the tender and invite the re-submission of such tender on or before the closing date, without necessitating a new tender.

**16. ACCEPTANCE OF TENDER**

The University reserves the right to:

- withdraw a tender after issue;
- accept no submitted tender.

Upon the acceptance of a tender by the University, the parties will be bound by the general terms and conditions of the tender and the standard terms and conditions of contract.

**17. AWARD**

The University reserves the right to award by item, or part thereof, groups of items, or parts thereof, or all items of the tender; to reject any and all tenders in whole or in part; to waive any minor technical defects, irregularities or omissions if, in so doing the best interests of the University will be served. The University reserves the right not to accept any tender with the cheapest offer.

**18. SPECIAL PROVISIONS**

Any and all special conditions attached hereto which vary from these general conditions shall have precedence.

## TENDER EVALUATION SCORESHEET

TENDER NO. UP/PRO/2014/??

	A	B	C	D
4	TENDERER		ABC WHOLESALERS	BCD SUPPLIERS
5	PRICE		Price on offer	Price on offer
6	B-BBEE STATUS		BBBEE level as per certificate	BBBEE level as per certificate
7				
8	CRITERIA	POINTS	<b>MIN</b> <b>=MIN(C5:O5)</b>	
9	PRICE	90	= $(1 - ((C5 - \$C\$8) / \$C\$8)) * \$B\$9$	= $(1 - ((C5 - \$C\$8) / \$C\$8)) * \$B\$9$
10	B-BBEE	10	=LOOKUP(C6,{0,1,2,3,4,5,6,7,8},{0,10,9,8,5,4,3,2,1})	=LOOKUP(C6,{0,1,2,3,4,5,6,7,8},{0,10,9,8,5,4,3,2,1})
11	TOTAL SCORE	100		

