

PROCUREMENT POLICY

Document type: Policy
Policy Category: Support Service

Document number: SCC 49/20

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1. PURPOSE

The University spends large amounts of money on the procurement of goods and services annually. It is essential that purchasing is conducted in a consistent, ordered, transparent, responsible and cost effective manner in order to avoid fruitless and wasteful expenditure. The University's funds must be managed responsibly, ensuring that goods and services of the correct quality and quantity are delivered at the right time and place and at fair prices. The policy directive applies to all staff involved with procurement either as the person requesting the purchase, as the cost centre manager authorising the purchase, additional approver or as the buyer in the Procurement Division.

This Policy provides for the procurement of goods and services at the University, with particular emphasis on the benefits to be derived from economies of scale and obtaining value for money when procuring goods and services for the institution. In addition, the Policy incorporates the University's approach to preferential procurement in supporting Broad-Based Black Economic Empowerment.

All line managers, staff and students involved in procurement at the University must ensure compliance with the Policy. It is of the utmost importance for line managers to ensure that all staff members involved in the application of financial resources are informed on and are properly trained in the University's procurement processes. Due to the high risk involved in procurement and the possibility of irregularities and fraud, any non-compliance with the Policy is viewed in a serious light.

The Policy supports five principles associated with procurement i.e. value for money, open and effective communication, ethical and fair dealing, accountability and reporting, and equity.

2. ORGANISATIONAL SCOPE

The Policy applies to all procurement undertaken on behalf of the University, regardless of the source of funding and is therefore applicable to all units (including all faculties, departments, support services, institutes, bureaus, centres, student bodies and residences). The University controlled sub-structures with separate juristic personalities are excluded from the ambit of this Policy, in so far as such sub-structures implement their own procurement policies.

For all procurement processes which are subject to a tender process, the prescribed tender procedure must be followed. The Procurement Division provides support for the administration of all tender processes.

3. POLICY STATEMENT

The University's approach to procurement is to de-centralise decision-making and authorisation as far as possible, but within the framework of a central control and coordinating structure. The Procurement Division is situated in the Department of Finance. This structure requires that all purchases are made according to prescribed procedures with an oversight and support function exercised by the Procurement Division. A central Procurement Division is necessary in order to:

- obtain benefits of scale;
- implement and monitor corporate policy (e.g. preferential procurement and Broad-Based Black Economic Empowerment);
- render a professional support service;
- standardise suppliers and products where appropriate;
- centrally control the selection and registration of suppliers;
- manage, report on and coordinate procurement;
- coordinate the University's participation in the purchasing consortium of Southern Africa (PURCO SA) for higher education; and
- ensure compliance with applicable legislation.

The Procurement Division ensures that buyers, in cooperation with units, are able to negotiate for the procurement of required goods and/or services at the lowest prices and on the best conditions for all units within the University.

The University however, acknowledges that discretion may sometimes be required in the application of the Policy. Examples include instances where only a sole supplier exists for a particular product and/or service, where specialised services are rendered, where the suppliers are prescribed by a third party in terms of an agreement or for emergency services or products.

The University is a legal entity that can be held liable contractually or otherwise. Contractual liability usually results after a University purchase order is generated or a contract is entered into, irrespective of the source of the funds. This means that:

- All requests for goods or services at the University must be processed by means of an official University requisition and purchase order;
- No goods or services may be supplied if the supplier is not in possession of an official University purchase order or tender contract;
- The University reserves the right to refuse payment for any goods or services rendered in the absence of an official purchase order (in which event the relevant staff member will be held liable for the purchase price or possible damages caused by the external third party). This may also lead to disciplinary action;
- No goods or services bought may be paid for by a personal credit card, cheque or cash to be claimed back later, without prior written authorisation obtained in accordance with the **General Internal Delegations and Control over the Approval of Expenditure**; and
- The University reserves the right to refuse repayment of any expense incurred personally for goods or services for official University purposes, in contravention of the relevant policy requirements.

