



UNIVERSITY OF THE
WITWATERSRAND,
JOHANNESBURG

Replaces G-CC-FINCO-2022-
032 Document 22A

POLICY DOCUMENT

Procurement Policy

WITS POLICY PR001

TABLE OF CONTENTS

1.	OBJECTIVE	3
2.	DEFINITIONS	3
3.	SCOPE.....	5
4.	GOVERNING PRINCIPLES APPLICABLE TO PROCUREMENT	5
5.	NEW SUPPLIERS.....	12
6.	CLASSIFICATION OF PURCHASES AND THEIR APPLICABLE PROTOCOL.....	12
7.	SUPPLIER SELECTION.....	15
8.	APPROVAL AND AUTHORISATION	17
9.	NON-COMPLIANCE	17

1. OBJECTIVE

The purpose of this document is to set out the policy, procedures, protocols, guidelines, practice notes, for the procurement of Goods and/or Services from natural persons or legal entities and must be read in conjunction with the Delegation of Authority Document (“DOAD”). The term “procurement” includes Goods and/or Services purchased or leased used interchangeably herein or it may refer to issuing a purchase order.

The objective is to establish a competitive advantage through procurement of world-class Goods and/or Services that are fit for purpose, cost effective and meets the needs of the University community.

It is the University’s policy to fully support B-BBEE, micro, small and medium size suppliers within South Africa in its procurement of goods and/or services. However, it is in the interest of the University to ensure that all goods and/or services are sourced at the best possible TCO.

2. DEFINITIONS

- 2.1. **B-BBEE** is the abbreviation for Broad-Based Black Economic Empowerment.
- 2.2. **Building and Construction Procurement** relates solely to the construction of new buildings, or the improvement to existing buildings and/or maintenance related to these buildings. Professional services such as architects, project management consultants or quantity surveyors directly related to the construction of a building may also apply to this category of procurement.
- 2.3. **CAP** means the committee for accelerated procurement which considers, only in extraordinary circumstances, the approval of an accelerated and abridged procurement process.
- 2.4. **DOAD** the Delegation of Authority Document.
- 2.5. **EME** Exempted Micro Enterprises in terms of B-BBEE Codes of Good Practice.
- 2.6. **Employee** A person who has entered into an employment contract with the University and who receives, or is entitled to receive remuneration, and any other person who falls within the definition of employee in terms of the Labour Relations Act No. 55 of 1995 (as amended).
- 2.7. **Financial Analysis** refers to an assessment of the viability, stability, and profitability of a Supplier.
- 2.8. **Goods and/or Services** means all purchases made from a Supplier, this includes but is not limited to consumable goods (e.g. stationary, chemicals), services (e.g. couriers, flights, car hire, capital goods (e.g. computers, furniture), specialist research equipment (e.g. laboratory equipment), Building and Construction Procurement, professional services (e.g. architects, law firms), or other diverse ad hoc purchases (once-off purchases such

as conference attendance fees, fees for performing artists) .

- 2.9. **Incoterms Rules** or International Commercial Terms are a series of pre-defined commercial terms published by the International Chamber of Commerce (ICC) that are widely used in International commercial transactions or procurement processes.
- 2.10. **Legal Office** the central office that provides legal services to the University.
- 2.11. **PEC refers to the University's Procurement Executive Committee**
- 2.12. **Procurement Services** is a business unit that facilitates the procurement process of Goods and/or Services across the University.
- 2.13. **PURCO** refers to Purchasing Consortium Southern Africa NPC for all higher education institutions in Southern Africa, with registration no: 1999/023736/08.
- 2.14. **QSE** is the abbreviation for a qualifying small enterprise in terms of B-BBEE Codes of Good Practice.
- 2.15. **Supplier/Vendor** is a natural person or legal entity that provides Goods and/or Services to the University.
- 2.16. **TCO** refers to Total Cost of Ownership. The total cost of ownership (TCO) is the purchase price of the goods and/or services plus the costs of operation taking into account the direct and indirect costs and the value over time.
- 2.17. **Tender Committee** is the committee that reviews, considers, and approves Tenders, and provides an oversight governance, risk and compliance function when considering such matters.
- 2.18. **Tender Evaluation Criteria** refers to the selection criteria and standards which are used to assess and evaluate the competence of the tendering organisation to achieve the required project outcome.
- 2.19. **Tender Evaluation Panel** refers to a group of Employees and/or external experts (which have been approved in terms of the University's rules) established in accordance with the University's rules by the project owner in consultation with Procurement Services who assess a tenderer/bidder's submission and make recommendations on the award of contract to the Tender Committee referred to in Clause 2.17 above.
- 2.20. **Tender** refers to the public or invited release by the University of requirements of Goods and/or Services for a project in order to allow for formal bids to be made to supply these Goods and/or Services.
- 2.21. **"University"** refers to the University of Witwatersrand, Johannesburg.

