



**PROCUREMENT POLICY
AS PART OF SUPPLY CHAIN MANAGEMENT**

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<p style="text-align: center;">UJ documents</p> <p>(e.g., Policies, Regulations, Guidelines, Contracts)</p> <ul style="list-style-type: none"> • UJ Statute • UJ Vision and Mission • UJ Strategic Plan • UJ Operational Plan 	<p style="text-align: center;">Other</p> <p>(e.g., Legislation, DoE and HEQC directives and guidelines)</p>
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<p style="text-align: center;">PROCUREMENT POLICY AS PART OF SUPPLY CHAIN MANAGEMENT</p>

1. PREAMBLE

Procurement of goods and services should be in the best interests of the University. The University's best interests are served when a transaction results in the lowest overall cost to the University, considering the quality, cost of future preventative maintenance by either the OEM supplier or alternatives, durability, acquisition price, functionality, durability and disposal costs.

The Procurement Department exists to support the University's academic and research missions through the establishment of policies and procedures that make the acquisition process convenient for the University community.

The Procurement Department further exists to:

- a) obtain equipment, goods and services at the lowest cost to the University, while ensuring optimal quality, services and availability;
- b) provide guidance and assistance to University departments regarding supplier relations, logistics issues, supplier problem resolution, product sourcing and other related purchasing issues;
- c) maximise the University's purchasing power by representing the University as a single purchasing entity to the supplier community;
- d) ensure accessibility for and fair treatment of all suppliers seeking business relationships with the University;
- e) develop programmes and services that bring value to University departments;
- f) ensure that purchase transactions comply with applicable laws and regulations;
- g) conduct competitive bidding processes for the University; and
- h) serve as the centralised purchasing entity for all departments of the University.

It is the objective of the University of Johannesburg to ensure that the procurement process is done in a fair, equitable, transparent and competitive manner to optimise the utilisation of financial resources and to ensure quality goods and services.

The Procurement Policy is supported by the Procurement Manual.

This policy creates no right for third parties.

2. PURPOSE

The purpose of this policy is to –

- 2.1 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;
- 2.2 give effect to the provisions of legislative requirements and any regulations pertaining thereto, including:

- 2.2.1. the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000);
- 2.2.2. the Preferential Procurement Regulations of 2017;
- 2.2.3. the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- 2.2.4. the Construction Industry Development Board Act, 2000 (Act No. 38 of 2000);
- 2.3 ensure uniformity in respect of supply chain management to manage the University's purchasing transactions effectively, irrespective of the source of funds;
- 2.4 ensure an integrated supply chain management function;
- 2.5 promote consistency in respect of the supply chain management policy;
- 2.6 provide a mechanism to ensure sound, sustainable and accountable supply chain management;
- 2.7 facilitate an efficient and cost-effective sourcing of the works, goods and services for delivery of works/goods/services to the University community;
- 2.8 manage the risk arising from the importation of goods and services and the potential exchange rate risk involved in the payment of foreign transactions; and
- 2.9 streamline, consolidate and, where possible, improve on purchasing practices.

3. SCOPE

This policy governs the procurement of goods and services across the University. Goods and services can include:

- (a) Capital goods
- (b) Standard stock items
- (c) Services including consultancy and other professional services
- (d) Maintenance of facilities and equipment
- (e) Minor works
- (f) Infrastructure projects
- (g) Procurement of any other general items required by the University

The policy is applicable to all transactions, except those relating to the following:

- a) Membership or Professional fees;
- b) Payments to Tertiary Institutions;
- c) Payments for study support;
- d) Payments for Conference/Workshop/Training fees;
- e) Journal publication and subscription costs;
- f) Employment contracts; and
- g) Supply of services from the municipality or a public entity.

4. ABBREVIATIONS AND DEFINITIONS

4.1 Abbreviations

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

B-BBEE	Broad-Based Black Economic Empowerment
ELG	Executive Leadership Group
EME	Exempted micro enterprise with a turnover of less than R10m
Eoi	Expression of Interest
GRV	Goods received voucher
ICS	Information and Communication Services
IT	Information Technology
MEC	Management Executive Committee
PURCO	Purchasing Consortium Southern Africa
QSE	Qualifying small enterprise with a turnover between R10m and 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
UJ	The University of Johannesburg
URC	The University Research Committee

4.2 Definitions

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 the proposals against specific selection criteria.
Black people	The B-BBEE Amendment Act 2013 defines Black as follows: 'black people' is a generic term which means Africans, Coloureds and Indians— (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— (i) before 27 April 1994; or

	<p>(ii) on or after 27 April 1994 and who would have been entitled to acquire citizenship by naturalisation prior to that date;</p> <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> <p>(i) increasing the number of black persons who manage, own and control enterprises and productive assets;</p> <p>(ii) facilitating ownership and management of enterprises and productive assets by communities, workers, cooperatives and other collective enterprises;</p> <p>(iii) human resource and skills development;</p> <p>(iv) achieving equitable representation in all occupational categories and levels in the workforce;</p> <p>(v) preferential procurement; and</p> <p>(vi) investment in enterprises that are owned or managed by black persons.</p>
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 accounting 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 Tendering	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 be reasonably 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 also includes a purchase order.
Consultancy Services	The appointment of any external natural person or legal entity by the University to render a specialised advisory 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.
Engineering and construction works contract	A contract for the provision of a combination of goods and services, arranged for the development, extension, installation, repair, maintenance, renewal, removal, renovation, alteration, dismantling or demolition of structures, including building and engineering infrastructures.
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 provisions of the Act, including but not limited to practices in connection with a B-BBEE initiative –</p> <ul style="list-style-type: none"> (i) 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; (ii) in terms of which the 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; (iii) 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 (iv) 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"> (a) there are significant limitations, whether implicit or explicit, on the identity of suppliers, service providers, clients or customers; (b) the maintenance of business operations is reasonably considered to be improbable, having regard to the resources available;