4. DEFINITIONS/ABBREVIATIONS

TERMINOLOGY	DEFINITION
agent	An individual or a business that plays an intermediary role in securing business for one or more suppliers. Such individuals or businesses usually offer a variety of goods and/or services.
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 Delegation of Authority.
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.
contractor	Any natural or legal person whose tender has been accepted by the University in writing.
Council	The Council of the University of Pretoria.
Council member	A person serving on the Council of the University in terms of the Statute of the University.
core business activity	Refers to any research, community engagement or academic related function of the University
emergency	Unforeseen situation where action is necessary to: <ul style="list-style-type: none"> • avoid or limit hardship or deal with a dangerous situation, or • to enable the continuation of key activities, or • to clear up damage, or prevent further damage or to deal with natural disasters, or • to address operational or other safety risks.
employee	An employee of the University of Pretoria.
end user	The person who will utilise the goods or services required.
Executive	The Executive Committee of the University or a member thereof.
fruitless/wasteful expenditure	Expenditure incurred that would have been avoided had reasonable care been exercised.
goods and 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 contractual obligations relating to the provision of goods, works or services, the hiring of goods and services, disposal and the acquisition or granting of rights or concessions.

TERMINOLOGY	DEFINITION
preferential procurement	Procurement based on the preferential system as per the guidelines promulgated by the Preferential Procurement Policy Framework Act, as amended (Act 5/2000) and its Regulations, 2011.
professional service	An occupation requiring specialised training and professional licences or affiliations.
quotation	A written indication of fees and/or costs for the rendering of goods or services that is made by a supplier in response to a request by the University.
Senior management	A member of University of Pretoria staff appointed on the level of a dean of a faculty, director of a support department or equivalent.
student	Registered student at the University who is responsible for procurement through a staff member of the University.
supplier	A person or legal entity that supplies goods and/or services to the University.
supplier database	List of accredited suppliers that the University will keep, update and distribute to all units in terms of this policy.
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.
term contract	A contract with a negotiated duration period.
unit	A faculty, department, centre, bureau, support service, student body, laboratory, institute or residence within the University.
value for money	Refers to the best available outcome when all relevant costs and benefits over the lifecycle are considered.

5. DELEGATIONS FOR PROCUREMENT, CONTRACTING AND AUTHORISATION

The delegation for procurement, contracting and authorisation is determined by a decision of Council and Executive Management and is included in the policy on **General Internal Delegations and Control over the Approval of Expenditure**. It is imperative that this policy is read together with this Procurement policy. It is important to note that the Department of Facilities Management has a separate set of delegations for approved capital, refurbishment and maintenance projects.

5.1 *Delegations for procurement and contracting*

Approvals must be in accordance with the Policy on Internal Delegation of Authority. These delegations vary according to whether procurement exceeds the budget.

5.2 *Electronic authorisation*

The approval of a purchase requisition must be granted electronically on the University's financial system (PeopleSoft). Once a requisition has been approved by all of the approvers in the workflow, a purchase order is generated, thereby committing the University to the purchase. No purchase may be made without an official purchase order. If the transaction relates to any goods and services which the

approver, in his/her own capacity, is consuming on behalf of the University in the category of capital assets procurement, entertainment, travel and related expenditure, the approver is required to insert his/her line manager as an additional approver on the electronic workflow. This procedure must be followed irrespective of the monetary value and notwithstanding whether a direct procurement process (as opposed to claims for reimbursement) from registered University vendors was followed.

Prior written authorisation must be obtained in accordance with the **General Internal Delegation and Control over the Approval of Expenditure**, for purchases of goods or services paid for by a personal credit card, cheque or cash.

