

PROCUREMENT AND PURCHASING POLICY

Policy Volume	Infrastructure, Operations & Finance
Policy Chapter	Operations & Finance
Responsible Committee/Unit/Division/Faculty	Finance / Procurement
Responsible Director	Chief Financial Officer (CFO) Deputy Director: Admin, Finance and Procurement
Dates of First and Subsequent Council Approvals	May 2015
Policy Approval Pathways	Budget Executive Committee (BEC); Finance & General Purposes Committee(F&GP); Council
Revision History: Approved Reviews	May 2015, June 2024
Review Cycle	5-year intervals
Next Review Date	December 2029

PART A: GENERAL

1. POLICY PARTICULARS

1.1. Policy Title	Procurement Policy
1.2. Policy Statement	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, whilst ensuring the long-term financial sustainability of Rhodes University.
1.3. Reason for Policy	The purpose of the policy is to – 1.3.1 Give effect to section 217 of the Constitution of the Republic of South Africa by implementing a Supply Chain Management (SCM) system that is fair, equitable, transparent, competitive, and cost-effective.
1.4. Policy Objective/s	1.4.1 To promote the efficient supply of goods and services through the promotion and application of best procurement practices. 1.4.2 To ensure that Rhodes University. Is compliant with the provisions of legislative requirements and any regulations pertaining thereto; 1.4.3 Ensure uniformity and consistency in respect of supply chain management to manage the university's purchasing transactions effectively, irrespective of the source of funds; 1.4.4 Ensure an integrated supply chain management function; 1.4.5 To source goods and services of a required quality at the right price from suitably qualified , responsible service providers/suppliers with strong business ethics, who are socially and environmentally responsible and subscribe to the core values in the area of human rights, labour standards and anti-corruption; 1.4.6 To meet the procurement needs of Rhodes University in a professional manner.
1.5. People affected by this Policy	All members of Rhodes University authorised to procure goods and services using University funds.
1.5. Who should read this Policy	All members of 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. The policy applies to all purchases made with funds under the control of and administered by the University and it therefore applicable to all entities (faculties, divisions, departments, institutes, centres, units) and staff.
1.6. Implementers of this Policy	Chief Financial Officer and Deputy Director: Admin, Finance & Procurement Policy to be operationalised through the FinCore finance and the procurement system.
1.7 Website address/link for this Policy	https://my.ru.ac.za/imbizo/financeservices/

2. RELATED DOCUMENTS FORMS AND TOOLS

Relevant Legislation
Higher Education Act of 1197 (as amended); Preferential Procurement Regulations, 2017 pertaining to the Preferential Procurement Policy Framework Act (Act No. 5) of 2000; The Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003); Section 217 of the Constitution of South Africa.
Related Policies
Audit and Risk Committee Charter Staff Disciplinary Code and Procedure Rhodes University Policy on Delegations of Authority and Schedule of Authorisation Levels
Related Protocols
Rhodes University Procurement Manual Expense Claim Protocol Disposal of Redundant and Second-hand Goods

3. PRINCIPLES GOVERNING THIS POLICY

OVERVIEW
Supply chain management (SCM) at Rhodes University shall be executed in a manner that conforms to the supply chain management principles. The SCM system shall be continually reviewed and improved to ensure conformity with best practices, while supporting and promoting transformation in line with the empowerment goals of the country. It is required that the Procurement Department within the Finance Division approves purchase orders of any type prior to the commitment of university funds.
3.1 Financial Principles Any person engaged in procurement on behalf of the University shall seek to achieve the best value for money. The term “value “ is not limited to the monetary cost of the supply but shall consider a range of factors such as quality, service, empowerment and sustainability. Best value for money means the best available outcome when all relevant costs and benefits over the life cycle of the goods or services are considered. 3.1.1. The following factors shall be considered when considering “value”: a) the suitability and compliance of the goods and services being procured; b) the service history of the supplier; c) associated delivery and operating costs; d) the cost of disposal; and e) their empowerment credentials 3.1.2. Where appropriate end users, together with the Procurement and Finance Departments, shall perform a cost-benefit analysis to determine whether an outright purchase or a lease is the best option.
3.2. Ethical Principles and Conflict of Interest Staff members engaging in procurement processes shall disclose any personal or business relationships with a supplier or contractor.

