



RHODES UNIVERSITY

Grahamstown • 6140 • South Africa

PROCUREMENT POLICY

POLICY PARTICULARS

DATE OF APPROVAL BY RELEVANT COMMITTEE STRUCTURE:

Finance & General Purposes (F&GP) Committee of the University Council, Council

DATE OF APPROVAL BY SENATE: March 2015

DATE OF APPROVAL BY COUNCIL: May 2015

COMMENCEMENT

DATE: April 2016

REVISION HISTORY: Policy finalised March 2015

REVIEW DATE: 5 year intervals

POLICY LEVEL: All members of the University authorised to procure goods & services using University funds

RESPONSIBILITY: Executive Director: Infrastructure, Operations & Finance

- IMPLEMENTATION & MONITORING: Policy to be operationalised through the procurement IT system (in progress). Until completed interim procedures developed by the Procurement Office are to be followed.
- REVIEW AND REVISION: Every 5 years

REPORTING STRUCTURE: Executive Director: Infrastructure, Operations & Finance; Vice-Chancellor; Budget Executive Committee; F&GP; Council

Contents

1	PART A: GENERAL PRINCIPLES	3
1.1	PREAMBLE	3
1.1.1	OBJECTIVES	3
1.1.2	PRINCIPLES	4
2	PART B: PURCHASING POLICY.....	6
2.1	PREAMBLE	6
2.2	DEFINITIONS AND ABBREVIATIONS	6
	SPECIFIC DEFINITION OF GOODS AND SERVICES	7
2.3	CENTRALISED PROCUREMENT ADMINISTRATION	7
2.4	SUPPLIER SELECTION GUIDELINES	8
2.4.1	Approval.....	8
2.4.2	Sole suppliers.....	8
2.4.3	Supplier selection.....	9
2.4.4	Professional or specialised services and supplier selection	9
2.4.5	Collaborative purchasing	10
2.5	QUOTATIONS & TENDERS	11
2.5.1	Quotations	12
2.6	Tenders.....	13
2.6.1	Definitions	13
2.6.2	General Principles & Concepts.....	14
3	PART C: PREFERENTIAL PROCUREMENT POLICY.....	25
3.1	PREAMBLE	25
3.2	BBBEE SCORECARD FOR HIGHER EDUCATION	25
3.3	POLICY STATEMENT	26
3.4	POLICY REQUIREMENTS.....	26
3.4.1	The establishment and updating of a preferential procurement database:	26
3.4.2	The establishment of Preferential Procurement targets:	26
3.4.3	Introduction of preferential procurement criteria to procurement decision-making:	26
3.4.4	To increase preferential procurement spend:.....	27
3.4.5	To establish reporting mechanism for preferential procurement compliance:	27
4	IMPLEMENTATION OF POLICY	27

1 PART A: GENERAL PRINCIPLES

1.1 PREAMBLE

Based on the principles of honesty, fairness and integrity and through the establishment and use of a transparent procurement process and system, RHODES UNIVERSITY commits itself to the efficient and cost-effective procurement of goods and services which support the academic project of RHODES UNIVERSITY.

This policy therefore applies to all purchases made with funds under the control of and administered by the University and is therefore applicable to all entities (faculties, divisions, departments, institutes, centres, units) and staff. All members of the RHODES UNIVERSITY community who have any procurement function and/or responsibility are accountable for both the prudent use of University resources for complying with relevant policies, procedures and applicable legislation.

1.1.1 OBJECTIVES

- To promote the efficient supply of goods and services through the promotion and application of best procurement practices.
- To ensure that RHODES UNIVERSITY is compliant with the requirements of the Higher Education Act of 1997 (as amended).
- To ensure that RHODES UNIVERSITY is compliant with the Preferential Procurement Regulations, 2011 pertaining to the Preferential Procurement Policy Framework Act, (Act No. 5) of 2000.
- To set out the rules and authority levels for the acquisition of goods and services.
- In accordance with section 217 of the Constitution of South Africa to ensure that the University's procurement activities are conducted in a manner that is equitable, transparent, competitive, efficient, and cost-effective.
- To source goods and services of a required quality at the right price from suitably qualified service providers/suppliers with strong business ethics.
- To meet the procurement needs of RHODES UNIVERSITY in a professional manner.
- To abide by RHODES UNIVERSITY's Code of Ethics and Conduct and the Policy on Prevention of Fraud/Corruption and other Irregularities.
- To ensure the procurement of goods and services from socially and environmentally responsible suppliers subscribing to core values in the areas of human rights, labour standards, the environment, and anti-corruption.

1.1.2 PRINCIPLES

1.1.2.1 Restrictions on procurement of assets

Only assets budgeted for and approved by Council (through the budget process) may be purchased.

1.1.2.2 Ethical standards and conflicts of interests

All procurement transactions and interactions with suppliers, including supplier selection and evaluation, are subject to the provisions outlined in RHODES UNIVERSITY's Code of Ethics and Conduct and the Prevention of Fraud/Corruption Policy.

1.1.2.3 Declaration of interest

- a. Any person involved in the purchasing, public and closed tender or supplier evaluation process must complete and sign the applicable declaration of interest form.
- b. Any person with an interest that may affect or could be seen to affect their impartiality should immediately declare the conflict of interest, in writing, withdraw entirely from the process and relinquish all further related duties to his/her line manager.
- c. Suppliers or their employees may not in any way participate in or influence the specifications or standards set for goods and services to be purchased. A Declaration of Interest form as attached to the Supplier List Application Form must be completed by all suppliers.