6. BROAD-BASED BLACK ECONOMIC EMPOWERMENT AND PREFERENTIAL PROCUREMENT

6.1 Background

The University believes that the development of a Preferential Procurement Policy aimed at encouraging the active participation of affirmative business enterprises will ensure broader and meaningful participation and growth in the economy, and promote sustainable development by the creation of new job opportunities and general prosperity.

The University, therefore, gives preference to suppliers and service providers who have corporate social responsibility programmes in place. The University has made a conscious decision to make use of affirmative business enterprises to provide services to and supply the University with goods. This enables the University to assist in the creation of job opportunities for the previously disadvantaged, and at the same time make a positive contribution towards the economy.

The Procurement Policy aims to:

- Provide a fair and transparent process for the University's procurement activities;
- Contribute to economic empowerment as per the Code of Good Practice on Broad- Based Black Economic Empowerment by actively striving to meet or exceed a compliance target in procuring goods or services from such empowered suppliers; and
- Manage and monitor progress against the procurement objectives and establish regular reporting on this aspect.

6.2 The University's preferential procurement policy is guided by:

- Section 217 of the Constitution of South Africa which provides that the government has to institute a procurement system that is fair, equitable, transparent, competitive and effective;
- 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.

6.3 Hatfield Campus Village

As an anchor institution, the University is committed to supporting local businesses

in the University precinct area to prevent degradation in the immediate student environment by promoting and growing the local economy, with due consideration of B-BBEE principles, and by closely monitoring and reviewing on an annual basis, the University's procurement spend in the Hatfield Campus Village.

7. PRESCRIBED MONETARY AND DELEGATED LIMITS FOR QUOTATIONS AND TENDERS

The prescribed monetary and delegated limits to determine the commercial process required (quotations or tenders) are presented in Annexure 1 to the Procurement Procedures. The monetary values/ranges in the table may be amended from time to time as approved by the Executive of the University (refer to the **General Internal Delegations and Control over the Approval of Expenditure**).

Procurement of goods or services may not be "divided" artificially to lower the monetary value in order to evade the prescribed commercial processes or delegation levels. Where multiple orders are placed with the same supplier for similar projects/services/product descriptions, substantiation by the user for the need to separate the purchase orders must be supported by the approver and submitted to the Procurement Division for approval.

In borderline cases where it is difficult to accurately estimate the price of the goods or services, the process for the next higher monetary value level has to be followed. The approver with the approval delegation for the purchase has to make the decision in borderline cases. The Manager: Procurement may be consulted for advice in such situations.

All deviations from the prescribed commercial process must be fully substantiated by the relevant user and are always subject to higher delegated approval. Where the estimated cost of the procurement exceeds the threshold set for quotations as per Annexure 1 to the Procurement Procedures, approval must be sought from the Procurement Committee established to approve all deviations from the prescribed requirements of the Procurement Policy and to maintain a record of such deviations (refer to section 15).

8. QUOTATIONS AND TENDERS

- The end-user is responsible for finalising all specifications. Brand names or suppliers should not be specified.
- Quotations and tenders will be obtained by the unit requiring the goods and/or services.
- Quotations and closed tenders for goods and/or services should be sourced from suppliers registered on the University's approved supplier database.
- Where the Procurement Division is requested to assist, the buyer and end-user must agree before a decision is made whether or not to accept a quotation. If a dispute arises, the Procurement Manager will have the final say on the acceptance of the quotation.
- Refer to Annexure 1 to the Procurement Procedures for the prescribed monetary and delegated limits for quotations and tenders.

9. SINGLE SOURCE PROCUREMENT

Single source negotiations should be used when any of the other procurement procedures is impractical or otherwise inappropriate. Comparison of prices with goods or services of like complexity or similar product/service costs should be used as a substitute for competitive procurement processes in this method. This method of procurement allows for:

- Sole supplier situations – an example would be specialised requirements or procurement for research purposes where a sole supplier exists for the required product/service. Proof of sole supplier status must be obtained and is not accorded on the basis of “brand”;
- The appointment of professional services such as financial, audit, medical, security, legal, human resource management etc. where individual expertise is required (refer to section 11);
- Ad hoc once-off purchases with specific requirements such as conference attendance and the use of performing artists;
- Purchases from University-owned business entities; and
- Emergency situations or where the needs of the University preclude the use of the competitive quotation or competitive proposal process (refer to section 10).