3. SCOPE

- 3.1. All Goods and/or Services procured for and on behalf of the University, irrespective of the value or nature, must be procured in accordance with this policy and must be authorised and executed in accordance with the DOAD.
- 3.2. Employees should ensure that the Goods and/or Services procured for the University are environmentally acceptable and in compliance with legislation.
- 3.3. Without limiting the generality hereof, this policy should be read together with the following University policies, procedures, or protocol:
- [Delegation of Authority](#)
 - [FIN0014 Faculty Credit Card Procedure](#)
 - [FIN0028 Travel and Accommodation Policy](#)
 - [FIN0040 Personal Service Providers and Independent Contractors Status Determination Procedure](#)
 - [FIN0069 Procedure for Supplier On-Boarding](#)
 - [FIN0061 Personalised Credit Card Approval and Procedure](#)
 - [Policy on Full Cost Recovery on Third Stream Income including Externally Funded Consultancy Work](#)
 - [HRG16 Gifts and Concessions](#)
 - [HRG26 Code of Conduct](#)
 - [HRG65 Mobile Device Policy](#)
 - [PR002 Tender Process](#)
 - [PR003 Imports Procedure](#)
 - PR004 Procurement Process
 - [FIN0082 Contract Variation Procedure related to Tenders or CAP](#)
 - [FIN0081 Vendor Performance Management Procedure](#)
 - [Policy on Declaration of Interests](#)
 - [FIN0089 Asset Policy \(Movable, Immovable and Intangible Assets\)](#)
- 3.4. This policy is subject to the DOAD. This policy supersedes and replaces the previous Procurement Policy dated 2022.

4. GOVERNING PRINCIPLES APPLICABLE TO PROCUREMENT

It is the University's policy to seek out and obtain technically suitable quality Goods and/or Services that are fit for the purpose for which they are being procured, at the best overall value and to award business to qualified Suppliers on the basis of merit based on criteria and conditions set out by the University. It is also the University's policy to open the provision of Goods and/or Services to Suppliers with the suitable expertise and experience.

4.1. **Conflict of Interest**

An Employee of the University must act only in the best interests of the University. There must be no conflict between the Employee's private interests and those of the University. An Employee must not engage in conduct which results in another third party's interests conflicting with those of the University. An Employee may not carry-on business in competition with the University or use his or her relationship with the University to make a profit or earn a commission unless and until the University has duly authorised such conduct in writing and in accordance with the relevant policies.

The Policy on Declaration of Interests regulates the actual and potential conflicts of interests that arise in the course of Employees discharging their contractual and fiduciary obligations to the University. An Employee must act on behalf of the University with the care and skill that can reasonably be expected from a person with his or her knowledge and experience.

In cases where conflict exist between the University and an Employee or a non-executive member of a committee of the University, such conflict must be declared as set out in the Declaration of Interests Policy. In the event of a potential conflict of interest, that person is required to recuse himself/herself from the Tender or procurement process and approval should be delegated upwards.