	(c) 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, taking into account 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.
I-Proc	The self-service requisitioning application that allows end users to create, manage and track their own orders.
Long-term contract	A contract with a duration exceeding one year.
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 in order 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. The other common term is 'vendor'.
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 in order 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.
The University	The University of Johannesburg
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 centres (including funds generated through third stream income) are subject to UJ Procurement Policy and Procedures.

5. PRINCIPLES AND VALUES

Supply chain management (SCM) at the University shall be executed in a manner that conforms to supply chain 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 approves purchase orders of any type prior to the commitment of University funds.

5.1 Financial Principles

Any official 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 also consider a range of factors such as quality, service 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.

5.1.1 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; and
- d) the cost of disposal.

5.1.2 Where appropriate end users, together with the Procurement and Budget and Project Management Departments, shall perform a cost-benefit analysis to determine whether an outright purchase or a lease is the best option.

5.2 Ethical Principles

Staff members engaging in the procurement process shall disclose any personal or business relationships with a supplier or contractor.

5.2.1 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 reasonably be construed as constituting a conflict of interest.

5.2.2 Those staff members who have, or may be perceived to have, a vested interest in the outcome of a purchase should disclose any conflict to their supervisor and discuss whether they should exclude themselves from any role in the purchasing process.

- 5.2.3 Open and effective competition shall be encouraged and observed to ensure equitable access to all suppliers.
- 5.2.4 Staff members shall ensure probity, fairness and accountability in all stages of the procurement process.
- 5.2.5 Staff members shall show regard for existing contracts.
- 5.2.6 Staff members engaging in procurement shall ensure that they are familiar with and comply with the University's Code of Conduct.
- 5.2.7 Staff members shall not authorise payment to a person or entity in which they have a material interest without prior written approval of the MEC.
- 5.2.8 Supplier vetting shall be done biannually, and all conflicts of interest shall be advised to the relevant ELG member as soon as it is identified.
- 5.2.9 Receipt of gifts or hospitality in relation to purchase of goods and services is not permitted.
- 5.2.10 The following 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.
 - c) University staff member acting as a director, member, trustee or board member of a supplier.
- 5.2.11 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 "THE MANAGEMENT OF CONFLICTS OF INTEREST IN TERMS OF SECTION 34 OF THE HIGHER EDUCATION ACT"
- Declarations are renewable annually in line with the University financial period.
- 5.2.12 Should a case arise where a staff member is unaware of the relative or friend's intention to do business with the University, they should declare immediately upon knowledge thereof, to the line management and Human Resources Division. Such declarations shall be valid for a calendar year and need to be renewed at the beginning of each financial year.
- 5.2.13 Procurement staff members or any other person involved in the procurement process must keep themselves free from any type of personal obligation to any supplier. No personal loans or compensation, whether in cash or kind, may be accepted from a supplier.

- 5.2.14 Members of staff involved in the supply chain process including Accounts Payable, must declare their direct/indirect relationship/interest with active and potential contractors/suppliers.
- 5.2.15 Potential contractors and suppliers should declare their direct/indirect relationship/interest with the University.
- 5.2.16 No procurement-related engagements are to be made without engaging the Procurement Department.
- 5.2.17 All negotiations on pricing and other conditions shall be conducted by the Procurement Department.

5.3 Environmental Conscientious Principles

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

5.3.1 Consideration shall be given to:

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

5.4 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 form, at each and every meeting.
- 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 and withdraw entirely from the process.
- c) All staff members involved in procurement activities other than evaluation, adjudication, or negotiation, will only be required to declare an interest if they in fact have an interest in a particular matter. Should such an employee not make any declaration in a particular matter, he/she will be deemed not to have an interest in the matter. If it is later discovered that an employee did have 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.
- d) The University 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.

5.5 Confidentiality and accuracy of information

- a) The confidentiality of information received in the procurement process should be respected at all times.
- 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) or a court order or through the consent of the respective supplier. The disclosure can only be made in consultation with the Office of the General Counsel.
- c) All staff members of the Procurement Department, procurement committee members, and all officials attending procurement-related meetings are bound by the UJ PROCESS FOR CONSIDERING CONFIDENTIAL BUSINESS and the confidentiality agreement, as signed.
- d) Suppliers will be bound by the conditions of the UJ declaration as signed during the request for quote or bidding process.

5.6 Due Care by Staff Members involved in SCM

In dealing with active and potential suppliers, SCM staff members and staff responsible for business unit requisitioning shall, but not be 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 high-quality standards;
- d) provide clear specifications of 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 quote and the bidding process;
- f) manage the bidding process so that genuine competition is preserved and unfair discrimination is avoided;
- g) make available the broad criteria intended for the evaluation of bids, to evaluate bids objectively, and to notify the outcome promptly;
- h) debrief un-/successful 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 binding contract; and
- k) respond promptly, courteously and efficiently to suggestions, enquiries and complaints.