1.1.2.4 Confidentiality and accuracy of information

- a. The confidentiality of information received in the procurement process must be respected.
- b. Specific details of suppliers' bids must not be divulged, unless it is in accordance with the Promotion of Access to Information Act, 2000 (Act 2 of 2000) and then only through the Office of the Registrar.
- c. All members of the Procurement Department and all committee members serving on procurement-related committees or attending procurement related meetings must sign the Procurement Confidentiality Process Form.

1.1.2.5 Business gifts and hospitality

No RHODES UNIVERSITY employee may accept any gift, hospitality or other inducement that may influence them in their procurement decision-making responsibilities, or that may be seen to influence them in their procurement

decision-making responsibilities. Any such attempted inducements must immediately be reported to the relevant Director/Dean who shall notify the Deputy Director: Operations Administration, Finance & Procurement.

2 PART B: PURCHASING POLICY

2.1 PREAMBLE

This policy for the acquisition of goods and services must be read with the all other related financial policies, protocols and procedures.

2.2 DEFINITIONS AND ABBREVIATIONS

Asset(s)	refer(s) to items of a capital nature, as defined in the Policy on Asset Management;
Black South Africans	means Africans, Coloureds, Indians and Chinese who are South African citizens by birth or who have obtained citizenship prior to 27 April 1994;
Commercial purchasing	refers to the acquisition of goods and services for business purposes, excluding employment of employees;
Goods	mean tangible goods of a capital nature (assets) or goods that are consumed in the operational activities of RHODES UNIVERSITY;
Professional services	refer to services rendered by those registered with recognised professional bodies/institutes;
Services	refer to the provision of skills and expertise;
Tender/quotation	means a verbal or written offer or bid in a prescribed format in response to an invitation by RHODES UNIVERSITY for the provision of services or goods;
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;
BSA	means a Black South African;
CIDB	means the Construction Industry Development Board;
EME	means the Exempt Micro Enterprises as defined by the Codes of Good Practice in terms of the B-BBEE;
F&GP	refers to the Finance and General Purposes Committee of the Rhodes University Council;
Budget Executive Committee	refers to the Budget Executive Committee consisting of the Vice Chancellor, Deputy Vice Chancellors, Registrar, Executive Director, Deans representatives & Director: Finance;
QSE	refers to the Qualifying Small Enterprise as defined by the Codes of Good Practice in terms of B-BBEE.

PURCO Purchasing Consortium for Higher Education

SPECIFIC DEFINITION OF GOODS AND SERVICES

For the purpose of this policy document, goods and services are defined as all purchases made from external suppliers, service providers and contractors using Council-controlled funds (see previous point on page 3) (excluding the staff budget). This includes for example, the following:

- Consumable goods (e.g., stationery, chemicals)
- Services (e.g., couriers, flights, car hire)
- Capital goods (e.g., computers, furniture, air conditioners)
- Specialist research equipment (e.g., laboratory equipment, specialised computer equipment, equipment for field work)
- Building and construction work (e.g., new buildings, improvement and maintenance)
- Professional services (e.g., architects, management consultants, quantity surveyors)
- Lease contracts (e.g., copy machines, fax machines, buildings, leasing of vehicles)
- Other diverse *ad hoc* services (e.g., once-off purchases such as conference attendance fees, fees for performing artists)

Funds for the purchase of goods and services are allocated from the University's operational and capital budgets. Development and so-called external funds (research and otherwise) which are also used for the purchase of goods and services and are at all times also subject to this policy.

2.3 CENTRALISED PROCUREMENT ADMINISTRATION

Procurement at RHODES UNIVERSITY is decentralised as far as possible, i.e., procurement authority is delegated to the relevant cost-centre authority as far as possible, but is located within a central coordinating framework and structure. This central co-ordinating structure resides within the Procurement Department of the Infrastructure & Operations Division, which has the responsibility for managing, overseeing and tracking all university procurement. This requires that all purchases must be channelled through the Procurement Department (see provision below for emergency purchases).

The rationale for the centralization of the procurement function is that such centralization:

- Leverages and achieves benefits of scale;
- Ensures the implementation and monitoring of procurement legislation (e.g. preferential procurement and Broad-Based Black Economic Empowerment);
- Renders a procurement support service;
- Standardises suppliers and products where appropriate;
- Establishes and maintains the supplier database;
- Allows black-listing of suppliers whose dealings with the University have been found to contravene the relevant policies of the University and

- Manages and administers the University's participation in the purchasing consortium for higher education (PURCO).

In order for a procurement contract of any kind (purchase of goods, services or lease transactions) to be binding upon RHODES UNIVERSITY, the following criteria and conditions must be complied with, irrespective of the source of the funds:

- a. All requests for goods and services at RHODES UNIVERSITY must be done by means of an official RHODES UNIVERSITY requisition and purchase order. The University's official order form or duly authorised contract is the only acceptable and binding contract between RHODES UNIVERSITY and its suppliers.
- b. RHODES UNIVERSITY reserves the right to refuse payment for any goods or services rendered in the absence of an official purchase order.
- c. It is essential that orders be generated prior to the purchasing of goods and/or services. If a staff member does not adhere to this provision, the University reserves the right to take disciplinary action with a possible sanction of such staff member being held personally liable for such expenditure.
- d. No goods or services valued above R3000 may be paid for by personal credit card, cheque or cash to be claimed for refund later without prior authorisation from the line manager.
- e. Verbal instructions to suppliers are not allowed.