- 3.2.1. Staff members acting in their official capacity, shall always ensure that in any procurement process, their professional integrity is not compromised by any situation or relationship with a supplier(s), which may be reasonably be construed as a constituting a conflict of interest.
- 3.2.2. Those staff members who have, or may be perceived to have, a vested interest in the outcome of a purchase should disclose in writing any conflict to their Deputy Director: Admin, Finance & Procurement and they should exclude themselves from any role in the purchasing process. The staff member must complete and sign the applicable declaration of interest form.
- 3.2.3. Should an employee not make a declaration where it is later found that the employee has an interest which he/she failed to declare, such employee will be found to have failed to comply with the duty to declare conflicts of interests which may result in disciplinary action.
- 3.2.4. Open and effective competition shall be encouraged and observed to ensure equitable access to all suppliers.
- 3.2.5. Staff members shall ensure fairness and accountability in all stages of the procurement process.
- 3.2.6. In cases where there is a purchasing contract in place with a supplier, staff members are bound to the terms of the agreement when placing orders.
- 3.2.7. Staff members engaging in the procurement shall ensure that they are familiar with and comply with the University's Code of Conduct.
- 3.2.8. Staff members shall not authorise payment to a person or entity in which they have a material interest without the approval of the CFO, on recommendation of the Deputy Director: Admin, Finance & Procurement.
- 3.2.9. Supplier vetting shall be done biannually, and all conflicts of interest shall be advised to the CFO and Director: People & Culture.
- 3.2.10. Receipt of gifts or hospitality in relation to procurement of goods and services are not permitted. Any attempted inducement must be immediately be reported to the relevant line manager who shall notify the Deputy Director: Admin, Finance & Procurement.
- 3.2.11. The following relationships are situations and relationships that could be described as constituting a conflict of interest (this does not constitute a full and exhaustive list):
 - a) Financial interest of a university staff member in a supplier.
 - b) Next-of-kin or close personal relationship between a university employee and supplier including but not limited to:-
A 1st degree relative who has an interest in and/or is employed by a supplier. A 1st degree relative include a parent, child, legal guardian, sibling, spouse/life partner.
 - c) A University staff member acting as a director, member, trustee or board member of a supplier.
- 3.2.12. In line with the Higher Education Act, S34 Amendment: staff members will only be permitted to conduct business with the University if approved by Council or as delegated. Such declarations shall be made through the Human Resources Division and presented for approval as outlined in paragraph 4 and 5 of "Management of conflicts of interest in terms of section 34 of the Higher Education Act".
Declarations are renewable annually in line with the University's financial year (1 January to 31 December).
- 3.2.13. Should a case arise where a staff member is unaware of a relative or friend's intention to do business with the University, they should declare immediately upon knowledge thereof, to the Manager: Admin, Finance & Procurement and the People & Culture Divisions. Such declarations shall be valid until the end of the financial year and need to be renewed annually at the beginning of the next financial year.
- 3.2.14. Procurement Division staff members or any person involved in the procurement process, must keep themselves free from any type of personal obligation or compromised position to any supplier. No personal loans or compensation, whether in cash or kind, may be accepted from a supplier.
- 3.2.15. Potential contractors / suppliers should declare their direct/indirect relationships/interest with the University and staff members.
- 3.2.16. No procurement related engagements are to be made without engaging the Procurement Division.
- 3.2.17. All negotiations on pricing and other conditions shall be conducted through the Procurement Division.

3.3. Environmental Conscientious Principles

Environmental conscientious principles shall be considered alongside economic and ethical principles.

Consideration shall be given to:

- 3.3.1. The procurement of products containing materials produced in a sustainable manner and/or reconditioned or recycled components.
- 3.3.2. Use of suppliers who offer product stewardship, i.e., suppliers who are willing to recollect products at the end of their life cycle.
- 3.3.3. Preference to goods that are more energy-efficient and cause less pollution.
- 3.3.4. Preference to suppliers that minimise their energy consumption and adverse environmental impact, especially those with a certified environmental management system.

3.4. Declaration of Interest

- a) All procurement committee members and any person involved in the procurement evaluation, adjudication or negotiation process, must complete and sign the applicable declaration of interest from, at each and every meeting.
- b) Any person with an interest that may affect or could be perceived to affect their impartiality should immediately declare the conflict of interest in writing and withdraw entirely from the process.
- c) The Manager: Admin, Finance & Procurement reserves the right to conduct the necessary due diligence on employees, active and prospective suppliers for procurement related matters and take the necessary steps to ensure compliance.

3.5. Confidentiality and accuracy of information

- a) The confidentiality of information received in the procurement process should be respected at all times in line with the Protection of Personal Information Act (Act 4 of 2013).
- b) Specific details of a supplier's tender should not be divulged, unless the revealing of the information is in accordance with the Promotion of Access to Information Act. 2000 (Act 2 of 2000), a court order or through the consent of the respective supplier and then only by/through the Office of the Registrar.
- c) All members of the Procurement Division and all committee members serving on procurement-related committees or attending procurement-related meetings must sign the Procurement Confidentiality Process Form.

3.6. Due care by Staff Members involved in procurement

In dealing with active and prospective suppliers, Procurement staff members and staff responsible for Faculties, Divisions or Departments requisitioning shall, but not limited to:

- a) preserve the highest standards of honesty, integrity, impartiality and objectivity;
- b) be fair, efficient, firm and courteous;
- c) achieve the highest professional standards in the awarding of contracts in order to maximise value for money while adhering to other standards;
- d) provide clear specifications and requirements, which encourage innovation and refer, where appropriate, to relevant technical and other standards;
- e) make available as much information as suppliers need to respond to a request for quotation and the bidding process;
- f) manage the bidding process so the genuine competition is preserved and unfair discrimination is avoided;
- g) make available the broad criteria intended for the evaluation of bids, to evaluate the bids objectively, and to notify the outcome promptly;
- h) debrief bidders of the outcome of the bidding process to facilitate better performance on future occasions within the bounds of commercial confidentiality;
- i) achieve the highest professional standards in the management of contracts;
- j) pay promptly for work done in accordance with standards as set by a legal and bidding contract;
- k) respond promptly courteously and efficiently to suggestions, enquiries and complaints.