A student may not be a Supplier unless the request therefore is made and supported by the relevant Head of a School/Professional and Support Services Unit and has been approved by the following stakeholders: i) the Dean of Students, ii) the Registrar, and iii) Procurement Services. The Legal Office must be consulted with regarding any disciplinary actions that the student may have on record or is pending. The standard due diligence protocol applies.

The policy on [Full Cost Recovery on Third Stream Income including Externally Funded Consultancy Work](#) applies under this section 4.1.

4.2. **Allocation of Procurement**

It is University policy to conduct business with Suppliers that are financially stable and can provide continuity of the Goods and/or Service performance.

As a major driver of economic competitiveness in the South African educational system, the University has a moral responsibility to support the involvement of disadvantaged communities in its mainstream of economic activities and by utilising small and medium sized businesses whenever possible in support of the Broad-Based Black Economic Empowerment Act No.53 of 2003.

The University applies the following protocol with regard to procurement:

- a) The University has a well-defined process for procurement expenditure as prescribed in the DOAD, these include but are not limited to processes that govern the procurement activities related to operational and capital expenditure, the sourcing process, evaluation, and final selection of Suppliers. This governance framework ensures that the selection process is fair, transparent, efficient, and well governed. An official Tender process document is in place. This policy is supported by a number of processes, protocols, practice notes, and guidelines as amended from time to time. (Please refer to the [PR002 Tender Process and other procurement protocols accessible from the Procurement Intranet page](#)).
- b) The selection of Tenders may not be restricted to those on the University's approved Vendor-list. Suppliers may respond to the Tender(s) invitation subject to the sourcing strategy and delegation of authority.
- c) The Tender Evaluation Panel is responsible for the adjudication and recommendation for the award of a Tender. The Tender Evaluation Panel are at all times bound by the principles of confidentiality.
- d) The University may make provision in the adjudication criteria to enable an increase in the proportion of business being awarded to businesses from previously disadvantaged communities. This should be done in conjunction with the University's B-BBEE strategy documents as may be amended from time to time.

4.3. Procurement Rules

To ensure that the University's procurement processes are adhered to, the following responsibilities and accountabilities reside with Employees in each unit, department, school, or faculty conducting procurement related activities:

- a) These principles include but are not limited to the following:
 - considering **value for money**;
 - promoting open and effective **competition**;
 - conducting oneself **ethically and fairly**;
 - taking responsibility and **accountability** i.e., taking ownership for the actions and outcomes related to the procurement activity;
 - **supporting** the University in its commitment to advance, develop and grow small, medium, and micro enterprises; and
 - supporting environmental **sustainability** and **corporate social responsibility** initiatives.

- b) Goods and/or Services must be procured utilising competitive procurement procedures, unless there are valid documented business reasons as set out in section 6 below showing that another method is preferable.
- c) Alternate sources of supply, where appropriate, must be actively sought and developed. Consideration must be given to all known commercially available Goods and/or Services in a particular product category prior to the selection of a product(s) and service(s) for University use unless as otherwise stated herein.
- d) Prior to the engagement of an approved Supplier:
 - the applicable unit, department, school, or faculty business manager / finance manager should perform a Financial Analysis of the Supplier and assess whether pricing/fees/rates/quotation submitted by the Supplier is correct, accurate, fair, and market-related, as this informs the Supplier selection for the applicable procurement activity. This process should be done in consultation with the operational management team;
 - an Employee must consider whether the purchase of Goods and/or Services impacts the operations of a Central or Professional and Support Services Department, these include but are not limited to the following commodities information and communications technology (e.g. laptop/desktop, servers, software products), human resources (e.g. recruitment agency), property & infrastructure management division (e.g. minor works and maintenance), services (e.g. catering, transport, grounds and waste management, cleaning services), marketing and design services and security related services. Under these circumstances approval should be obtained from the Director/Head of Central or Professional and Support Services Department (e.g., Services, Property & Infrastructure Management Division, WITS ICT, Marketing, Campus Protection Services).
- e) The University will endeavour to capitalise on contracts that have been negotiated by PURCO with selected Suppliers offering favourable rates, prices, and service.
- f) Where preferred Suppliers have been selected based on careful evaluation via PURCO or University contracts, such suppliers should be utilised.
- g) The University must attempt to avoid situations where a Supplier becomes over-dependent upon the University as a client. It is recommended that Suppliers are informed to reduce their dependency on the University under these circumstances by the project owner.
- h) Panel appointments for projects may be considered to enable that all potential Suppliers