5.7 Suppliers' Due Care

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

- a) Registration on the University supplier database is critical.
- b) Suppliers interested in bidding for advertised UJ tenders will be required to complete the specified tender documentation, including supporting proposed Service-Level Agreements or contracts.
- c) The University will still verify some key information as received.
- d) The University may implement an accreditation process for certain goods and/or service commodities.

The University will not procure work/goods/services from suppliers/contractors with members, directors or trustees who are in the employ of the University unless approval has been granted in line with paragraph 5.2.11.

6. DELEGATION OF AUTHORITY

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

6.1. 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 Management Executive Committee (MEC), procurement awarding subcommittees of the MEC (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 Financial Sustainability 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.

6.2 Management Executive Committee

- a) The MEC constitutes two SCM subcommittees, namely the Tender Committee and the Procurement Committee, to plan and execute SCM activities for tenders.
- b) Disputes of any nature arising within SCM must be escalated to the MEC by the Chairperson of the Tender Committee.

- c) The Tender Committee shall annually provide the SCM award reports, to the MEC and further presentation to the Financial Sustainability Committee of Council and Audit and Risk Committee of Council.
- d) The MEC has powers to authorise deviation from the normal procurement process.

6.3 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. The Bid Adjudication committees consist of the Tender Committee and the Procurement Tender Committee with their respective thresholds of awarding tenders.

Each committee is regulated through a charter and guidelines for ease of application.

7. ROLES AND RESPONSIBILITIES

7.1 Supply Chain Management Function

The Supply Chain Management Function is a centralised procurement activity for the University. Other functions include:

- 7.1.1 Develop and maintain procurement policies and procedures.
- 7.1.2 Ensure end-user awareness and training about procurement policies and procedures.
- 7.1.3 Identify cost reduction and cost avoidance opportunities.
- 7.1.4 Explore and evaluate opportunities to leverage on economies of scale.
- 7.1.5 Develop and investigate sources of supply.
- 7.1.6 Evaluate supplier performance.
- 7.1.7 Participate with departments in developing product and service specifications and measurement standards.
- 7.1.8 Conduct competitive bid processes.
- 7.1.9 Conduct price/cost analyses.
- 7.1.10 Negotiate contracts.
- 7.1.11 Terminate contracts.
- 7.1.12 Assist with disbursement of surplus assets or disposal of obsolete and redundant assets.

7.2 Bid Committees

7.2.1 Bid Specification Committee (BSC)

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.

- a) The BSC is guided by the BSC Charter.
- b) The BSC is an ad hoc committee constituted based on requirements and its composition is regulated in the charter.
- 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 documentations for engineering, construction and building works.

7.2.2 Bid Evaluation Committee (BEC)

The BEC is an ad-hoc committee constituted based on requirements and the composition is regulated in the charter.

Guided by its charter, the BEC serves to: -

- a) evaluate all bids received from above the quotation threshold;
- b) evaluate bids in accordance with 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 their report to the procurement awarding committee to clarify uncertainties.

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

7.2.3 Awarding Committees

The decision-making powers regarding the final award of bids is delegated to the Awarding Committees, depending on the threshold values in this regard.

- 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 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.
- 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.

7.2.3.1 Procurement Tender Committee (PTC)

The PTC is a subcommittee of the MEC, constituted to adjudicate procurement requests above R500 000 and up to R1 million per transaction in value inclusive of VAT.

The PTC carries out its duties in accordance with the policies and procedures set out in this document.

7.2.3.2 Tender Committee (TC)

The TC is a subcommittee of the MEC, constituted to adjudicate procurement requests above R1 million and up to R15 million per transaction in value inclusive of VAT.

The TC carries out its duties in accordance with the policies and procedures set out in this document.

7.2.3.3 Adjudications above R15 million

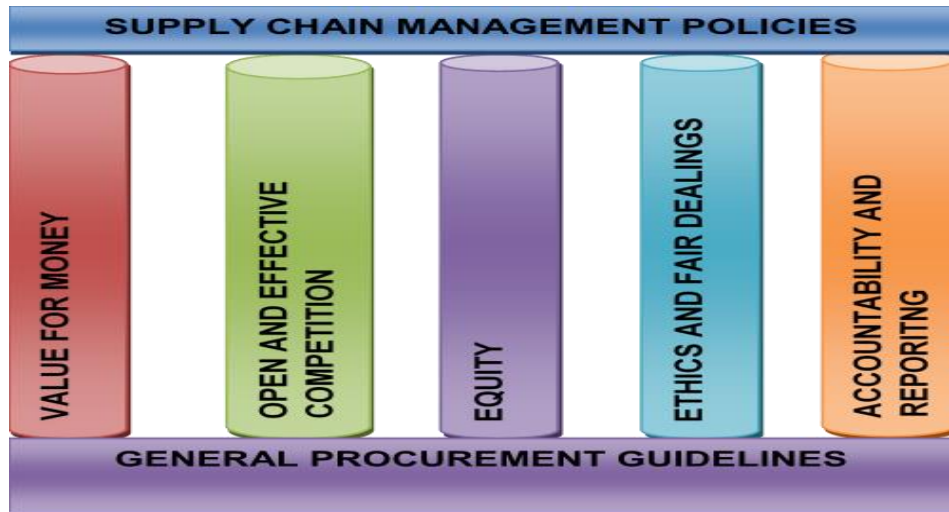
Procurement requests above R15 million and up to R50 million per transaction in value inclusive of VAT, are adjudicated by the MEC.