3.7. Due care by Suppliers

Suppliers, active or prospective, must demonstrate "good standing" as far as all the prerequisites to doing business with the University such as tax clearance and B-BBEE certification.

- a) Suppliers must be registered and approved on the Rhodes University supplier database.
- b) Suppliers interested in bidding for advertised Rhodes University tenders will be required to complete the specific tender documentation and may be requested to register on the tender portal.
- c) The University will verify information submitted and reserve the right to conduct the necessary due diligence on active and prospective suppliers to ensure compliance.
- d) The University may implement an accreditation process for certain goods and services.

3.8. Restriction on procurement of assets

Only assets budgeted for and approved by Council through the budget process may be purchased,

4. DIRECTIVES FOR IMPLEMENTING THIS POLICY

4.1. Limits refer to the Rand values of the monetary amounts authorised on the date/s of approval.
4.2. No staff member may approve expenditure, which may or does benefit him or her directly. Where conflict does arise, the authority to approve such expenditure vests in the next higher level.
4.3. Any staff member who acts outside of or exceeds their authority level must account for their actions and can be subject to the University's disciplinary processes or any other legal proceedings (criminal or civil) which may be deemed appropriate.
4.4. In determining the amount of the purchasing limit, all linked transactions must be taken into account. For example, a staff member may not split an order or project cost into two or more separate transactions or amounts, each of which is or may be less than the purchasing limit, simply to evade compliance with the provisions of the Procurement Policy. The staff member can be subject to the University's disciplinary processes or any other legal proceedings (criminal or civil) that may be deemed appropriate.

5. ROLES AND RESPONSIBILITIES

ROLE	RESPONSIBILITY – as determined by the Delegations of Authority Policy
ROLE 1	Grade 6-13 – Administrative staff
ROLE 2	Grades 14 to 17 - Line Managers (approvers)
ROLE 3	Grade 18, Deputy Directors; HoDs', SARChi Chairs, Directors (approvers and signatories)
ROLE 4	Deans / Directors (approvers)
ROLE 5	Deputy Vice-Chancellor: Academic & Student Affairs (DVC: A&SA); Deputy Vice-Chancellor: Research, Innovation & Strategic Partnerships (DVC: RISP); Registrar (approvers and signatories)
ROLE 6	Chief Financial Officer (CFO) (approvers and signatories)
ROLE 7	Vice-Chancellor (VC) (approvers and signatories)
ROLE 8	Committees of Council and Council (approvers)

6. CONTACTS

Area of Concern	Division/Faculty/ Department	Telephone	Email
Proper understanding of the FinCore system and requirements for the levels of authority.	Finance	046 603 8123	finance@ru.ac.za
Ensure all correct documentation is attached to a contract or purchase requisition	Procurement	046 603 8142	procurement@ru.acza

7. POLICY REVIEW PROCEDURE

(Actions and processes by which the policy will be reviewed)

The policy will be reviewed every 5 years. Policy comes into effect on date approved by Council on 6 June 2024.
Any amendment to the Procurement Policy will be effective immediately from the date of approval by Council, unless stipulated otherwise by Council.
Communication of the review process

8. POLICY CONTEXT: RELEVANT DOCUMENTS CITED/CONSULTED/ADOPTED

1	Policy on Delegations of Authority (DOA) - considers the legal and regulatory governance framework of the University and establishes a structured approach to the decision-making process within the University.
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LIST OF APPENDICES

Annexure A – Purchasing Limits

Procurement Manual

PART B: PURCHASING POLICY

1. PREAMBLE

This policy for the acquisition of goods and services must be read with all other related financial policies, protocols, and procedures. The procurement Policy is supported by the Procurement Manual.

2. ABBREVIATIONS AND DEFINITIONS

For the purpose of this policy, unless otherwise stated, the following abbreviations shall apply:

B-BBEE	Broad-Based Black Economic Empowerment
BEC	Bid Evaluation Committee
BSC	Bid Specification Committee
BSA	Black South African
CIDB	Construction Industry Development Board
EME	Exempted micro enterprise with an annual turnover of less than R10m
Eoi	Expression of interest
F&GP	Finance and General Purposes Committee of Rhodes University Council
GRN	Goods received note
I&TS	Information and Technology Services
PURCO	Purchasing Consortium Southern Africa
QSE	Qualifying small enterprise with an annual turnover between R10m to R50m
RFI	Request for information
RFP	Request for proposal
RFQ	Request for quotation
SARS	South African Revenue Services
SCM	Supply Chain Management
SMME	Small, medium, and micro enterprises
TERISA	Tertiary Risk Insurance South Africa

For the purpose of this policy, unless otherwise stated, the following definitions shall apply:

Authority	Meaning the necessary delegation granted to line management to approve the acquisition of goods and services to facilitate the day-to-day execution of tasks.
Bid	A process of selecting a recommended supplier from a range of potential suppliers after inviting proposals and evaluating proposals against specific selection criteria.
Black people	<p>The B-BBEE Amendment Act 2013 defines Black as follows:</p> <p>'black people' is a generic term which means Africans, Coloureds and Indians –</p> <ul style="list-style-type: none"> a) who are citizens of the Republic of South Africa by birth or descent, or b) who became citizens of the Republic of South Africa by naturalisation – <ul style="list-style-type: none"> I. before 27 April 1994; II. on or after 27 April 1994 and who could have been entitled to acquire citizenship by naturalisation prior to that date; <p>NB: The definition of "Coloured" includes "Chinese"</p>
Broad-Based Black Economic Empowerment	<p>The economic empowerment of all black persons, including women, workers, youth, persons with disabilities and persons living in rural areas, through diverse but integrated socio-economic strategies that include but are not limited to:</p> <ul style="list-style-type: none"> a) increasing the number of black people who manage, own and control enterprises and productive assets;