All decisions to appoint a sole supplier 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 as per Annexure 1 to the Procurement Procedures, approval must be sought from the Procurement Committee (refer to section 15).

10. EMERGENCY PROCUREMENT

Emergency purchases are applicable only in unforeseen cases of emergency where immediate action is necessary to:

- Avoid or limit hardship or imminent hardship or deal with a dangerous situation, or
- to enable the continuation of threatened key activities, or
- to clear up damage, or prevent further damage or to deal with natural disasters, or
- to address imminent operational or other safety risks.

In emergencies an emergency procurement transaction may be executed without the issue of a purchase order. Such purchases may only be concluded subject to the following conditions:

- The procurement in emergency situations is approved in accordance with the General Internal Delegations and Control over the Approval of Expenditure;
- Where applicable, the supplier must submit the pricing schedule for the emergency work within three days after approval of the work; and
- A purchase order must be finalised and forwarded to the supplier as soon as the financial operational system is available. No payment will be made without the system generated purchase order.
- Emergency situations do not include instances of inadequate planning and management of the procurement process by University staff.

11. APPOINTMENT OF PROFESSIONAL SERVICE PROVIDERS

The University frequently engages service providers to render professional services. Such service providers may operate as part of a business entity or in their personal capacity and are commonly referred to as consultants. Irrespective of the structure within which a service provider provides the service, the service provider will have to be registered as a

supplier on the University's supplier database.

Professional services include inter alia, services rendered by architects, quantity surveyors, consulting engineers (civil, structural, electrical, electronic, mechanical, chemical, acoustic, industrial), urban planners, surveyors, landscape architects, environmental experts, interior decorators, auditors, lawyers, accountants, investment advisors, actuaries, taxation specialists, insurance specialists, information technology specialists and other technical and academic specialists.

Such service providers should be prequalified based on functionality such as skill, knowledge, experience, reputation, capacity, ethics and/or originality/creativity. The appointment of such service providers is overseen by the Procurement Committee and for services relating to maintenance, refurbishment and erection of new infrastructure, by the Internal Planning Committee of the Department of Facilities.

12. SCARCE SKILLS AND SPECIALISED SERVICES

The University may contract for the supply of scarce skills or specialised services as a means of maximising operating efficiencies, managing costs, gaining access to scarce skills or services or to achieve strategic aims, where such scarce skills or services are not considered part of the core business activity of the University.

External suppliers of specialised services and scarce skills will be selected by an objective auditable selection process, as described in this Policy.

All appointments of providers of scarce skills or services must be evidenced by a written service level agreement following the procurement process.

The University may depending on operational and/or corporate governance requirements, subject to appropriate approvals and policy compliance, procure specialist professional services on a co-sourced basis (e.g. legal, internal audit, compliance or similar services) in order to enhance or supplement the University's internal capacity.

13. PETTY CASH PURCHASES

Procurement of consumable items (excluding assets and items with existing contracts such as fuel, rental, courier services, flights, chemicals, glassware, etc.) with a cost of less than R5 000 per order may be arranged by the end-user and paid from the unit's petty cash provision. The University has a separate policy on cash management which should be complied with at all times.

In the event that no petty cash facility is available, the purchase may be made directly by the staff member who will subsequently be reimbursed by means of the general claims procedure. This applies only if the supplier is not a registered University approved supplier and it is a once-off purchase from that particular supplier.

14. STANDARDISATION

Specific standards have been set by the Procurement Division and the Departments of Facilities Management, Information Technology and Education Innovation and are continuously developed in cooperation with the relevant units to ensure that specifications and standards of capital products meet the University's needs.