Awards above R50 million are ratified by the Financial Sustainability Committee of Council and the Projects and Resourcing Committee of Council.

8. BASIS FOR BEST PRACTICE

All procurement shall be concluded through the procurement system, as applicable from time to time. No procurement outside of the SCM Policy and Procedures shall be permitted.

Effective supply chain management is met by observing the five pillars of procurement. The pillars are graphically presented as follows:



The five pillars are not a prescription of standards of behaviour, ethics and accountability but a statement of commitment to an enabling procurement system.

8.1 Elements of the SCM System

In order to give effect to the above policy and principles, the University elects to apply the following elements:

- a) Procurement management that consists of methodologies employed to procure goods and services in a fair, ethical, legal, transparent, competitive and cost-effective manner to the best benefit of the University.
- b) Logistics management that provides for an effective system of inventory management.
- c) Disposal management, which is covered in the Asset Management Policy.
- d) Preferential procurement that will give effect to the principles of the B-BBEE Act and the Codes of Good Practice.
- e) Risk management for identifying, considering and avoiding potential risks in the SCM system and for determining the University's supply chain risk tolerance in accordance with the Risk Policy of the University.
- f) Ethics through which the University commits itself to a policy of fair dealing and integrity in conducting its SCM activities that are covered in the Ethics Policy.
- g) Contract and supplier performance through which the University will closely manage its contractual relationships with its contracted suppliers in a structured and focused supplier performance management programme.
- h) Recordkeeping, reporting and performance measurement that must be used to enhance the effectiveness and visibility of SCM operational activities, as well as the achievement of strategic objectives.

The elements are summarised as follows:

8.1.1 Demand Management

Demand management is the initial phase of SCM and sets the tone for all subsequent actions that are associated with SCM. Procurement or supply chain planning should precede all activities involved in procurement and SCM.

On an annual basis, as part of the budgeting and strategic planning process, known or existing needs are reviewed, and new needs are identified for the procurement of assets, goods and services to ensure that sufficient funding is available.

Should a need arise due to unforeseen circumstances that were not budgeted for, approval for procurement must be obtained from the Executive Director: Expenditure and Executive Director: Financial Governance.

8.1.1.1 Annual demand planning

The objective is to ensure that the resources required to meet the business unit goals are timely fulfilled.

The Contracts and Commodities Unit within Procurement will compile the annual procurement plan from the approved annual budget and after an analysis of the past expenditure. The plan will guide on the sourcing strategy per commodity, influence standardisation of some commodities, enable activation of strategic contracts to leverage on the economies of scale.

When procuring goods and services Procurement shall adopt optimum sourcing techniques by taking into consideration the nature of the commodity or service required, the conditions of delivery, just-in-time delivery, the prospective supplier and the preferential procurement goals.

8.1.2 Acquisition Management

Jointly with the end user, the Procurement Department shall identify the approved procedure to fill the identified need and follow it. The Procurement Department shall only honour purchases for goods and services for which there are approved funds, irrespective of the source of funds. The onus will be on the relevant Head of Department to ensure that funds are available.

For any unplanned needs, permission shall be sought from the respective Heads of Departments and signed off with the relevant Financial Business Partner.

To undertake this the steps shall include:

- a) Identifying the procurement threshold to ascertain the correct procurement procedure to be followed.
- b) Applying preferential procurement objectives and ensuring that they are incorporated in the procurement process.
- c) Identifying and implementing the procurement marketing strategy.
- d) Undertaking the contract management strategy to ensure value-added delivery of services and goods.

8.1.3 Logistics Management

Logistics management includes the following steps:

- a) Placing of orders against supplier agreements or quotations.
- b) Expediting delivery of procured goods.
- c) Supplier performance management.

8.1.4 Disposal Management

Disposal management shall ensure that unserviceable, redundant or obsolete moveable assets or goods no longer required are properly disposed of in

accordance with sustainability principles. Identifying obsolete durable resources or resources that have come to the end of their useful lives shall be done in collaboration with the University's Fixed Asset Department. This is to ensure that items that have been capitalised are timeously written off from the University's Fixed Asset Book.

This includes the following steps:

- a) Identifying redundant and obsolete equipment and assets.
- b) Assessing the assets for useful life and inspecting them for potential re-use.
- c) Determining a strategy on how redundant, obsolete items and items that cannot be re-used would be disposed of.
- d) Disposing of assets.

9. RISK MANAGEMENT

9.1 The SCM process poses risks that need to be identified and managed daily. Examples of such risks are among others:

- a) Incorrect identification of user requirements, which may lead to incorrect goods being ordered and delivered.
- b) Noncompliance with SCM rules and regulations, which may lead to irregular expenditure and audit findings.

9.2 Effective risk management is not about eliminating or avoiding risks, but rather identifying risks and managing them according to the risk management policy of the University.