	<ul style="list-style-type: none"> b) facilitating ownership and management of enterprises and productive assets by communities, workers, cooperatives and other collective enterprises; c) human resource and skills development; d) achieving equitable representation in all occupational categories and levels in the workforce; e) preferential procurement, and; f) investment in enterprises that are owned or managed by black persons.
Business Unit	This refers to a department or functional area within the University. It can be a school, department, centre or institute within a faculty or a department within a division.
Capital goods	Meaning durable assets that are capitalised in terms of the University's financial policy.
Close family member	A spouse/partner, children, sibling or parents of a person.
Closing time	The last date and hour specified in tender documents for the submission of a tender.
Competitive bidding	A procurement method in which tenders from competing contractors, suppliers or vendors are invited by openly advertising the scope, specifications and terms and conditions of the proposed contract as well as the criteria by which bids will be evaluated.
Conflict of interest	Arises when an individual has a personal material interest in an activity, transaction, and organisation or otherwise that could reasonably be seen to have the potential to impair their objectivity or judgement in performing their duties at the University.
Contract	A legally enforceable agreement between parties that is contained in writing and signed by authorised functionaries. For purposes of this policy, a contract includes a purchase order.
Consulting Services	The appointment of any external natural person or legal entity by the University to render a specialised service to the University.
Corruption	Dishonest or fraudulent conduct, which harms the University.
End-user	A person who requests any goods/services in the procurement process.
Final award	In relation to tenders or quotations submitted for a contract, the final decision on which a specific tender or quote is accepted.
Form of offer and acceptance	Means the documents that formalise the legal process of offer and acceptance.
Fraud	Knowingly lying or practising deception to obtain a benefit or advantage.
Fronting practice	<p>Means a transaction, arrangement or other act or conduct that directly or indirectly undermines or frustrates the achievement of the objectives of the B-BBEE Act, or the implementation of any of the provision of the Act, including but not limited to practices in connection with a B-BBEE initiative –</p> <ul style="list-style-type: none"> a) in terms of which black persons who are appointed to an enterprise are discouraged or inhibited from substantially participating in the core activities of that enterprise; b) in terms of which economic benefits received as a result of the broad-based black economic empowerment status of an enterprise do not flow to black people in the ratio specified in the relevant legal documentation; c) involving the conclusion of a legal relationship with a black person for the purpose of that enterprise achieving a certain level of broad-based black economic empowerment compliance without granting that black person the economic benefits that would reasonably be expected to be associated with the status or position held by that black person; or d) involving the conclusion of an agreement with another enterprise in order to achieve or enhance broad-based black economic empowerment status in circumstances in which – <ul style="list-style-type: none"> i. there are significant limitations, whether implicit or explicit, on the identity of suppliers, service providers, clients or customers; ii. the maintenance of business operations is reasonably considered to be improbable, having regard to the resources available; iii. the terms and conditions were not negotiated at arm's length and on a fair and reasonable basis.

Functionality	The measurement according to the predetermined norms of a service or commodity designed to be practical and useful, working or operating, considering quality, reliability, viability and durability of a service and technical capacity and ability of a tenderer.
Head of Department	A designated official responsible for the administration as well as the financial functions in a department or directorate.
FinCore	The self-service requisitioning application which is part of the finance system that allows end-users to create, manage and track their own orders.
Middleman supplier	An intermediary supplier who provides little value in the supply chain, perhaps only playing matchmaker, but building in a margin.
Obsolete	No longer produced or used, out of date, to become obsolete by replacing it with something new.
Official	An employee of the University, a person contracted to work as a member of staff.
Procurement committees	This refers to all the University three-bid committees, as constituted in line with the relevant charter.
Redundant items	No longer needed or useful; superfluous (unnecessary).
Requisition	An approved voucher that is completed to record all internal and external requests for goods/services.
Scope of work	Means the documentation that specifies and describes the goods, services, or engineering and construction works which are to be provided and any other requirements and constraints relating to the manner in which the contract work is to be performed.
Services contract	Means the contract for the provision of labour or work, including knowledge-based expertise, carried out by hand, or with the assistance of equipment and plant.
Supplier(s)	A supplier may be a person or an entity that provides goods or services to the University.
Supply contract	Means a contract for the provision of commodities made available for purchase.
Supply Chain Management (SCM)	SCM is an integral part of financial management. This function is the collaborative strategy that integrates the planning, procurement, and provisioning processes to eliminate non-value-adding cost infrastructure, time and activities, and seeks to introduce international best practices. Six phases are distinguished in the SCM processes, namely, demand planning, acquisition management, logistics management, disposal management, risk management and performance measurement.
Total cost of ownership	The sum of direct spend, related spend, process spend, and opportunity cost associated with a specific commodity and service.
Transversal contracts	Means a centrally facilitated contract arranged by either the Purchasing Consortium – South Africa (PURCO-SA) or the Association of South African University Directors of Information Technology (ASAUDIT) for goods or services that are required by the Higher Education sector.
University funds	All funds managed through university cost centers (including funds generated through third stream income) are subject to Rhodes University Procurement Policy and Procedures.