Attempts are made to standardise *inter alia*, the following capital goods:

- Computer and network equipment;
- Access control systems;
- Office furniture and equipment;
- Air conditioning systems;
- Audio visual equipment;
- Photocopy, fax and telephone answering machines;
- Some specialised and/or research equipment;
- Motor vehicles.

Information on standardised equipment is available from the Procurement Division. Procurement of non-standard equipment will only be allowed as an exception after substantiation by the relevant authority in accordance with the internal delegations and approval by the Procurement Committee (par. 15).

Maintenance or service agreements for certain equipment may be negotiated and concluded with an appropriate supplier. The price, scope of maintenance, terms and conditions must be negotiated with the supplier in the case of a sole service provider and quotations must be obtained when more than one service provider is able to provide the same scope of maintenance required.

15. PROCUREMENT COMMITTEE

A Procurement Committee considers and approves all requests for deviations from the prescribed requirements of the Procurement Policy, including professional service providers.

The Procurement Committee comprises of the following members:

- Dean of Law (Chair);
- Executive Director: Finance and Business Initiatives;
- Director: Finance;
- Manager: Procurement (who also acts as secretariat); and
- co-opted members at the discretion of the Chair

The Committee will determine its own meeting procedures with due observance of generally accepted norms of fair administrative process and a record of all decisions on deviations from the prescribed requirements of the Procurement Policy must be kept. The Committee reports to the Executive on an annual basis.

16. APPROVED SUPPLIER DATABASE

16.1 The University only conducts business with approved suppliers.

16.2 Suppliers must apply for registration on the approved supplier database.

16.3 Supplier applications will be vetted to identify approved suppliers who may be added to the approved supplier database.

16.4 The requirements of the Higher Education Act regarding any possible conflict of interest must always be adhered to. Council members, employees and their immediate family members are not entitled to register on the supplier database or conduct business directly or indirectly with the University as this may entail a conflict of interest unless

the Council of the University is of the opinion that:

- The goods, product or service in question are unique;
- The supplier is a sole supplier;
- It is in the best interest of the University.

Where a supplier is deactivated from the approved supplier list, for whatever reason, including unethical behaviour, unsatisfactory quality and service or a change in ownership causing a conflict of interest situation, the final decision for such removal rests with the Director: Finance.

17. CONTRACTS INCORPORATING SERVICE LEVEL AGREEMENTS

The University enters into contracts incorporating service level agreements (SLAs) for the supply of goods or services. The signing of such a contract constitutes a legally enforceable contractual relationship between the University and a third party and must be concluded and signed according to the Internal Delegation of Authority policy.

In order to account for such commitments electronically, purchase orders should also be created. The person who concludes and signs the contract on behalf of the University must ensure that the required purchase order is created electronically, then approved and issued to the contractor.

Terms and conditions for all contracts should be approved by the University's legal services.

18. CONTRACT REGISTER

A register for all contracts incorporating Service Level Agreements should be maintained by the relevant unit, which initiates and concludes the contract. Such contract information must be submitted to the office of the Registrar for the maintenance of a centralised contract register, or such electronic contract management system as may be in place at the time of entering into the contract.

Contract performance management is the responsibility of the end-user.

All contracts concluded for goods or services to multiple units in the University will be managed by the Procurement Division and/or PURCO SA where applicable.

19. ETHICAL CODE FOR PROCUREMENT

Any University employee or student involved in University-related procurement activities (either as member of staff of the Procurement Division or as a member of staff from other support services or units authorised to conduct purchasing on behalf of the University) must at all times, act ethically, in good faith and in the best interest of the University. Employees and students are responsible for obtaining competitive prices and appropriate quality of services and products.