**MAX**  
**=MAX(C11:O11)**



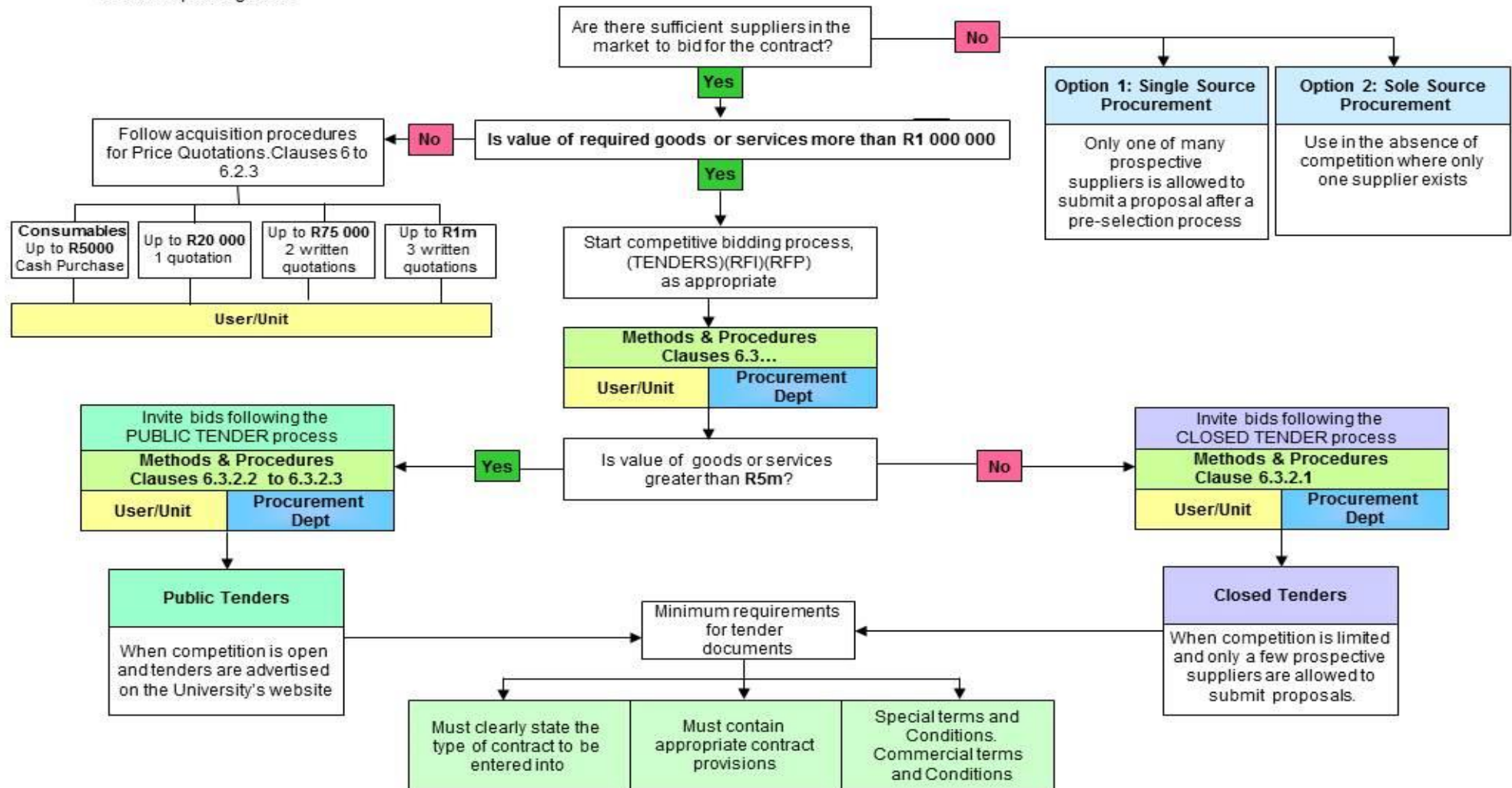
UNIVERSITEIT VAN PRETORIA  
UNIVERSITY OF PRETORIA  
YUNIBESITHI YA PRETORIA

# **Procurement Methods and Procedures Process Flow**

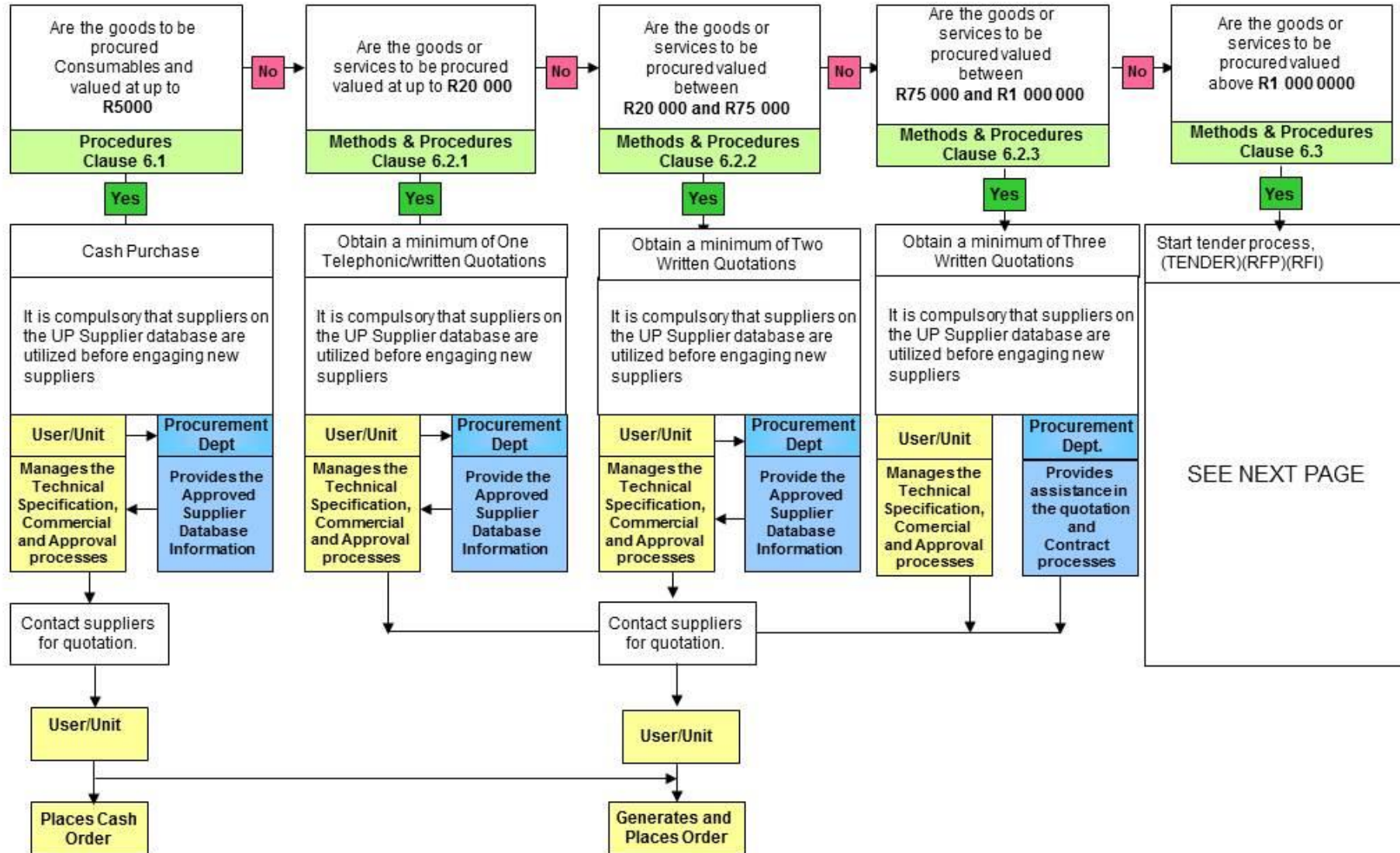
## **QUICK REFERENCE GUIDE**

# PROCUREMENT PROCEDURES FOR COMPETITIVE BIDDING

**Objective:** To provide all prospective suppliers with timely and adequate notification of the institution's requirements and an equal opportunity to bid for the required goods.