3. SCOPE

This policy governs the procurement of goods and services across the University. 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 restricted and unrestricted funds (excluding the staff budget). Funds for the purchase of goods and services are allocated from the University's operational and capital budgets. Development and external funds (research and otherwise) which are also for the purchase of goods and services are subject to this policy. Goods and services can include:

- a) Capital goods (e.g. Property, plant and equipment)
- b) Standard stock items
- c) Services including consultancy and other professional services
- d) Specialist research equipment (e.g. laboratory equipment, specialised computer equipment, equipment for field work)
- e) Maintenance of facilities and equipment
- f) Minor works
- g) Infrastructure projects
- h) Procurement of any other general items required by the University
- i) Lease contracts (e.g. printers, leasing of vehicles)

This policy applies to all transactions, except those relating to the following:

- a) Memberships of Professional fees
- b) Payments to Tertiary Institutions
- c) Payments to study support
- d) Payments for conference/training fees/workshops
- e) Journal publication and subscription/licensing costs
- f) Employment contracts
- g) Supply of services from the Municipality or a public entity

4. DELEGATION OF AUTHORITY

The structures set out below give strategic direction and execution authority to the Procurement Policy.

4.1 UNIVERSITY COUNCIL

The University Council has the ultimate responsibility for the delegation of authority.

- a) The University Council has overall accountability for the implementation of and adherence to all SCM policies and procedures, as well as all SCM activities performed under these policies.
- b) Through this policy, in line with the Delegation of Authority of the University, Council delegates its functions in terms of overseeing, planning and executing SCM in the University to the Finance & General Purposes (F&GP), procurement awarding subcommittees (the Tender Committee and the Procurement Tender Committee), the Procurement Department and all other University departments referred to in this document.
- c) Any concerns relating to SCM may be referred to the F&GP Committee of Council and the Audit and Risk Committee of Council.
- d) The Council of the University is the highest authority to which SCM disputes may be escalated.

4.2 FINANCE AND GENERAL PURPOSES COMMITTEE

- a) SCM subcommittees namely the Tender Committee and the Procurement Committee, reports to F&GP through the CFO via the Budget Executive Committee. The subcommittees plan and execute SCM activities for tenders.
- b) Disputes of any nature arising within SCM must be escalated to CFO by the Chairperson of the Tender Committee.

- c) The Tender Committee shall annually provide the SCM award reports, to the Budget Executive Committee.
- d) The CFO has powers to authorise deviation from the normal procurement process on recommendation by the Deputy Director: Admin, Finance & Procurement, in consultation with the Director: Finance.

4.3 BID COMMITTEES

To ensure that the tendering process is fair, equitable, transparent, competitive and cost effective, the University constitutes a three-bid committee system. The committees are:

- a) Bid Specification Committee.
- b) Bid Evaluation Committee.
- c) Bid Adjudication Committees.

5. ROLES AND RESPONSIBILITIES

5.1 PROCUREMENT DEPARTMENT

The Supply Chain Management Function is a centralised procurement activity for the University which include:

- 5.1.1 Develop and maintain procurement policies and procedures.
- 5.1.2 Ensure end-user awareness and training about procurement policies and procedures.
- 5.1.3 Identify cost reduction and cost avoidance opportunities.
- 5.1.4 Explore and evaluate opportunities to leverage on economies of scale.
- 5.1.5 Develop and investigate sources of supply.
- 5.1.6 Evaluate supplier performance.
- 5.1.7 Participate with departments in developing product and service specifications and measurement standards.
- 5.1.8 Conduct competitive bid processes.
- 5.1.9 Conduct price/cost analyses.
- 5.1.10 Negotiate contracts.
- 5.1.11 Terminate contracts.
- 5.1.12 Assist with disbursement of surplus assets or disposal of obsolete and redundant assets.

5.2 BID COMMITTEES

5.2.1 BID SPECIFICATION COMMITTEE (BSC)

- a) The BSC is responsible for compiling bid specifications/terms of reference in an unbiased manner to allow all potential bidders to offer their goods and/or services without favour or prejudice.
- b) The BSC is an ad hoc committee constituted based on requirements and its composition is regulated in the Procurement Policy. The BSC should consist of the following members:
 - I. One (1) member must be from the requesting Department or Division as delegated by the Head of the Department.
 - II. One (1) delegated member of the Procurement Department.
 - III. Any other individual within Rhodes University with the relevant procurement, legal or technical experience.
 - IV. An independent expert if required. When an external independent expert is sought, prior approval must be obtained from the Deputy Director: Admin, Finance & Procurement. 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 the BSC.
- c) The committee performs the following functions:
 - I. Considers and approves the technical and functional specifications submitted by the end-user department.
 - II. Sets terms of reference as submitted by the end-user department.
 - III. Determines the evaluation criteria to be included in the bid.

- IV. Identifies appropriate preferential procurement goals and points to be allocated, consistent with the requirements of the Preferential Procurement Regulations.
- V. Defines special conditions of contracting applicable to the commodity being sought in addition to General Conditions of Contracting or contracting documentation for engineering, construction and building works.
- VI. Prior to advertising the Chairperson of the Tender Committee must sign off on the following documentation:
 - a) The final bid specification;
 - b) The proposed advertisement;
 - c) The evaluation criteria with points allocation.