9.3 Considerations for potential risks in the SCM system shall include among others:

- a) Project leaders are responsible for developing a risk register for each project, including management and monitoring of the risk.
- b) Risks shall be proactively identified on a case-by-case basis.
- c) Identified risks shall be allocated to the environment best suited to manage them.
- d) The University will accept the cost of risks if the cost of transferring the risk is greater than the risk of retaining such risk.
- e) The University will proactively manage risks and provide for adequate cover for residual risks.
- f) Assign relative risks to the contracting parties through clear and unambiguous contracts.

9.4 Due care must be taken in the bid administration and management process to minimise the risk of litigation by unsatisfied service provider(s).

10. PARTNERING WITH THE RIGHT SUPPLIER

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

- 10.1.1 Equal opportunities for all suppliers.
 - 10.1.2 Development and management of SMME and B-BBEE.
 - 10.1.3 Mutually beneficial relationships based on fairness, transparency, trust and good ethical conduct.
- 10.2 To ensure that the above-mentioned objectives are met the University shall maintain a list of accredited prospective service providers for goods and services, per commodity for the purpose of obtaining quotations.
- a) Up to the quotation threshold, the University will invite prospective providers (in the relevant commodity), featured on the prospective provider list, to submit a quote.
 - b) The list will be updated at least quarterly to make provision for new registrations and rotation of suppliers.
- 10.3 The University will not register and/or do business with service providers with invalid credentials, i.e., expired tax clearance with SARS, and expired B-BBEE certificate, restriction with authorities such as the National Treasury's database as a person or entity prohibited from doing business.
- 10.4 Supplier management and development shall be in line with the University's Supplier Management Framework.

10.5 Supplier Portal

Application to register as service provider at the University shall be through Oracle® iSupplier Portal.

- 10.5.1 The portal enables supplier communication through a secure, Internet-based portal.
- 10.5.2 All supplier applications will be duly evaluated and considered for approval.
- 10.5.3 Supplier application evaluation criteria.
 - 10.5.3.1 The following basic parameters shall be used in approving a supplier for use:
 - a) Certificate of incorporation.
 - b) VAT number.
 - c) B-BBEE certificate verification.
 - d) Validate Tax clearance certificate.
 - e) Perform a Procure Check to verify the following:
 - i. The company status.
 - ii. The owners/directors of the company.
 - iii. If the owners/directors are UJ employees.
 - f) The potential supplier's financial position and capacity to perform the works.
 - g) Reference checks to determine track record of prior service delivery.
 - h) A site visit shall be conducted if the potential supplier performs manufacturing, construction and/or supply of equipment that requires warehousing.

- i) Affiliation with relevant professional bodies or councils, where applicable.
 - j) The University reserves a right to conduct extensive checks on any supplier, as part of supplier due diligence and supply chain governance. To assess and mitigate counterparty, financial and anti-bribery and corruption risks; and safeguard corporate reputation, suppliers shall be screened through extensive investigative due diligence resources. The analytics shall help provide more insight and uncover multiple dimensional relationships on suppliers and provide comprehensive intelligence across financial crime universe including government officials and politically exposed persons.
- 10.5.4 The level of the supplier in terms of the EME, QSE & LE status as well as the outcome of the financial ratios used to vet the supplier, will be used to determine the monetary level threshold. This threshold will not be exceeded to mitigate the risk that the supplier cannot perform larger jobs as supplier financial capacity allows.

10.6 Supplier approval

On successful verification of a prospective service provider, the request shall be presented to the Procurement Tender Committee for approval.

- 10.6.1 All qualifying applications from suppliers shall be placed on the Approved Oracle Supplier Database.
- 10.6.2 Supplier information shall be captured and maintained on the Oracle® iSupplier Portal. This will enable submission of returnable documents i.e., tax clearance and the B-BBEE certificate when they expire.
- 10.6.3 When the need arises, quotation shall be sourced from these suppliers.

10.7 Supplier performance management

Suppliers shall be periodically evaluated for workmanship and ability to meet the University's requirements, including timeous delivery of goods or services, the number of returns made due to poor quality or incorrect delivery and adherence to purchase order prices.

- 10.7.1 All new suppliers shall be evaluated on completion of the first three completed projects at the University.
- 10.7.2 Where a new service provider is being recommended for work at the University, business units and project leaders must help in completing the Supplier Performance Review form.
 - a) This will help in reviewing the workmanship and capability. The form must be filled in to determine if the performance of the supplier is acceptable.
 - b) After three acceptable supplier performance reports, the supplier will be deemed to be satisfactory for normal use and will be evaluated annually.
- 10.7.3 The supplier financial statement will be reviewed annually to adjust the threshold level.

10.8 Removal of suppliers from the database

A supplier will be removed from the database of active service under the following circumstances:

- 10.8.1 The entity ceases to exist.
- 10.8.2 The sole proprietor dies.
- 10.8.3 Liquidation/sequestration of the entity.
- 10.8.4 Continual proven non-delivery (two and more times) or unable to meet minimum specification continuously.
- 10.8.5 Non-compliance with legislation or statutory requirement e.g., tax status.
- 10.8.6 Proven fraud and/or corruption including unethical conduct.
- 10.8.7 Making a false declaration to the University.
- 10.8.8 On written request by the supplier.
- 10.8.9 By mutual agreement.