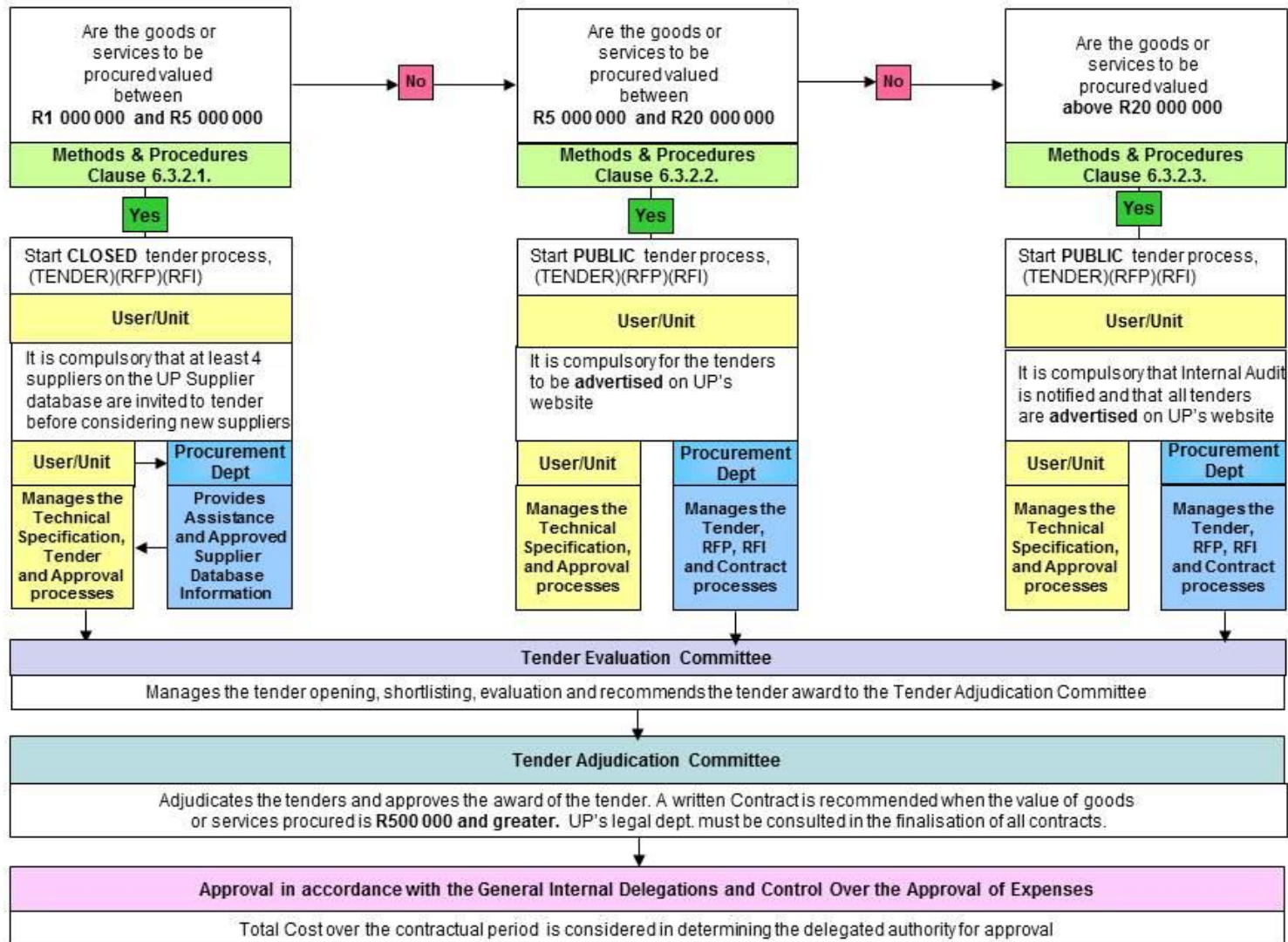


## PROCUREMENT PROCEDURES FOR QUOTATIONS



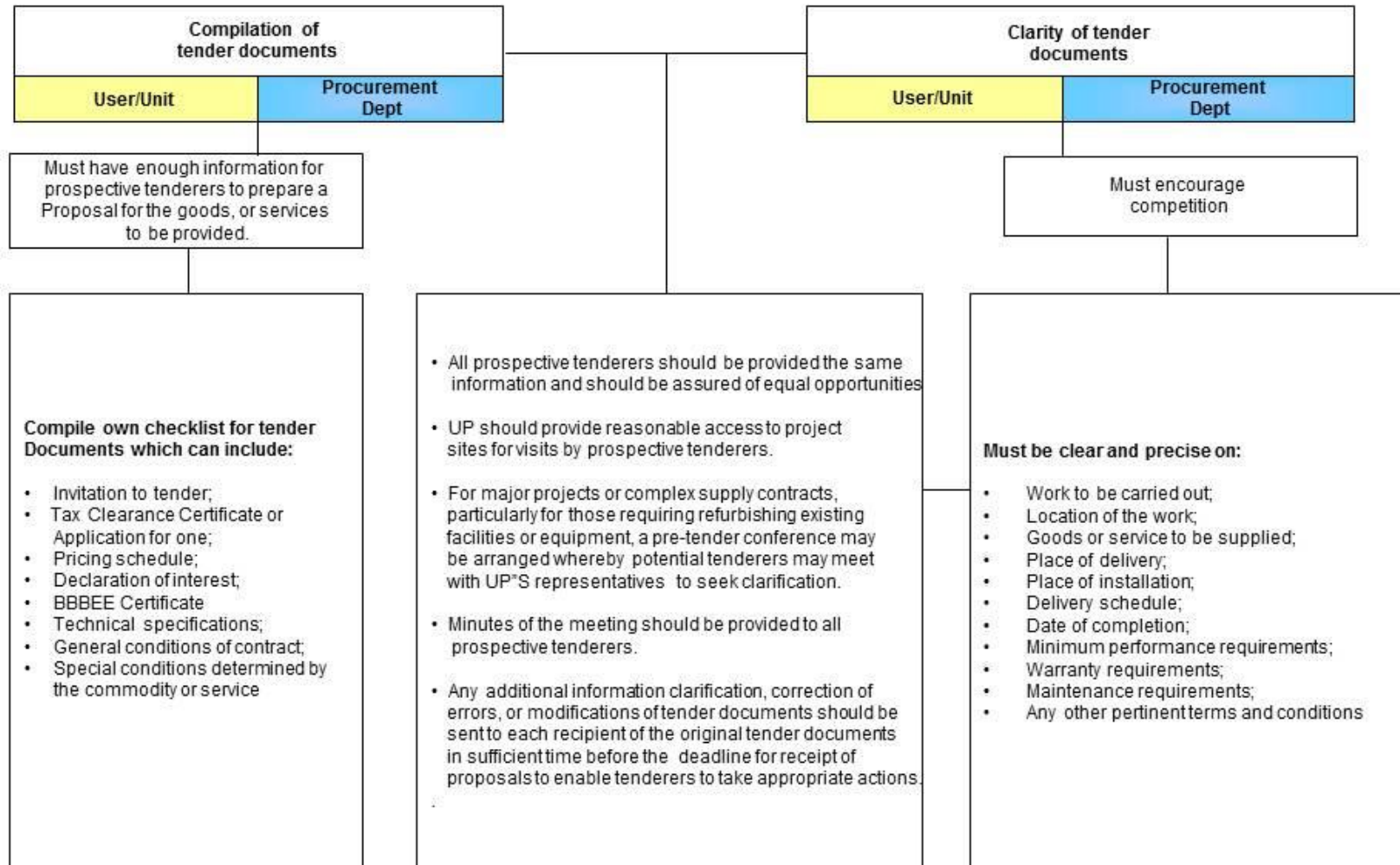


## ACQUISITION PROCEDURES FOR TENDERS





# TENDERS



## CONDITIONS OF THE TENDER

All contracts must be based on the General Conditions of Contract (GCC) issued by UP – LEGAL SERVICES