5.2.2 BID EVALUATION COMMITTEE

- a) The BEC is an ad-hoc committee constituted based on requirements and the composition is regulated in the Procurement Policy.
- b) The BEC shall at the discretion of the Admin Committee of Council be composed as follows:
 - I. The Director: Finance for tenders above R1m.
 - II. The Deputy Director: Admin, Finance & Procurement for tenders below R1m.
 - III. Representative of the Faculty, Division, Department or Sections generating the tender.
 - IV. The Tender Committee will co-opt additional members for their expertise in a tender process.
- c) Guided by the Procurement Policy, the BEC serves to: -
 - a) evaluate all bids received above the quotation threshold.
 - b) evaluate bids following the criteria specified in the bid documentation.
 - c) submit a report and recommendations regarding the award to the relevant procurement awarding committee for final awarding.
 - d) enable its chairperson to present its report to the procurement awarding committee to clarify uncertainties.

NB: An official may not be a member of the BEC and the Award Structure.

5.3 AWARDING COMMITTEES

- a) The decision-making powers regarding the final award of bids are delegated to the Awarding Committees, depending on the threshold values in this regard.
- b) Guided by the Procurement Policy Awarding Committees assess the process followed in making the recommendation to ensure that the Procurement policy has been complied with in full.
- c) The relevant award structure, Procurement Tender Committee/Tender Committee must ensure that:
 - i. all necessary bid documents have been submitted.
 - ii. disqualifications are justified and that valid and accountable reasons/motivations were furnished for passing over quotes/bids.
 - iii. scoring, as applicable, has been fair, consistent and correctly calculated and applied.
 - iv. cognisance is taken of prospective suppliers' declarations of interest, and
 - v. the necessary funds are available.
- d) The relevant adjudication committee shall consider and rule on all reports/recommendations regarding the amendment, variation, extension, cancellation or transfer of contracts awarded as per the approved delegation.
- e) Adjudication committees may obtain clarity from members of the BEC if required.

6. GENERAL PURCHASING

6.1 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 Admin, Finance and Procurement 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 blacklisting 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).

6.2 QUOTATIONS

- 6.2.1 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.
- 6.2.2 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 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.
- 6.2.3 The value ranges for the sourcing of quotations and tenders are as presented in **ANNEXURE A – PURCHASING LIMITS**. 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.
- 6.2.4 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 6.3);
 - 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 and Infrastructure 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);
 - The Rhodes University insurance is procured through TERISA, managed by Marsh (Pty) Ltd. Rhodes University is a member of this Consortium.

- 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 Director: Finance.

- 6.2.5 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:
- 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.
 - Rhodes University reserves the right to refuse payment for any goods or services rendered in the absence of an official purchase order.
 - 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.
 - No goods or services valued above R5 000 may be paid for by personal credit card, cheque or cash to be claimed for refund later without prior authorisation from the line manager.
 - Verbal instructions to suppliers are not allowed.
 - 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.
 - 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.
 - Revised quotations will only be allowed under exceptional circumstances as evaluated by the Deputy Director: Admin, Finance & Procurement and on the understanding that all bidders will be given this opportunity.

6.3 EMERGENCY ORDERS

Irrespective of monetary value, an emergency procurement process will only apply in serious, unexpected and potentially dangerous circumstances that require immediate rectification:

- In the event of an immediate threat that compromises the University environment or human safety or the ability of the University to execute its mandate, the standard procurement processes may be bypassed. Where it is not possible to liaise with the Procurement Department, the business unit must, within the next working day advise the Procurement Department of such an emergency.
- The CFO may authorise the emergency order.
- The business units shall inform the Deputy Director: Admin, Finance & Procurement in writing within 48 hours of the incident of the following:
 - The nature of the emergency.
 - The motivation shall include the date and time thereof.
 - The details of the procurement action taken.
 - The envisaged results had the standard procurement process been followed.
- The Procurement Department shall record such incidents for reporting to the Awarding Committees.
- Incidents will normally constitute events such as a natural disaster, damage to critical assets or infrastructure, essential services' system failures, or riot-related events.

7. SUPPLIER SELECTION GUIDELINES

7.1 SELECTION AND APPROVAL

The University ascribes to sound principles and practices of supplier management and development to ensure the following:

- 7.1.1 Equal opportunities for all suppliers.
- 7.1.2 Development and management of SMME and B-BBEE. 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.
- 7.1.3 Mutual beneficial relationships based on fairness, transparency trust and good ethical conduct.

To ensure that the above-mentioned objectives are met the University shall maintain a list of accredited active and prospective service providers for goods and services, per commodity for the purpose of obtaining quotations.

- a) 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 to ensure that B-BBEE targets and quality standards are maintained.
- b) 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 always compliant with legislative requirements.
- c) The list will be updated at least annually to make provision for new registrations and rotation of suppliers.
- d) The University will not register and/or do business with service providers with invalid credentials, i.e. expired tax clearance with SARS, restriction with authorities such as the National Treasury's database as a person or entity prohibited from doing business.
- e) 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).
- f) The responsibility for the scrutiny and the approval of suppliers rests with the Deputy Director: Admin, Finance & Procurement, who must establish an approved list of goods and service providers.
- g) Application to register as a service provider shall be done through FinCore supplier portal (refer to the Rhodes University Procurement Manual).