2.4 SUPPLIER SELECTION GUIDELINES

2.4.1 Approval

The responsibility for the scrutiny and the approval of suppliers rests with the Deputy Director: Operations Administration, Finance & Procurement, who must establish an approved list of goods and services providers.

2.4.2 Sole suppliers

- a. Sole suppliers can be broadly defined as goods and service providers whose goods and/or services are unique and are not obtainable from competitors.
- b. Registration of all sole suppliers must be referred to the Procurement Department for approval by the relevant Tender Committee.
- c. Applications to appoint new sole suppliers should be accompanied by supporting proof of completed market research, feasibility study regarding product selection, scope of work and project plan.

- d. Goods/services must be chosen and approved in terms of acceptable standardisation initiatives to facilitate operational efficiency.
- e. The commercial and BEE rating requirements that apply to normal supplier selection also applies to sole suppliers.

2.4.3 Supplier selection

- a. All suppliers must bid in open competition.
- b. Suppliers will be evaluated and scrutinised on an equal basis in respect of quality, price, expected service levels, B-BBEE, or any other commercial or technical requirements.
- c. The use of QSE's and EME's is to be encouraged to stimulate the local economy. However, local suppliers should note that this is a recommendation, not a requirement, and that RHODES UNIVERSITY reserves the right to seek suppliers of goods and services outside of the Makana municipal area when local prices become uncompetitive or when the goods and/or services provided fail to meet specified standards.
- d. **All** suppliers must be scrutinized and approved by the Procurement Department which shall be responsible for developing and maintaining a list of approved suppliers. The objective is to co-operate with a limited number of suppliers and to prevent the number of creditors to increase indefinitely and unchecked. Under no circumstances may goods and services be purchased from unsolicited vendors until such vendors have been added to the list or register of authorised suppliers. The list of approved suppliers will continuously be revised in order to ensure that B-BBEE targets and quality standards are maintained.
- e. The Procurement Department must establish a process whereby suppliers may apply to be included on the approved list and according to which suppliers are invited to apply. The process shall make provision for the annual updating and confirmation of supplier information to ensure that RHODES UNIVERSITY is compliant with legislative requirements at all times.
- f. The Procurement Department is therefore expected to perform continuous market and product research to identify suitable suppliers of goods and services.
- g. The approved list of suppliers is to be made be available on the RHODES UNIVERSITY intranet.

2.4.4 Professional or specialised services and supplier selection

- a. The University from time to time makes use of consultants. Such consultants may operate as part of a business entity (for example company, close corporation or partnership), but often do so in their personal capacity. Irrespective of the

structure within which a consultant provides the service, the entity or consultant will have to be registered as a supplier on the RHODES UNIVERSITY financial system. The employment of guest lecturers falls outside of the scope of this policy (refer to HR relevant policy).

- b. In the case of the Department of Facilities Management, the professional services of consultants are used in the following cases:
 - when professional certification is required
 - when the nature and extent of the work requires the services of external parties
 - when the open tender procedure is followed (as applies to projects where the scope exceeds R500 000)
- c. The following professional services are usually required in a large infrastructure development project: architects, quantity surveyors, engineers (civil, structure, transport, electrical, electronic, mechanical, chemical, acoustic, industrial), city planners, surveyors, landscape architects and interior decorators.
- d. Other specialist areas also require the appointment of consultants, such as auditors, legal advisors, experts in human resource management, medical specialists, professions and many more. Despite the specialised nature of these appointments, the guidelines stipulated in Table 1 need to be followed unless an exception is justifiable. Such exceptions can be authorized by the relevant Dean or Director or a member of the Executive. The Deputy Director: Operations Administration, Finance & Procurement must be notified of such authorizations for record purposes.

2.4.5 Collaborative purchasing

- a. The University may enter into collaborative purchasing agreements where it is to the advantage of the University.
- b. Where collaborative agreements have been negotiated and more than one supplier is identified, quotation requirements will apply but may be restricted to the suppliers on the agreement.
- c. PURCO:
The University is a member of PURCO (“Purchasing Consortium for Higher Education”) which negotiates agreements for the higher education sector at the regional and national level. The aim of negotiating as a collective is to ensure improved service provision, price and quality. This applies especially to high frequency user items such as paper. Participating institutions are bound to buy items as agreed on an annual basis from the PURCO appointed and contracted supplier. Coordination and contract management of these agreements are handled centrally at the Procurement Department. No RHODES UNIVERSITY staff member may bind the University to levels of spending against a PURCO contract.

RHODES UNIVERSITY’s decision to participate in a PURCO contract rests with the Deputy Director: Operations Administration, Finance & Procurement in consultation with the relevant internal stakeholders.

2.5 QUOTATIONS & TENDERS

A primary objective of good procurement practice is the promotion of fair and transparent competition and wide access to the procurement process. Quotations and tenders are instruments to achieve this objective. The aim is to find an appropriate balance between competition, practical feasibility and the efficiency and cost-effectiveness of the process.

Very broadly, the procurement of goods and services below a set threshold requires quotations, whereas the procurement of goods and services above a set threshold requires an open tender process. A quotation is a verbal or written price indication for a standard product or service rendered on invitation. A tender usually is for a non-standard and more complex product or service and is a formal written indication of price, schedule and other conditions. Tenders are usually provided in response to an open or closed advertised invitation. The value ranges for the sourcing of quotations and tenders are as presented in Table 1 below.