In addition to the aspects applicable to ethical behaviour as contained in the conditions of service at the University (the University's Code of Conduct for staff regarding Business Practices) and the Higher Education Act (Act 101 of 1997 as amended):

Employees and students must also:

- Declare in writing, any conflict or potential conflict of interest before the University procures goods or services from the staff member or student or from an organisation within which the staff member or student holds an interest in terms of Clause 19 of the policy on Conflict of Interest;
- Avoid the intention or appearance of unethical or compromising practices in relationships, actions and communication with suppliers;
- Show due care towards the University by complying with the University's policies, meeting all the University's legal instructions and acting only according to delegated authority;
- Avoid practicing private business or professional activities that may be in conflict with the interest of the University and may contravene the Higher Education Act or any University policy;
- Never request money, loans, credit or preferential treatment from a supplier or accept gifts, entertainment, favours or services from a supplier/or potential supplier that may possibly have an effect on the outcome of the procurement decision;
- Treat confidential information or proprietary information of the University or supplier with the necessary care and with consideration to its legal and ethical implications;
- Promote a professional relationship with suppliers by acting with dignity and impartiality during all phases of the procurement process;
- Avoid agreements that may limit competition;
- Know and understand the content and spirit of the Procurement Policy and realize the legal implications of procurement decisions;
- Commit to sound commercial practices to ensure value for money by obtaining competitive market related rates, evaluating quality of goods and services and reporting on poor service and unethical behaviour on the part of suppliers; and
- Report any behaviour that they become aware of that contravenes this Policy to line management.

Ethical behaviour is not only required from University employees and students. The Fraud Policy and Response Plan is an integral part of appraising suppliers and in cases of non-compliance may lead to the termination of contracts or removal of the supplier from the approved supplier database.

This aspect of the policy has to be interpreted in terms of the University's Code of Conduct for Employees.

Unethical behaviour is viewed in a serious light. Therefore, it is incumbent on each unit in the University to ensure that gifts and gestures of goodwill received by staff are entered into the online "Disclosure of Receivable Gifts" functionality on PeopleSoft HR, and approved or disapproved by the relevant line-manager. Furthermore, gifts and gestures of goodwill are subject to the requirements of the Income Tax on Gifts to Employees Policy and Code of Conduct for Employees.

Failure to comply with these requirements and the Policy as a whole may result in disciplinary action.

20. CONFLICT OF INTEREST

In accordance with the Higher Education Act 101 of 1997, as amended:

- Council members and employees must notify the University of any conflict or possible conflict of interest before the University procures any goods or services from the Council member or employee or an organisation within which the Council member or employee holds an interest;

- Council members and employees may not conduct business directly or indirectly with the University that entails or may entail a conflict of interest with the University;
- Council members and employees may not enter into a contract on behalf of the University with himself or herself or any entity in which he or she has a direct or indirect financial or personal interest.

In this regard, the Procurement Division must on a regular basis, conduct a validation exercise to ascertain and verify any vested interests by employees of the University in enterprises conducting business with the University. Where such incidents occur and it has been determined that a conflict or potential conflict of interest exists, the following procedure must be followed:

- All procurement from the relevant supplier must be stopped with immediate effect and the supplier deactivated on the supplier database as soon as all existing transactions have been completed for payment, or
- the employee could decide to sever his or her relationship with the University thereby allowing the University to continue its business relationship with the relevant supplier, or
- the Council of the University or the relevant delegated authority, may, on application, approve the continued business relationship with the relevant supplier if (1) the goods, products or services in question are unique, (2) the supplier is a sole supplier and (3) it is in the best interest of the University.

21. INTERNAL AND EXTERNAL AUDIT

At the commencement of the procurement process, the relevant member of Senior Management is required to notify the Head of the Internal Audit Function of all procurement processes in their respective portfolios with an estimated value greater than R10 000 000 (ten million Rand) (in the case of capital, refurbishment and maintenance projects, the limit is R20 000 000 (twenty million Rand)).

All procurement processes should be administered by the relevant cost centre managers in such a way as to ensure availability of key information and documentation for both internal and external audit purposes, irrespective of the monetary value of the procurement process.