8. COLLABORATIVE PURCHASING

8.1 The University may enter into collaborative purchasing agreements where it is to the advantage of the University.

8.2 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.

8.3 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: Admin, Finance & Procurement in consultation with the relevant internal stakeholders.

9. TENDERS

9.1 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 Committee	refers to the Committee constituted 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 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.

9.2 SELECTION MECHANISMS FOR VALUES ABOVE R250,000 THRESHOLD

- 9.2.1 Competitive (open) bidding is to be used as far as possible for all procurement above R250 000. Competitiveness shall be maintained throughout the process and all stages of the process shall be conducted in an open and transparent manner.
- 9.2.2 Goods, works or services may not be split into parts or items of lesser value to avoid complying with the requirements of the prescribed thresholds.
- When determining transaction values, a requirement for goods, works or services consisting of different parts or items must as far as possible be treated and dealt with as a single transaction.
 - Tenders shall be through invitation, depending on the threshold or advertisement in appropriate media to ensure greater exposure for prospective tenderers. Advertisement costs shall be borne by the requesting department.
 - All participants relating to tenders will sign a declaration of confidentiality and a conflict-of-interest declaration. This includes project leaders, consultants and approvers.

- d) If in a specific case it is impracticable to invite competitive tenders, the requirements may be procured through a deviation, provided that the reasons for deviating from inviting competitive tenders are justifiable, properly documented and approved by the relevant Awarding Committee (i.e., Procurement Tender Committee or the Tender Committee).
 - e) Selection mechanisms include:
 - I. Sealed quotation (as per Annexure A – Purchasing Limits)
 - II. Closed tendering.
 - III. Competitive tendering
 - IV. Limited tendering
- 9.2.3 The greatest opportunity for competitiveness and promotion of preferential procurement shall be pursued at all times.
- a) Guided by the relevant charter, Awarding Committees assess the process followed in making the recommendation to ensure that the Procurement policy has been complied with in full.
 - b) The relevant awarding committee, Procurement Tender Committee/Tender Committee must ensure that:
 - all necessary bid documents have been submitted.
 - disqualifications are justified and that valid and accountable reasons/motivations were furnished for passing over quotes/bids.
 - scoring, as applicable, has been fair, consistent and correctly calculated and applied.
 - cognisance is taken of prospective suppliers' declarations of interest.
 - the necessary funds are available.
 - c) The relevant adjudication committee shall consider and rule on all reports/recommendations regarding the amendment, variation, extension, cancellation or transfer of contracts awarded as per the approved delegation.
 - d) Adjudication committees may obtain clarity from members of the BEC if required.

9.3 UNSOLICITED BIDS

Unsolicited bids are proposals that are submitted by the prospective supplier(s) to the University without any requirements being identified and advertised.

- 9.3.1 The University is not obliged to consider an unsolicited proposal but may consider such a proposal only if it meets the following requirements:
- a) A comprehensive and relevant project feasibility study has established a clear business case.
 - b) The product or service involves an innovative design, or
 - c) The product or services involves an innovative approach to project development and management, or
 - d) The product or service presents a new and cost-effective method of service delivery.
 - e) The person or entity who submitted the proposal is the sole provider of the product or service.
- 9.3.2 To ensure transparency, fairness and restrict abuse, the University shall advertise the requirement to allow other interested parties to submit bids provided: -
- a) the RFPs are generic and shall protect the intellectual property and innovation of the unsolicited bidder.
 - b) prior to advertising, the unsolicited bidder shall be informed of the University's intentions to invite public bids.
- 9.3.3 The University reserves the right to award the business to any competitive proposal besides the unsolicited bidder including the right to reject any bidder who may have used privileged information from the University.
- 9.3.4 The relevant Awarding Committee shall consider the recommendations and make the final award.

9.4 GENERAL PROCUREMENT CONDITIONS

9.4.1 GRIEVANCE OVER AN AWARD OR PROCUREMENT PROCESS

- 9.4.1.1 Persons or service providers aggrieved by decisions or actions taken in the awarding of business, may, within 14 calendar days of the decision, lodge a written complaint to the Deputy Director: Admin, Finance & Procurement.
- 9.4.1.2 The grievance should detail: -
 - a) The transaction reference number.
 - b) The part of the University Policy that has been violated.
 - c) The details of the violation.
 - d) The business unit involved.
 - e) Relief sought.
- 9.4.1.3 In consultation with the Office of the General Counsel and Risk and Assurance Department an investigation shall be made into the allegations and written response provided within 14 working days from receipt of the complaint.
- 9.4.1.4 Disputes relating to running contracts or completed contracts will be resolved strictly according to the dispute resolution mechanism provided for in the signed contract document.
- 9.4.1.5 Provisions of this paragraph do not prohibit or infringe on the rights of any party to approach the Court of Law regarding the dispute in question.