Consumable goods and services	
R1 – R500 ¹	Petty cash – no quotation required
R501 – R10 000	At least one electronic quotation from the approved supplier list
R10 001 – R30 000	At least two written quotations from the approved supplier list
R30 0001 – R100 000	At least three written quotations from the approved supplier list
R100 001 – R250 000	At least three sealed quotations from the approved supplier list
R250 001 – R1 000 000	Closed tender process
R1 000 001 and above	Open tender process
Capital goods	
R1 000 – R10 000	At least one electronic quotation from the approved supplier list
R10 001 – R50 000	At least two electronic quotations from the approved supplier list
R50 001 – R100 000	At least three electronic quotations from the approved supplier list
R100 001 – R250 000	At least three sealed quotations from the approved supplier list
R250 001 – R2 000 000	Closed tender process
R2 000 001 and above	An open tender procedure needs to be followed
Building, Construction and Maintenance work, Small Capital works and Immovable Equipment as applicable to the Infrastructure & Operations Division	
R1 – R500	Petty cash – no quotation required
R501 – R10 000	At least one electronic quotation from the approved supplier list
R10 001 – R50 000	At least two electronic quotations from the approved supplier list
R50 001 – R250 000	At least three written quotations from the approved supplier list
R250 001 – R1 000 000	At least three sealed quotations from the approved supplier list
R1 000 001 and above	An open tender procedure has to be followed.

¹ As a guide, amounts below R500 should be paid from a department’s petty cash (if available) and amounts up to R3 000 may be claimed through the general claims procedure. The latter only applies if the supplier is not on the University’s financial system and when such a purchase represents an approved once-off purchase.

Table 1 Prescribed monetary value for quotations and tenders

The monetary values/ranges in the table may be changed from time to time by the University's Budget Executive Committee, with ratification by the Council F&GP Committee.

2.5.1 Quotations

- a. Any purchase of assets, consumables and services requires valid and comparable quotations from bona fide suppliers. A bona fide supplier can be defined as a registered entity with valid CIPC, SARS registration and tax clearance certification.
- b. Departments & Divisions may obtain quotations up to R50 000, but quotations exceeding R50 000 must be obtained by the Procurement Department.
- c. An end-user may make recommendations regarding the assets, consumables and services they require, but the Procurement Department has the right to verify information and upon consultation appoint another supplier.
- d. Proposals will be submitted to the Procurement Directorate and will be evaluated by a working committee convened as per public tender procedure and submitted to the Tender Committee for consideration.
- e. The following general rules apply to negotiations or discussions on technical & commercial aspects of quotes:
 - The technical staff nominated by the end-user will carry out negotiations on technical matters.
 - The Purchasing Officer will carry out negotiations on commercial matters.
 - Where technical and commercial matters are interlinked, negotiations should be in the presence of both technical and commercial representatives.
- f. If an error is made in the quotation or an apparent error is detected, the process of obtaining revised quotations will be overseen by the Procurement Department.
- g. Revised quotations will only be allowed under exceptional circumstances as evaluated by the Deputy Director: Operations Administration, Finance & Procurement and on the understanding that all bidders will be given this opportunity.
- h. Former RHODES UNIVERSITY employees are welcome to submit quotations or seek to do business with RHODES UNIVERSITY provided that a period of two years has elapsed since conclusion of their employment with RHODES UNIVERSITY. Such previous employment, including the date of voluntary resignation or retirement, must be declared in writing. The employment of retired academics for academic purposes is excluded from this policy (refer to relevant HR policy).

- i. An emergency is a sudden, urgent usually unexpected occurrence or occasion that requires immediate action where safety will be compromised or damage will occur or there will be loss of reputational credibility if not attended to immediately. In the following highly exceptional cases, quotations or tender requirements will not apply:
- emergency repairs and services e.g. broken gas pipes, network breakdowns, etc;
 - verified sole suppliers of goods/services or where an agreement and duly signed contract is in place.

The nature of the emergency or exception must be indicated in writing on the requisition.

- j. Although the quotation process described in 2.5.1 a-h above is the default procedure to be followed for procurement, some instances exist where the procedure will not be followed. These cases include:
- Emergency purchases (as described in paragraph 2.5.1 i);
 - Procurement of products and/or services where RHODES UNIVERSITY has contracted with specific suppliers (for example products that are procured regularly and which are supplied at an agreed-upon price/rate from selected suppliers);
 - Purchases made from term contractors based on the campus (for example repair activities carried out by term contractors on instruction from the Facilities Management Departments);
 - Purchases on contract negotiated by the Purchasing Consortium for Higher Education (PURCO) and to which RHODES UNIVERSITY, after a thorough evaluation of the benefits and need for the specified product and/or service, has committed an expected annual spend;
 - Specialised purchases (for example for research purposes) where only a sole or single supplier exists for the required product/service (e.g., bulk purchases of a text books from the sole publisher for resale to students);
 - *Ad hoc* once-off purchases such as conference attendance and the use of performing artists.

In the abovementioned exceptions it is the responsibility of the Department/Division deviating from the prescribed quotation process (see Table 1) to justify the deviation from the process. This justification is especially relevant should an audit (internal or external) be conducted on the financial management practices of the Department/Division. The exceptions apply only up to an amount of R100 000. Should the amount involved exceed R100 000, approval must be obtained in writing from the Executive Director: Infrastructure, Operations & Finance.