have the opportunity to participate in business provided by the University on a scale that matches their capabilities. This type of arrangement usually falls under the ambit of a framework agreement. It is important to note that a Supplier(s) appointed as part of a panel are not guaranteed work and this should be clearly communicated during the procurement process. Work allocation protocol in relation to panel appointments should be discussed with Procurement Services prior to any award being made to a Supplier and dealt with in accordance with the applicable protocol, practise notes and guidance documents as amended from time to time. The Tender committee may request that specific work allocations be considered by the committee, based on the risk profile and scale of the requirement.

- i) Deliberately splitting purchase orders to bypass the delegated authority/threshold limits as set out in the DOAD to avoid certain procedures, such as the procedures in respect of tendering and/or the requirement for the prescribed written quotes to be obtained by the University, is unacceptable. This may result in disciplinary action for any Employee found to have contravened such delegated authority/threshold limits.
- j) The principles and protocol applicable to procurement related contracts as set out in the DOAD must be always adhered to.
- k) A Supplier should not in principle be authorised or directed to proceed with the delivery of Goods and/or or Services covered by a contract in advance of its execution. Only in emergency situations, the delivery of Goods and/or Services may begin prior to formal authorisation and signature of the contract or purchase order; however, approval for doing so must be obtained in accordance with the DOAD.
- l) No verbal or written commitments should be made by letter or email regarding any Supplier agreement outside the University procurement process and must comply with the DOAD.
- m) It is the University's principle not to automatically accept the standard conditions of the Supplier and best efforts should be made to ensure that the University's interests are protected through acceptable terms and conditions.
- n) Insurance Requirements
 - It is the policy of the University that Suppliers (these may include natural persons or legal entities) who contract with the University should have appropriate insurance cover in place. Furthermore, Suppliers are to maintain (at their own cost) such type and amounts of liability insurance with a reputable insurance company as may be sufficient to meet its liabilities in full under the contract. It is the responsibility of the Employee to conduct research on the market and to adequately assess the risk associated with the

engagement/contract to enable an accurate estimation of the type and value of insurance coverage for the proposed contract. If the Employee is uncertain or requires guidance, it is recommended that the Employee consult with the University's Central Finance Office (i.e., insurance office) and the University's insurance brokers to determine the insurable risk and quantify the insurance cover required for the acquisition of the respective Goods and/or Services.

- Any modification or waiver of the University's insurance requirements by a Supplier requires written approval in accordance with the DOAD. Under these circumstances, the University's Central Finance Office (i.e., insurance office), insurance brokers and/or Legal Office (where appropriate) must be consulted before the contract is signed.
- o) The no-order-no-payment principle will apply at all times (Suppliers **will not supply or invoice the University without an official approved University purchase order**). Non-compliance of this principle must be recorded and monitored by the relevant area for audit purposes. Exceptions to this requirement are clarified below.
- p) The following exceptions are noted for clarity. Exceptions are considered on a case-by-case basis and approved by the PEC. Refer to PR004 Procurement Process for information related to currently approved exceptions.

i) Acceptable Direct Payments

The PEC will approve, on an annual basis, the list of **acceptable direct payments**, consisting of the categories of payments where no University purchase orders are required. This includes but is not limited to payments for:

- Third parties via Payroll
- Loans
- Intercompany transfers
- Institutions/Other Universities for the purpose of staff dependent bursaries.
- Regulatory authorities
- Municipal and utility bills
- Foreign external examiner payments
- Transactions that can only be charged based on usage/consumption and where there is an underlying agreement, subject to Delegation of authority compliance and PEC approval.

ii) Invoice date preceding Order date:

The PEC will, on an annual basis, approve the spending categories where it is reasonable to expect that the individual invoice dates would precede the University purchase order date.