9.4.2 ACCESS TO TENDER INFORMATION

- All tender information remains strictly confidential and will not be disclosed to any other tenderer.
- 9.4.2.1 The successful tenderer will be notified in writing of the acceptance of the tender.
 - 9.4.2.2 Tenders are not available for perusal by the public. When divulging information, a balance must be achieved between one party's right to access of information and the other's right to confidentiality.
 - 9.4.2.3 The University can withhold information if the release or publication of the information will:
 - a) impede law enforcement; or
 - b) be contrary to public interest; or
 - c) harm the University's legitimate interests; or
 - d) hinder fair competition between providers by revealing any proprietary information of any tenderer.
 - 9.4.2.4 A complaint/appeal received before an award is made must be dealt with to the satisfaction of the relevant awarding committee. Legal advice shall be sought if necessary. The process followed must be beyond reproach and must be responded to in writing before a final award is made to minimise the risk to the University.
 - 9.4.2.5 A complaint or appeal lodged after an award has been made must be received within three weeks of the decision being made known.
 - 9.4.2.6 The policy on access to information must be followed and complaints or appeals must be responded to in writing within a reasonable time. Legal advice shall be sought if necessary.

10. PREFERENTIAL PROCUREMENT OBJECTIVES

10.1 PREMABLE

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. Small Business Enterprises offer significant value to the economy and are contributing almost 50% towards South Africa's Gross Domestic Product. For this reason, Rhodes University embarked on investing in Enterprise and Supplier Development, this is to accomplish one of the strategic imperatives, which form part of Rhodes University's overall drive to improve and support black-owned companies, by making sure that they can compete within the University's procurement process. The Council of the University 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.
- Supplier and Enterprise Development is set out with the specific objectives of delivering the following benefits:
 - a) Improved B-BBEE score.
 - b) Improvements in service level, operations, supplier administration and skills.
 - c) Improving supplier performance.
 - d) Resolving serious quality issues.
 - e) Improving the business relationship between the supplier and the University

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

- Section 217 of the Constitution of South Africa which stipulates that the government must 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.

10.2 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.

10.3 POLICY STATEMENT

- 10.3.1 The preferential policy should not compromise the University when it involves price or quality of goods and services.
- 10.3.2 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.
- 10.3.3 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.
- 10.3.4 By means of discerning purchasing, the University will actively attempt to develop the basis of black suppliers to meet national goals in empowerment.
- 10.3.5 When and if possible, the University will assist local businesses to become BBBEE compliant.
- 10.3.6 The Deputy Director: Admin, Finance & Procurement is responsible for ensuring that the University's BBBEE assessment and certification is carried out annually by an accredited verification agency.

10.4 POLICY REQUIREMENTS

10.4.1 The establishment and updating of a preferential procurement database:

All University suppliers will be required to provide information to the Deputy Director: Admin, 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: Admin, Finance & Procurement is responsible for establishing and maintaining a register of the BBBEE status of all active suppliers.

10.4.2 The establishment of Preferential Procurement targets:

In accordance with the preferential procurement targets prescribed by the Codes, Rhodes University will seek to achieve a compliance target of 50% for preferential procurement by 2025 and 60% by 2027.

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

The BBBEE 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.

- The University will, in tender/quotation documents, stipulate the preference point system to be applied in adjudication and will include criteria for the evaluation.
- The contract shall be awarded to the tenderer who scores the highest points unless objective criteria justify the award to another tenderer.
- Exemptions shall be granted in case of donor funds where the conditions of the agreement shall be honoured. Where the agreement is silent, procurement of goods or services will follow prescripts of this policy.
- All adjudication documents will be kept on file as per the legal requirements.

10.4.4 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.

10.4.5 To establish reporting mechanism for preferential procurement compliance:

The CFO will ensure that the University's BBBEE status is presented annually to the F&GP and Council for consideration.

11. 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.

ANNEXURE A – PURCHASING LIMITS

Prescribed monetary value for quotations and tenders

Consumable goods and services	
R1 – R1 000	If petty cash is used - no quotation required
R1 – R15 000	At least one electronic quotation from the approved supplier list
R15 001 – R50 000	At least two electronic quotations from the approved supplier list
R50 001 – R250 000	At least three electronic quotations from the approved supplier list
R250 001 – R500 000	At least three sealed ¹ quotations from the approved supplier list administered by the Procurement Department
R500 001 – R1 000 000	Closed tender process
R1 000 001 and above	Open tender process
Capital goods	
R1 000 – R15 000	At least one electronic quotation from the approved supplier list
R15 001 – R50 000	At least two electronic quotations from the approved supplier list
R50 001 – R250 000	At least three electronic quotations from the approved supplier list
R250 001 – R500 000	At least three sealed quotations from the approved supplier list
R500 001 – R2 000 000	Closed tender process
R2 000 001 and above	Open tender process
Building, construction and maintenance work, small capital works and immovable equipment as applicable to the Infrastructure & Operations Division	
R1 – R15 000	At least one electronic quotation from the approved supplier list
R15 001 – 50 000	At least two electronic quotations from the approved supplier list
R50 001 – R250 000	At least three electronic quotations from the approved supplier list
R250 001 – R1 000 000	At least three sealed quotations from the approved supplier list administered by the Procurement Department
R1 000 001 – R2 000 000	Closed tender process
R2 000 001 and above	Open tender process

¹ Quotations for goods and services of a value requiring a sealed quotation process may not be submitted to the end-user directly. The Procurement Department will facilitate the process through their electronic submission system to ensure a fair and transparent process.