22. PURCO SA

The University is a member of PURCO SA (Purchasing Consortium of Southern Africa). PURCO SA negotiates national agreements for the higher education sector at regional and national level. The aim of these agreements is to negotiate on a collective basis for improved service rendering, price and quality. This applies especially to items used in high volumes. Coordination and contract management of these agreements are managed centrally at the Procurement Division.

PURCO SA interacts with member institutions on three different levels. Firstly, a forum is held for the Heads of the various procurement divisions of these institutions. Secondly, PURCO SA's activities are organised on a regional basis. Thirdly, there are several user groups within PURCO SA. In this case the senior buyer responsible for the applicable procurement portfolio will represent the University and where applicable, the relevant University's internal units may also attend these meetings on invitation by the senior buyer. The University's decision to participate in a PURCO SA contract resides with the Manager: Procurement in consultation with the internal University unit.

23. GENERAL

End-users may not liaise directly with local or international “agents”. The Procurement Division has access to manufacturers (local and international) who supply directly to the University. Where agents/representatives become involved before the manufacturers have been contacted directly, negotiations may be compromised.

The opportunities for collaborative purchasing, both within the University and with other institutions, should be considered where feasible in order to enjoy the cost advantage of economies of scale. In this regard PURCO SA serves as a conduit and an extension of the Procurement Division in negotiating collaborative deals on behalf of higher education institutions.

It is important to note that where tenders are awarded, the University is contractually bound to procure the goods or services from the appointed supplier. If there are deviations from these agreements, the University may be guilty of breach of contract with the resultant consequences. All PURCO SA contracts fall under the categories mentioned above. Examples of items for which there are separate agreements include printing material, cleaning agents, paper, food, tyres, diaries, courier services, flights, car rental, stationery and gas. A comprehensive list is available on the PURCO SA website and is also available on request from the Procurement Division.

Units are required to first contact the Procurement Division for the purchase of standardised capital goods as well as consumable goods or services before obtaining quotations or inviting tenders. The University has a limited number of instances where adherence to a standard specification for equipment is enforced (for example IT procurement - refer to Section 14) - the Procurement Division must be approached for advice and assistance in such cases.

The Procurement Division aims to establish term contracts for consumable goods, services and inventory items which are required on a regular basis. The Procurement Division negotiates these contracts in consultation with the end users. Information on these term contracts is available to end users on the intranet web page of the Procurement Division.

24. ASSOCIATED DOCUMENTS

The policy should be read in conjunction with the following:

- Section 217 of the Constitution of South Africa which stipulates that the government has to institute a procurement system that is fair, equitable, transparent, competitive and effective;
- The Higher Education Act, 101 of 1997 as amended;
- 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);
- The Preferential Procurement Policy Framework Act (PPPFA) (Act 5/2000) and its Regulations;
- General Internal Delegations and Control over the Approval of Expenditure policy;
- Code of conduct for employees
- Whistle-blowers Policy
- Petty cash
- Code of Conduct for Members of Council

- Preferential Procurement Policy
- King Reports on Corporate Governance for South Africa;
- Guidelines for Good Governance Practice and Governance Indicators for Councils of South African Higher Education Institutions, Department of Higher Education and Training, 2017
- The procurement procedures.
- Any amendments to or replacements of the aforementioned.

25. RESPONSIBILITY FOR IMPLEMENTATION

Director: Finance

26. POLICY LIFE CYCLE

This policy should be reviewed every three years.

27. DOCUMENT METADATA

Document number:	SCC49/20
Document version:	SCC49/20 is the newly approved version replacing SCC 51/18
Document approval authority:	Standing Committee of Council
Document approval date:	4 November 2020
Document owner:	Executive Director: Finance and Student
Document author(s):	Prof C Koornhof, Prof C Nicholson
Document implementation Date:	1 December 2020