This is primarily related to transactions that can only be charged for based on usage/consumption, with an invoice generated first and purchase order to follow. This mainly relate to instances where an existing agreement is in place and invoicing is done based on the terms and conditions per the agreement. The PEC may allow for other exceptions based on the University's operational requirements and risk profile.

- iii) Legitimate emergencies – on condition that pre-approval as per the relevant internal procedures must be obtained to later support the University purchase order (taking into account the DOAD). Refer to PR004 and FIN0083.
- iv) The PEC will approve, on annual basis, the spending categories where it is impractical for written contracts to be entered, nor can the quotation/ tender thresholds be applied. Included in this category are legal and hospital related medical services which are ad hoc in nature, and dependent on the skillset/expertise and availability of relevant practitioners (not necessarily the entity or firm they are employed by). Litigation matters fall within this purview and cumulatively may amount to values that exceed the quotation/tender thresholds for the University.
- q) All procurement processes exceeding the Tender threshold as set out in the DOAD must be facilitated by Procurement Services. The only exception may be for Building and Construction Procurement, which can be facilitated by the University's Campus Planning and Development Department ("CPD") in consultation with Procurement Services and/or the Property & Infrastructure Management Division (where applicable). The University's Tender process [[PR002 Tender Process](#)] must be followed in these instances.
- r) Each area within the University should support the enterprise and Supplier development of the EMEs and QSEs by conducting initiatives that will grow, uplift, and promote the sustainability of these enterprises.
- s) It is recommended that Suppliers should be periodically evaluated to assess such Supplier's workmanship and the ability to meet the University's requirements, including but not limited to timeous delivery of Goods and/or Services, the number of returns made due to poor quality or incorrect delivery and adherence to terms of the contract. Therefore, it is the responsibility and accountability of the applicable area to implement vendor performance management during the lifecycle of the contract with the Supplier. (Please refer to the [FIN0081 Vendor Performance Management Procedure](#)).
- t) As a general rule, the University should not accept sponsorships from a potential Supplier for a reasonable period before, during and after any Tender process, where such Supplier may potentially bid. In instances outside the period referred to above and when considering or receiving a sponsorship from a current or potential Supplier the respective

area must ensure i) that the Supplier does not feel obligated into providing a sponsorship to the University, ii) that the University does not create a situation where it, the Supplier, or a third party forms a view that the University engages with a particular Supplier because that Supplier provided the University with a sponsorship, iii) that potential tenderers, Suppliers or third party's do not form a view that an organisation who sponsored a University event has an unfair advantage over others in respect of a bid for University work. All sponsorship engagements must be approved in accordance with the DOAD. (Please refer to the [HRG16 Gifts and Concessions](#)).

u) Contract Variations for Procurement

- In simple terms, a contract variation occurs when the parties to a contract agree to do something differently from the way they originally agreed, whilst the remainder of the contract otherwise operates unchanged.
- Contract variations that apply to tenders and requests sent to CAP must be dealt with in accordance with [FIN0082 Contract Variation Procedure related to Tenders or CAP](#).
- All other contract variations (i.e., variations of an operational nature) must be dealt with and approved in accordance with the provisions of the DOAD. Moreover, information and if applicable documentation including but not limited those related to the approvals and addendums to the contract must be kept on record for audit purposes.

5. NEW SUPPLIERS

All new Suppliers/Vendors must be assessed, verified, and on-boarded via the University's Supplier On-boarding System in accordance with the procedure set out in [FIN0069 Procedure for Supplier On-Boarding](#). The Supplier On-boarding System can be accessed via the University's Intranet to facilitate the Supplier application process. New Suppliers/Vendors must be evaluated against [FIN0040 Personal Service Providers and Independent Contractors Status Determination Procedure](#) in order to determine their classification as a Vendor or Personal Service Provider for legal entities or alternatively as an Employee or Independent Contractor for individuals.