2.6 Tenders

2.6.1 Definitions

Approval/approved	refers to the University's written recommendation of the tender by the Tender Committee and subsequent Management Committee approval;
B-BBEE objectives	are the objectives set out in Part C of this policy document;
Buyer	refers to RHODES UNIVERSITY, including its own duly authorised representative, successors and assignees;
Contract contents	refer to the University's tender conditions and specifications as agreed with the successful tenderer;
Contract price	means the price quoted by the tenderer and accepted by the University for the execution of the contract;
Delivery date	means the date as stipulated in the contract for the delivery of goods, rendering of services or completion of projects;
Goods and/or services	refers to the machinery, equipment, apparatus, rental of buildings, materials, services or consultancy/professional services that must be provided in terms of the contract;
Legal Advisor	refers to a legal authority appointed by the University;
Month	means a calendar month;
Specifications	refer to any specifications as drawn up by the University that are provided together with tender documents;
Tender closing date	refers to the specific final day and time for submission of the tender
Tender register	Refers to the electronic database in which the details of tenders received are recorded and are electronically signed for by the Deputy Director: Operations Administration, Finance & Procurement or his/her nominee and the Manager: Purchasing or his/her nominee;
Tender Committee	refers to the Committee constituted by the Admin Committee of Council to administer the tender process of RHODES UNIVERSITY;
Tenderer	is a person who responds to a specific invitation to tender by formally submitting a tender at the designated tender address before the closing date, including the tenderer's personal legal representative, heir, successor and assignees;
Tender address	is the address as stipulated in the tender advertisement;
Tender documents	are documents (forms) as prescribed by the Tender Committee, including any other documentation submitted by the tenderer to the University in response to a specific invitation to tender;
VAT	Value Added Tax.

2.6.2 General Principles & Concepts

2.6.2.1 Invitation to tender

- RHODES UNIVERSITY invites suppliers who meet the criteria to tender for the provision of goods or the rendering of services.

- An invitation for tenders is made to the public by means of an advertisement in local, regional and/or national newspapers and the RHODES UNIVERSITY website where applicable.

2.6.2.2 Tender documents

- Tender documents are supplied in single copies and tenderers must make their own copies for personal reference.
- These documents will be distributed at or before the public information session.
- An administration fee will be levied.

2.6.2.3 Administration of tenders

- RHODES UNIVERSITY's public tenders will be administered, assessed and managed in accordance with this Policy, but will also be guided by the B-BBEE principles (Part C of this Policy).
- 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 tender invitation process.
- The Tender Committee must ensure that tenders are administered in terms of this policy and that any deviations are reported to the Executive Director: Infrastructure, Operations & Finance.
- The Deputy Director: Operations Administration, Finance & Procurement must ensure that administration procedures are developed in line with this policy, and must provide administrative support to the Tender Committee.

2.6.2.4 Submission of tenders

2.6.2.4.1 Requirements

- Tenders must comply with the specific requirements and conditions as set out in the advertisement, which may include the conditions as set out below.

2.6.2.4.2 Submissions of tenders

- Properly and fully completed tender documents must be submitted in a sealed envelope.
- The tender number, closing time and date, and a description of the relevant goods/services tendered for, must be clearly indicated on the envelope.
- The sealed envelope may not contain any documents other than those indicated on the envelope.

2.6.2.4.3 Where to submit a tender

- Tender documents must be posted in the tender box as stipulated in the advertisement, on or before the stipulated cut-off time and date.
- Tenders received after the cut-off time on the stipulated date will not be considered.

2.6.2.4.4 Documents included in the tender

- The tenderer must include applicable information (by means of appropriate documents) substantiating the requirements as set out in the advertisement in order to enable the University to consider and investigate any technical particulars that require clarification in the tender.

2.6.2.4.5 Schedules

- Where applicable, annexures as referred to in the document must be properly completed and included, since these will be binding.
- When the tenders are evaluated, these schedules will be used in order to compare the merits of competing tenders.

2.6.2.4.6 Format

- Tender documents must be typed, printed and/or completed in black ink.
- Any tender document completed in pencil will not be accepted.

2.6.2.4.7 Signing of tender documents

- All tender documents, as well as all annexures, must be signed by a properly authorised signatory of the tenderer. Failure to do so will disqualify a tender.
- Any alterations must be properly initialed by the tenderer. Failure to do so will disqualify a tender.
- No correction fluid may be used on the tender documents. Failure to adhere to these conditions will disqualify a tender.

2.6.2.4.8 Signatories guarantee

- The tenderer must 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 will disqualify the tender.

2.6.2.4.9 Supplier List Application Form

- Completion of the supplier list application form and submission of all substantiating documentation is compulsory in the case of new suppliers.
- Failure to complete this form or provide required documentation outlined thereon will disqualify a tender.

2.6.2.5 Specification and Prices

2.6.2.5.1 Documentation

- No tender will be considered unless it is accompanied by adequate or certified documentation indicating that the goods offered comply with the specifications.
- Tenderers must stipulate the country of origin and the name of the manufacturer(s) of the articles offered.

2.6.2.5.2 Substitutes

- Tenderers must clearly indicate, in a separate annexure together with applicable substantive documentation, alternative equivalents or substitutable articles that comply with the specifications.

2.6.2.5.3 SANS specifications

- Tenderers must 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 must be attached to the tender document.
- Preference will be given to articles bearing the SANS stamp.
- In cases where a tenderer 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 tenderer's expense** if, according to the University, it has been found that the article (or articles) offered does (do) not comply with the specifications. The tests must be carried out before the Tender Committee makes its recommendation.