The removal of suppliers will be done in accordance with the Promotion of Administrative Justice Act 3 of 2000.

10.9 Supplier restriction

The University reserves the right to remove any supplier from the Approved Supplier Database and/or elect not to invite any supplier for future tenders if it is proven the entity or any of its directors have:

- 10.9.1 abused the University's SCM system;
- 10.9.2 committed fraud or any other improper conduct in relation to such system; and
- 10.9.3 failed to perform on any previous contract.

10.10 Supplier and Enterprise Development

Small Business Enterprises offer significant value to the economy and are contributing almost 50% towards South Africa's Gross Domestic Product. For this reason, the University of Johannesburg embarked on investing in Enterprise and Supplier Development, this is to accomplish one of the strategic imperatives, which form part of UJ's overall drive to improve and support black-owned companies, by making sure that they can compete within the University of Johannesburg's procurement process.

- 10.10.1 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

- 10.10.2 The University will promote, accelerate and support the procurement of goods and services from emerging suppliers in line with the appropriate legislation and the University's preferential procurement policy.
- 10.10.3 Early payment terms shall be entered into the Supplier Development beneficiaries to ease their financial burden for each purchase order issued.
- 10.10.4 The University will, each financial year, strive to achieve a percentage of recognisable B-BBEE procurement spend in line with Preferential Procurement Strategy and set targets as approved by the MEC.

10.11 Preferential scoring

The University will, in tender/quotation documents, stipulate the preference point system to be applied in adjudication and will include criteria for the evaluation.

- 10.11.1 The contract shall be awarded to the tenderer who scores the highest points unless objective criteria justify the award to another tenderer.
- 10.11.2 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.
- 10.11.3 All adjudication documents will be kept on file as per the legal requirements.

11. UNSOLICITED BIDS

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

11.1 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.

11.2 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.

11.3 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.

11.4 The relevant Awarding Committee shall consider the recommendations and make the final award.

12. ACCESS TO TENDER INFORMATION

All tender information remains strictly confidential and will not be disclosed to any other tenderer.

12.1 The successful tenderer will be notified in writing of the acceptance of the tender.

12.2 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.

12.3 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.

12.4 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.

12.5 A complaint or appeal lodged after an award has been made must be received within three weeks of the decision being made known. 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.

13. CONTRACTUAL COMMITMENTS

13.1 Conclusion of contracts

Formal contracts are concluded only if this is stated as a requirement in the quotation/tender document. A copy of the contract shall be included in the tender document for suppliers to accept and sign the contract agreement or advice of variation thereto.

This is to ensure that contracts are duly signed timely after the tender is awarded before an order is issued.

13.1.1 Quotations

To award a quotation, the Procurement Department threshold as outlined in the Procurement Manual shall apply.

- a) All the necessary documentation shall be signed in line with the relevant delegation of authority to commit the University.
- b) All signatories must ensure that they are satisfied that all the necessary conditions are included prior to signing.
- c) The relevant Buyer shall inform the successful provider of the acceptance of

the quotation and liaise with the provider to initiate the execution. Up to a predetermined monetary value for quotations, the official with the necessary delegated authority shall sign all necessary documentation to commit the University.

13.1.2 Tenders

The obligation for the University shall arise once the contract/SLA is duly signed by all parties and submission of an official purchase order.

13.1.3 In the event suppliers request a change in conditions of the formal agreement the Office of the General Counsel must vet the proposed changes before the document is approved and signed off.

13.1.4 Once the contract is concluded, a purchase order shall be placed with the successful provider.

13.1.5 The relevant construction [JBCC, NEC, FIDIC (Joint Building Contracts Committee, New Engineering Contract, *Fédération Internationale Des Ingénieurs-Conseils* - International Federation of Consulting Engineers)] contract will be utilised for all construction-related purposes.

13.2 Service-level agreement(s)

A service-level agreement, which supplements the formal contract, defines the relationship between the contracting parties and spells out services and activities to be executed, due dates and turnaround times.

13.2.1 Service-level agreements should be compiled with the tender specifications to ensure that tenderers accept conditions applicable in the tender process.

13.2.2 This is to avoid complex legal clarification and time-frame delays of signing of service-level agreements when tenders have been awarded.

13.3 Infrastructure Projects/Major Capital Projects

13.3.1 Retention

Retention as determined by the relevant construction contract will be held by the University on all progress payments made and will be paid out in accordance with the contract.

13.3.2 Performance guarantee

A performance guarantee equal to the value of the project is required on all building contracts in the form of a financial security provided by the contractor to secure the performance of the contractual obligations.

This shall provide for a monetary amount that may be called upon by the beneficiary of the guarantee in the event of a contractor's failure to perform its obligations under the contract.

13.4 Correction of an error on the award of a contract

Any errors identified on the intent to award a contract must be reported immediately to the Tender Manager, for rectification.

13.5 Payments

Payments made to suppliers shall be in accordance with the contract conditions. This shall be on confirmation that the service has been rendered (including installations certified to be in good working order) or goods have been delivered.