6. CLASSIFICATION OF PURCHASES AND THEIR APPLICABLE PROTOCOL

6.1. Single Source Purchases

- a) Single source purchasing refers to purchases from one selected Supplier, even though there are other Suppliers that provide similar products.
- b) Single source purchases are permitted for professional services where exceedingly specialised expertise is required such as financial, audit related, medical, legal, insurance, scientific or research equipment.

- c) Comparison of prices with Goods and/or Services of like complexity or similar production costs must be used as a substitute for competitive procurement processes in this method where possible.
- d) The following criteria must be considered when selecting single source Suppliers this includes, but not is limited to:
 - Previous performance of the Supplier.
 - Capacity of the Supplier to perform within the required time.
 - Capability, competency, and experience of the firm in the specialised field required.
 - Uniqueness of the Supplier's qualifications, experience, commodity, and service.
 - Reputation and standing of the firm within the community.
 - Financial stability and sustainability of the Supplier
 - Equitable distribution of University business where the cost to the University is essentially the same.
 - Product / Service quality requirements.
 - Impact to the University if this Supplier was not selected.
 - Risk of a challenge from a potential competing Supplier.
 - Financial offer
- e) **Single Source purchases** must be **well motivated** and **authorised at the appropriate level** in compliance with the **DOAD**.

6.2. Sole Source Purchases

- a) Sole source procurement refers to those purchases where there is only one Supplier that provides the product either locally within South Africa or within a particular jurisdiction worldwide. Sole source purchases are unique products (for example, this could include but is not limited to specialised Goods and/or where only one Supplier exists) that cannot be found anywhere but can only be provided by one Supplier or original equipment manufacturer.
- b) **Sole source purchases** must be **well motivated** and **authorised at the appropriate level** in compliance with the **DOAD**.

6.3. Emergency Purchases

- a) An emergency purchase is a circumstance in which an immediate purchase or purchasing decision is necessary to prevent a serious impact as a result of delay which could result in danger to life, damage to property, or suspension of the provision of an essential service.

- b) **An emergency is not a situation** that arises as **a result of poor planning or lack of funds**. Failure to anticipate a need or lack of planning is not in itself considered a *bona fide* emergency. Proper planning will generally eliminate most 'emergency' purchases.
 - c) Purchases in emergency situations may circumvent this policy and should be limited to the following types of situations:
 - Disasters (including but not limited to damage from flood, fire, burst pipes);
 - System failures (including supporting items which could affect the system);
 - Pandemic;
 - Crisis; or
 - Meeting government regulations.
 - d) Although the documentation for **emergency purchases** may likely be completed after the purchase, such purchases must be **well motivated** and **authorised at the appropriate level** in compliance with the **DOAD**.
- 6.4. All referrals must be documented and supported by a proposed contract, the provisions of which have been approved in accordance with the DOAD. Refer to the financial and contract tables illustrated in the DOAD.
- 6.5. The following protocol must be followed for single source, sole source, and emergency purchases (as per sections 6.1, 6.2 and 6.3 above):
- a) Where the total value of the Goods and/or Services exceeds the Tender threshold as per the DOAD, an Employee who wishes to appoint a single source, sole source or emergency Supplier must apply to Procurement Services in writing, setting out the grounds upon which such appointment should be made. Depending on the type and nature of the request, the recommendation of the proposed Supplier may be sent by Procurement Services to either the CAP or to the Tender Committee for consideration and approval. For the avoidance of doubt, this process is facilitated by Procurement Services and must not be circumvented.
 - b) Where the total value of the single source, sole source or emergency purchase is less than R 500 000 (five hundred thousand Rand) the authority for approving the written application for such Goods and/or Services is delegated to the Head of School or Director/Head of the Central or Professional and Support Services Department area in the same reporting line as the requestor.
 - c) Where the total value of the single source, sole source or emergency purchase is between R500 000 (five hundred thousand Rand) and the Tender threshold as per the DOAD, the authority for approving the written application for such Goods and/or Services is delegated to the SET Member in the same reporting line as the requestor.