2.6.2.5.4 Price information

- Tenderers must indicate clearly whether prices are fixed or are in any way conditional, subject to escalation, confirmation or a particular rate of exchange.
- If prices quoted are not fixed, price increases will be accepted only if the tenderer can submit documentary proof to the satisfaction of the Tender Committee that such price increases are anticipated and are unavoidable. Proof of such conditions must be submitted with the tender.
- In the absence of such information, prices will be regarded as fixed for the full duration of the contract.
- All quoted prices must be itemised indicating specifics such as handling, insurance, delivery and installation costs, packaging costs and transaction-related costs that will affect the total cost to RHODES UNIVERSITY.
- VAT must be indicated separately. If not stated, the bid will be accepted as being inclusive of VAT.

2.6.2.5.5 Currency

- All prices must be quoted in South African currency and must be in accordance with VAT legislation.

2.6.2.5.6 Discounts

- Any discounts granted to the University must be indicated.

2.6.2.5.7 Delivery conditions

- Tenderers must stipulate delivery conditions clearly, for example: F.O.R (free on rail), buyer station or delivered RHODES UNIVERSITY, etc. (check text?)

2.6.2.6 Acceptance of the Tenders

2.6.2.6.1 Opening of tenders

- Tenders will be collected from the tender box by the Deputy Director: Operations Administration, Finance & Procurement or her/his nominee and the representative of the Tender Committee or his/her nominee.
- Tenders will be opened after the advertised cut-off date and time by the above RHODES UNIVERSITY officials and will be entered in the tender register.

2.6.2.6.2 Confidentiality

- Under no circumstances must the contents and price of one tender be made known to other tenderers.
- All members of the Procurement Department and all committee members serving on procurement-related committees or attending a procurement related meeting must sign the confidentiality procurement process form.
- Any employee who breaches this provision will be guilty of gross misconduct and any tenderer breaching confidentiality will be disqualified.

2.6.2.6.3 Rights reserved by RHODES UNIVERSITY regarding tenders

- The University reserves the following rights regarding the acceptance of tenders:
 - To accept, at its sole discretion, any tender in its entirety or only partly.
 - To accept any tender, irrespective of whether or not it is the lowest bid.
 - The University will not be liable for any financial expenditure incurred in drawing up the tender, or in respect of any steps taken by the tenderer in drawing up such tender.
 - The University reserves the right not to award a tender.
 - The Tender Committee decision in awarding a tender is final. The outcome of the tender will be communicated to all participating tenders. No additional correspondence will be entered into regarding the adjudication process.

2.6.2.6.4 Black Economic Empowerment

- RHODES UNIVERSITY subscribes to the principles of Broad-Based Black Economic Empowerment Act 53 of 2003 and the Codes of Good Practice. For details, refer to the Part C of this Policy.

- The Executive Director: Infrastructure, Operations & Finance shall monitor expenditure on suppliers to ensure adherence to Broad-Based Black Economic Empowerment Act 53 of 2003 and the Codes of Good Practice targets.

2.6.2.7 Withdrawal of a Tender

2.6.2.7.1 Validity period

- Tenders must be valid for a minimum period of ninety calendar days, or as otherwise specified in the tender documents calculated from the closing date of the tender. During this period, a tender may not be withdrawn.

2.6.2.7.2 Withdrawal of tender

- If a tender accepted by the Tender Committee is withdrawn, the tenderer will be liable for the difference between his/her tender price and the price of the next tender that must of necessity be accepted.
- However, if documentary evidence can be submitted to the satisfaction of the Tender Committee of RHODES UNIVERSITY to justify the withdrawal, no such liability will exist.

2.6.2.7.3 Communication of the tender result

- Successful and unsuccessful tenderers will be advised of the outcome of the tenders within fourteen days of the date of the final decision being made by the Tender Committee.
- RHODES UNIVERSITY will not accept responsibility for incorrect supplier's contact details provided in the tender documentation and the subsequent failure of communication of the tender outcomes.

2.6.2.7.4 Cancellation of contract owing to false information

- Any contract awarded on account of false information furnished by the tenderer in order to secure a tender may be cancelled at the sole discretion of the University, without prejudice to any other remedies the University may have.

2.6.2.8 Delivery and Supply of Goods and Services

2.6.2.8.1 Order/Contract

- Orders will be placed as and when required.
- It is an explicit condition that no goods and/or services may be supplied before an official order or duly signed contract has been issued by the University.

2.6.2.8.2 Delivery period

- Successful tenderers must execute all orders strictly within the delivery period as specified.
- Should the tenderer default in this respect, the University retains the right to place orders elsewhere and all additional expenses will be for the account of the tenderer.
- In such case, the tenderer will be held in breach of contract.

- Goods ordered before or on the last day of the tender period must be delivered at tender price, even though delivery is after the tender period.

2.6.2.8.3 Goods delivered

- Goods and materials supplied must be equivalent in all respects to the samples supplied, or as stipulated in the specifications of the invitation to tender.
- Any goods/services that do not comply with the specifications or which, for any reason, prove unsatisfactory will be rejected.
- The tenderer will be informed of such action, upon which the goods must be removed immediately at the cost of the tenderer.
- The fact that no objection is recorded on delivery will not prejudice the University's rights in terms of this clause.

2.6.2.8.4 Permits

- Unless otherwise indicated, it must be assumed that the University does not have a permit to import goods.