13.5.1 Prepayment of Purchase Orders

Before placing orders where pre-payment is required, steps should be taken to obtain a guarantee or warranty from the supplier covering the following contingencies:

13.5.1.1 Faulty goods/services.

13.5.1.2 Terms for late or non-delivery.

13.5.1.3 Loss or damage in transit.

13.5.1.4 Failure to meet obligations.

13.5.1.5 Failure to meet specifications.

13.5.2 Where necessary, a letter of credit should be arranged. This is to provide the supplier with the guarantee that the payment will be released promptly on receipt of goods and/or service to an acceptable standard.

13.5.3 Prepayment of suppliers is not encouraged and shall only be allowed when an alternative suitable supplier cannot be found. The possible risk to the University shall be assessed before paying for goods and services in advance.

13.5.4 Should the request be made that a contractor requires an advance payment or a progress payment and this is not a contract condition, payment may be made only with the prior approval as follows:

a) Requests up to R1 million inclusive of VAT – approval by Executive Director: Expenditure.

b) Requests above R1 million inclusive of VAT – approval by the CFO.

13.5.2 The conditions for advanced payment must include a pro-forma invoice and a guarantee, if necessary, as a counter-commitment to the advance.

13.6 Insolvency, liquidation, death, sequestration or judicial management of contractors

If a firm is liquidated or person is sequestered or due to any other reason cannot honour its commitment, it is regarded as a breach of contract. The provisional liquidator or administrator is given the choice of carrying out the contract or not. If not, in consultation with legal advice, a decision must be made whether a provisional claim will be registered against the supplier.

13.7 Transfer and cession of contracts

The contractual conditions shall stipulate the conditions under which transfers/cessions will be considered and the process to be followed in such circumstances.

13.7.1 Where the request arises to transfer/cede the contract, the request shall be dealt with in conjunction with the Director: SCM or delegate and the Office of the General Counsel shall deal with transfer/cession.

13.7.2 The application for transfer/cession of contract shall be approved in line with the delegations of authority and relevant awarding committee should such a contract have been awarded through a procurement process.

13.7.3 Full reasons for transferring of the contract shall be provided and the transferee's ability to carry out the contract must be indicated. Application shall be considered on merit and considered only if it is in the best interest of the University to accept the application.

13.7.4 Applications for the transfer/cession of a contract must be completed and signed by both the transferor and the transferee and countersigned by two witnesses once approval is received.

13.8 Contract variation/amendment

A contract may be amended, varied or modified, in line with the delegated powers to achieve its original objective bearing in mind the University's best interest.

13.8.1 Amendments may not alter the original objective of the contract materially and, if they do, a new tender process must be initiated.

13.8.2 All contractual parties must agree to the amendment in writing and the amendment must be approved by the relevant authority who approved the initial contract.

13.8.3 The contractual conditions should stipulate the conditions under which amendments shall be considered and the process to be followed in such circumstance.

13.8.4 Variation Orders

It is recognised that, in exceptional cases, it may be necessary to expand or vary orders against the original contract.

13.8.4.1 Variation orders may arise in different forms and are not limited to:

- a) Alterations requested by the end user during the construction process, e.g., added facilities such as extra doors or windows.
- b) Unforeseen circumstances that emerged during the construction process, e.g., poor soil formation requiring extra foundation.

13.8.4.2 Any variation orders request exceeding 5% of the original total bid value should be issued as a new bid. However, possible problems in terms of professional liabilities and warranties that can arise when a second contractor becomes involved on the same project need to be consulted with the Office of the General Counsel.

13.8.4.3 Project leaders shall guard against the service provider/contractor starting with a partial project and thereafter simply continue with subsequent uncontested variation orders.

13.8.4.4 Variation orders shall be funded from the original budget of the project.

13.8.4.5 Where the variation arises, the original costs incurred on the tender, the variation costs – as anticipated and the updated total costs must be clearly demonstrated. Executive Director: OPS in consultation with the COO/CFO may approve requests:

- a) For new buildings a maximum of 5% contingency.
- b) For renovation to buildings a maximum of 10% contingency.

13.8.4.6 Any variation order request in excess of the limit indicated above of the contingency amount shall be approved by the relevant awarding committee subject to due process being followed before any work commences.

13.8.4.7 A full motivation from the project leader supported by the professional team reports shall advance reasons for the variation and the needed remedial work.

13.8.5 Extension of contract periods

All contracts must be renewed before the period expires. Where it becomes apparent that the renewal of the contract will not be complete in time before the new contract is implemented, the request to extend the contract shall be presented to the relevant awarding committee before the current contract expires.

13.8.5.1 The extension of the contract must be in accordance with the contract stipulations.

13.8.5.2 It should be established beforehand if the contractor is prepared to amend the contract and this must be confirmed in writing.

13.8.5.3 The contract owner shall present a motivation advancing reasons for extension and the monetary impact thereof.

13.8.5.4 If prices are amended for the extended period, the reasonableness of the prices must be established if no provision was made for this in the original contract.

13.8.5.5 In granting an extension of the stipulated time for performance of the contract, factors to be considered shall include among others agreeing to any substantial amendment of the scope of the services, substituting key staff, waiving the conditions of a contract, or making any major changes in the contract.

13.8.6 Contractual price adjustments

The contractual conditions will stipulate the circumstances under which price adjustments may be considered, the intervals for adjustments, the base date for adjustments, as well as the price adjustment formula and the process to be followed in such circumstances.

- a) The prescribed formulae must be indicated and agreed to for adjustment of prices due to the fluctuation of the indices.
- b) Only indices compiled by Statistics South Africa should be used.