2.6.2.8.5 Dispute arising from the above

- All agreements and contracts with tenderers and other suppliers must contain an arbitration clause as follows: *"Should any dispute, disagreement or claim arise between the parties (called hereafter "the dispute") concerning this agreement, the parties shall try to resolve the dispute by negotiation. This entails that the one party invites the other in writing to a meeting and to attempt to resolve the dispute within 7 (seven) days from date of the written invitation. If the dispute has not been resolved by such negotiation, the parties shall submit the dispute to Arbitration Foundation of Southern Africa administered mediation, upon the terms set by the AFSA Secretariat. Failing such a resolution, the dispute, if arbitrable in law, shall be finally resolved in accordance with the Rules of the Arbitration Foundation of Southern Africa by an arbitrator or arbitrator appointed by the Foundation. The parties agree that the arbitration will take place in Grahamstown, that it will be conducted in the English language, and that the arbitrator's award will be final and binding on the parties."*

2.6.2.9 Other Tender Matters

2.6.2.9.1 General

- By submitting a tender, the tenderer confirms that he/she is aware of all prescriptions and circumstances pertaining to the tender, and that the goods/services offered are as stipulated by the specifications.

2.6.2.9.2 Samples

- Where submissions of samples are a requirement of the tender, such samples will be submitted to the Procurement Directorate as and when requested. Failure to adhere to this requirement will render the tender invalid.

- Such samples will be retained for the full duration of the contract so that they may be referred to in the event of a dispute.
- Tenderers must state clearly whether or not the samples must be returned. Should there be no indication in this regard the samples will be retained without any liability being assumed for them.
- Any costs incurred in returning the samples will be for the account of the tenderer.
- RHODES UNIVERSITY will not be held responsible for any loss or damages suffered due to the destruction of loss of the samples whilst in the possession of the Procurement Directorate.

2.6.2.9.3 Inspection rights

- The University retains the right to test or inspect, at any time during the manufacturing process, all goods to be delivered according to a contract to ascertain the quality of the material used as well as the finishing of the products.
- Such inspection and/or test will be deemed to be merely for the purpose of satisfying the University as to the aforementioned and will in no way relieve the contractor of any obligations in terms of the contract.

2.6.2.9.4 Contract/sub-contracting

- A contract is entered into only with the tenderer 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.

2.6.2.9.5 Interpretation

- All contracts entered into by the University must contain a clause specifying that the parties to the contract submit to the authority of an arbitrator as set out in paragraph 2.6.2.8.5 of the University's procurement policy, and that in the event that the dispute cannot be arbitrated, the parties submit to the jurisdiction of the South African courts.

2.6.2.9.6 Cancellation of contract

- The University retains the right to cancel the contract summarily should the tenderer in any way fail to comply with his/her commitments.
- Any loss incurred as a result of such cancellation shall be recovered from the tenderer.
- The University furthermore reserves the right to cancel the contract should it come to the attention of the University that the successful tenderer is involved in criminal activities, illegal business practices, corruption or other unethical behaviour.

2.6.2.9.7 Sequestration/liquidation

- The following will apply should one or more of the stated events occur:

SHOULD ...	THEN ...
<ul style="list-style-type: none"> • An order be made for the attachment of the tenderer's estate, whether provisionally or finally, in sequestration. • An application be made for such order. • The tenderer applies for voluntary surrender of estate. • The tenderer commits any act of insolvency as contemplated in Section 8 of the Insolvency Act 24 of 1936, as amended. • The tenderer terminate business. • A court order be made for the liquidation of such company/close corporation. 	<p>The University has the right to terminate the contract summarily without any legal recourse by the tenderer for any compensation and without prejudice to the right of the University to institute legal proceedings because of one or more of the said events.</p>

2.6.2.9.8 Contracting

- The contracts arising from tenders must incorporate all legal matters and provisions set out in this Policy and must be reviewed by the Registrar of the University prior to signing.
- Completion and signature of the Due Diligence Certificate must precede the signing of any contract.

2.6.2.9.9 Acceptance of conditions

- Failure on the part of the tenderer to sign the tender form, and thus to acknowledge and accept the conditions in writing, or to complete the attached forms, questionnaires and specifications in all respects, may invalidate the tender.
- Tenders must be submitted on the official forms and must comply with the conditions of the tender as stipulated by RHODES UNIVERSITY.
- Failure to comply with these requirements or to renounce specifically the tenderer's own conditions of tender when called upon to do so, will invalidate the tender.

2.6.2.10 Evaluation Process

2.6.2.10.1 Bid Specification Committee

- This is a subcommittee of the Tender Committee. The committee should consist of at three of the following members:
 - One (1) member must be from the requesting Division or Department as delegated by the Head of the Department or Division.
 - One (1) delegated member of the Procurement Department.
 - Any other individual within Rhodes University with the relevant procurement experience and/or legal background.

- An independent expert: When an external independent expert is sought, prior approval must be obtained from the Deputy Director: Administration, Finance and Procurement must be obtained. The expert must declare interest and possible conflict of interest. The expert (representing company) may not submit any bid for which he/she has been part of its Bid Specifications Committee.
- The Bid Specification Committee will perform the following functions:
 - Compile bid specifications and advertisements of all bids;
 - The detailed specification document must contain sufficient details of the specific goods or services desired, as well as the nature of the eventual contract, e.g. year contract;
 - The bid specifications must be drawn up in an unbiased manner to allow potential suppliers to offer their goods and services;
 - Take into account broader policy objectives, i.e. preferential procurement;
 - Specify evaluation criteria and weightings;
 - Prior to advertising the Chairperson of the Tender Committee has to sign off on the following documentation:
 - a) The final bid specifications;
 - b) The proposed advertisement;
 - c) The evaluation criteria with points allocation.