13.8.7 Reduction of prices

The University will accept price reductions after the awarding of a contract if this is in the best interest of the University, unless the acceptance of the price reduction amounts to breach of contract.

13.8.8 Amendment of specifications

If a binding contract has been concluded, an amendment of the specification, whether initiated by the contractor or by the University, can be made only:

- a) after negotiation between the contractor and the University; and
- b) with the approval of the relevant committee that awarded the contract.

13.9 Contract termination

Contract termination may be effected if allowed for in the contractual conditions. Termination of a contract may be considered for a variety of reasons, such as delayed deliveries, failure to perform any other contractual obligation or if the supplier has engaged in corrupt and fraudulent practices or has become insolvent. Serious thought shall be given to the grounds for considering termination.

13.9.1 Clarity must be reached on whether the contractor will have a claim against the University or not, and if so, whether termination can be justified.

13.9.2 In consultation with the Office of the General Counsel, should termination be decided upon, the rationale shall be explained fully, and considerations shall include:

- a) the arrangements to be made for completing the contract; and
- b) whether additional costs will be recovered from the contractor.

13.9.3 The University shall cancel a contract awarded to a supplier where it is proven that the supplier committed any proven corrupt or fraudulent act during the tendering process or the execution of that contract or if any official or other role player committed any proven corrupt or fraudulent act during the tendering process or the execution of the contract.

13.9.4 Recourse in the case of incorrect information

13.9.4.1 If after award of a contract, it is proven that a contractor was awarded a contract based on supplying incorrect information, the University has the right to:

- a) recover any costs or damage that the University may have suffered as a result of the conclusion of the contract; and/or
- b) terminate the contract and recover any loss that the University may suffer as a result of having to make less favourable arrangements; and/or
- c) deduct from the contract price, as a penalty, a sum calculated on the delivered price of the delayed goods or unperformed services using the current prime interest rate calculated for each day of the delay until actual delivery or performance.

14. LOGISTICS MANAGEMENT

14.1 Inventory Management

To minimise the total cost of acquiring and maintaining supplies and services the University needs to function, critical commodities shall be held as stock. Stock items are available on catalogue from the Warehouse and Distribution Department.

14.1.1 Inventory management shall include:

- a) Consolidation of stock items to avoid duplication and redundancy.
 - b) Running the warehouse in an efficient and cost-effective manner.
 - c) Maintaining an effective item identification system.
 - d) Avoid fruitless and wasteful expenditure by disposing redundant material on time.
 - e) Designing and implementing internal control systems that seek to ensure that the University minimises theft and avoidable losses.
- 14.1.2 The warehouse shall be kept in a clean, safe, tidy and comply with the health and safety standards.
- 14.1.3 Sufficient stock shall be kept at minimum and maximum levels that align with just-in-time lead times to minimise disruption in supply.
- 14.1.4 Appropriate measures will be taken to minimise the risk, associated with keeping of stock/goods as well as management of stock-outs.
- 14.1.5 The University shall ensure appropriate standards of internal controls and warehouse management are in place to ensure goods placed in stores are secured and only used for the purpose they were purchased.

14.2 Asset Disposal Management

The process of asset disposal should be transparent, equitable and fair.

- 14.2.1 All asset disposal transactions shall be through a public tender or public auction.
- 14.2.2 The appointment of auctioneers shall be through competitive bidding.
- 14.2.3 Prior to the disposal of assets, reasonable efforts shall be made to ensure that none of the business units within the University have use of the items.
- 14.2.4 Donations of University assets shall be made through the proper delegation of authority.

15. GENERAL PROCUREMENT CONDITIONS

15.1 Grievance over an award or SCM process

- 15.1.1 Persons or service providers aggrieved by decisions or actions taken in the awarding of business, may, within 14 days of the decision, lodge a written complaint to the Director: SCM or through the UJ Ethics Hotline.
- 15.1.2 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.
- 15.1.3 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 be provided within 14 working days from receipt of the complaint.

15.1.4 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.

15.1.5 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.

15.2 Non-order payments

Purchasing of goods and/or services without an official University order (PO number) is prohibited as this hampers the procurement of goods and services in a fair and competitive manner.

15.2.1 The University is not obligated to pay suppliers where a purchase order has not been raised.

15.2.2 It will remain the financial responsibility of the staff member concerned to ensure that the goods or services acquired are duly settled with the service provider and obtain the necessary approval of the acquisition made.

15.2.3 Acquisitions finalised without a University purchase order shall be duly motivated and approved in line with the relevant delegation within the Faculty or Division.

15.2.4 These acquisitions shall be settled on approval of Executive Director: Expenditure.

15.2.5 To minimise these deviations, staff members are encouraged to seek prior permission and advise the relevant Finance Business Partner before such acquisitions are committed.

15.4 Placing of Orders for Payment in another Financial Year

It is prohibited to place orders for goods and/or services from suppliers, receiving such goods and/or services and arranging with such suppliers for such goods and services to be invoiced and paid for in another financial year.

The above prohibition does not apply to multi-year contracts and active projects.

16. POLICY REVISION

This policy shall be reviewed in line with University Policy on Policies, at intervals not exceeding 36 months to reflect strategic initiatives and best practice operational requirements as approved by the MEC.