2.6.2.11 Composition and scope of the Tender Committee

2.6.2.11.1 Composition of the Tender Committee

- The Tender Committee shall at the discretion of the Admin Committee of Council be composed as follows:
 - The Executive Director: Infrastructure, Operations & Finance (chair) for tenders above R1m;
 - The Deputy Director: Administration, Procurement & Finance (Chair) for tenders below R1m;
 - Director: Finance for tenders above R1m, nominee for tenders below R1m;
 - Representative(s) of the Faculty, Division, Department or Section generating the tender;
 - The Tender Committee **will** co-opt additional members for their particular expertise for a particular tender process.

2.6.2.11.2 Scope of the Tender Committee

- To adjudicate tender submissions;

- The Tender Committee must make a recommendation or do an approval based on the value and nature of the tender, in accordance with the Policy of Authority and Schedule of Authorisation Levels.
- A recommendation must be made when tenders with a reputational risk, institutional or strategic are involved.
- To ensure compliance with the spirit, intention and specific requirements of the University's Procurement Policy in all tender processes;
- To ensure that relationships with suppliers are declared and managed appropriately in accordance with this Policy and the principles of good governance; .
- To ensure that SMME's, B-BBEE suppliers are supported to participate fully in the tendering process;
- To ensure that a formal, objective scoring system is used in the evaluation process which complies with preferential procurement legislation;
- To ensure that all deliberations and outcomes are confidential and that all communication is via the Procurement Section or other person/division delegated by Council as having the authority to do so.

3 PART C: PREFERENTIAL PROCUREMENT POLICY

3.1 PREAMBLE

South Africa's future depends on the economic empowerment of its population. Rhodes University believes that the institution and operation of a preferential procurement policy contributes to a wider and meaningful empowerment of the previously disadvantaged part of the population and promotes sustainable development, job creation and general welfare. The Council of the University therefore endorses the principle of preferential procurement to promote Broad-Based Black Economic Empowerment. The policy aims to:

- Provide organisations with black ownership access to the University's procurement activities.
- Contribute to the development and growth of black-owned organisations by striving for a compliance target and by purchasing goods and services from such organisations. The compliance targets are prescribed by the Codes of Good Practice on Broad-Based Black Economic Empowerment.
- Manage and monitor progress against the purchasing objectives and establish regular reporting on this aspect.
- Encourage non-black empowered organisations to establish and implement affirmative action practices.

Operating a preferential procurement system at the University is subject to:

- 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 Department of Trade and Industry's Code of Good Practice applicable to Broad-Based Black Economic Empowerment published in the Government Gazette of 9 February 2007. The University follows the prescribed scorecard of the Codes applicable to universities. The requirements are based on the relevant legislation (Act 53/2003).
- The Preferential Procurement Regulations, 2011 pertaining to the Preferential Procurement Policy Framework Act, Act No 5 of 2000.

3.2 BBBEE SCORECARD FOR HIGHER EDUCATION

The BBBEE scorecard for Higher Education as well as the weightings for preferential procurement as determined by the Department of Trade and Industries shall be applicable as indicated in the preceding section.

3.3 POLICY STATEMENT

- a. The preferential policy should not compromise the University when it involves price or quality of goods and services.
- b. All University suppliers must provide information to the Procurement Department indicating the degree to which the organisation meets the requirements of Broad-Based Black Economic Empowerment. The University will prescribe the format of the information.
- c. The Procurement Department will maintain a register with information on the Broad-Based Black Economic Empowerment status of all its active suppliers. Only suppliers who have provided this information will be considered for quoting and tendering.
- d. In accordance with the preferential procurement targets as stipulated in the Codes, the University will strive to achieve a target of 50% for preferential procurement by 2014 and 70% by 2017.
- e. By means of discerning purchasing, the University will actively attempt to develop the basis of black suppliers to meet national goals in empowerment.
- f. When and if possible, the University will assist local businesses to become BBEE compliant.
- g. The Executive Director: Infrastructure, Operations & Finance is responsible for ensuring that the University's BBEE assessment and certification is carried out annually by an accredited verification agency.

3.4 POLICY REQUIREMENTS

3.4.1 The establishment and updating of a preferential procurement database:

All University suppliers will be required to provide information to the Deputy Director: Operations Administration, Finance & Procurement indicating the degree to which the organisation meets the requirements of Broad-Based Black Economic Empowerment. The University will prescribe the format of the information. When this information changes, the supplier is responsible for providing the latest information to the University. The Deputy Director: Operations Administration, Finance & Procurement is responsible for establishing and maintaining a register of the BBEE status of all active suppliers.

3.4.2 The establishment of Preferential Procurement targets:

In accordance with the preferential procurement targets prescribed by the Codes, Rhodes University will seek to achieve a target of 50% for preferential procurement by 2014 and 70% by 2017.

3.4.3 Introduction of preferential procurement criteria to procurement decision-making:

The BBEE procurement status of any provider of goods and services to RHODES UNIVERSITY must be added to the procurement criteria specified in Part B of this policy in accordance with the requirements of the Preferential Procurement Regulations, 2011 Pertaining to the Preferential Procurement Policy Framework Act, Act No 5 of 2000.

3.4.4 To increase preferential procurement spend:

By means of discerning purchasing, the University will actively attempt to identify and develop the number of black empowered suppliers to meet national empowerment goals.

3.4.5 To establish reporting mechanism for preferential procurement compliance:

The Executive Director: Infrastructure, Operations & Finance will ensure that the University's BBBEE status is presented annually to the F&GP and Council for consideration.

4 IMPLEMENTATION OF POLICY

All procurement procedures, protocols and practices at RHODES UNIVERSITY which were in force prior to the commencement of this Policy must become compliant with this policy within twelve months of the date on which Council approves this Policy.