7. SUPPLIER SELECTION

The University conducts business in a manner that encourages good Supplier relations within an environment that promotes competition and is compliant with the University's rules, regulations, policies, processes and procedures and the law.

As far as practically possible PURCO contracted Suppliers should be considered and utilised. In other instances, an appropriate selection method must be followed as specified in this policy.

Tender Evaluation Criteria must be strictly applied by the Tender Evaluation Panel when prospective Tender submissions are considered.

In all instances of evaluation of a potential Supplier's appointment, an appropriate due diligence exercise must be performed by the Tender Evaluation Panel in the case of a Tender or by an Employee on that Supplier's credentials which include but are not limited to good standing with its bank and South African Revenue Services (SARS), business track record, entity registration documents, client references, proven experience within the applicable industry, historical financial results (audit financial statements, financial health) appropriate industry standards, legislative compliance, and registration with an appropriate governing/regulatory body in its industry and an appropriate industry related certification.

Visits to Suppliers' facilities should normally be made only for the purpose of evaluating a Supplier's capabilities. Evaluation of a Supplier's capabilities may include a review of the Supplier's personnel, plant, manufacturing equipment and processes, various control aspects and quality programs.

7.1. Foreign Suppliers

A number of issues are raised when procuring from a non-South African source, i.e., a foreign Supplier. Here are a few basic guidelines to take into account when procuring with foreign Suppliers.

- **Language differences:** the product and related communication should be mutually understood by all parties by – making sure any labelling and printed materials are correct and in English.
- **Shipping procedures:** are also more complex, given the increased distances and the need to cross borders. Verify the appropriate INCOTerms where applicable with the courier companies.
- **Goods:** Specify what goods are being bought, and whether technical standards in the Supplier's country comply with South African requirements.
- **Cost of importing:** Look at total landed costs, not unit price. Landed costs include charges

related to transportation, insurance, warranties, customs levies, vat, exchange rates, forward cover (if applicable) and duties.

- **Payment method:** Consider how and when payments are to be made
- **Insurance:** Be clear about who bears what risks - e.g., loss or damage - at each stage of the process.
- **Service levels:** Define the level of service the Supplier must provide to the University (e.g., routine maintenance, response and resolve times).
- **Delivery of Goods:** The South African Revenue Service (SARS) oversees the delivery of goods into South Africa. The goods must be declared on the prescribed bill of entry. When the goods are received, all original bills of entry together with the original invoice from the clearance agent (e.g., DHL, FEDEX) must be submitted to the University's Creditors department.
- **Legal considerations:** Include procedures that would be implemented if a dispute arises, e.g., if one party's error causes delays or losses for the other.
- **Trading terms:** Use International Commercial terms (Incoterms) to specify exactly who is responsible for shipping costs, duties, and customs-related formalities.

Please refer to the list of Incoterms for referencing on the procurement intranet and [PR003 Imports Procedure](#) document.

7.2. Supplier Blacklisting

The University reserves the right to blacklist and/or deactivate any Supplier from the approved Supplier database and/or elect not to invite any Supplier for future procurement processes (including but not limited to tenders) if it is proven that the entity and/or any of its shareholders, directors, members, or employees have:

- abused the University's Procurement process and/or system;
- committed fraud or any other improper conduct in relation to a procurement activity; or
- failed to perform on any previous contract.

Blacklisting requests will be considered by the respective HoD/HOS, SET member, Head of Procurement, CFO and Director Legal Services. Prior to blacklisting there must be a thorough process to engage with the Supplier regarding allegations of improper conduct on the part as referred to above. The Supplier must be provided with an opportunity to respond to the allegations and where appropriate to take remedial action and address deficits or defective performance within a specified period. Supporting documentation and evidence must be provided as part of the request to blacklist. The blacklisting period will be considered for each request by the stakeholders as set out herein.

7.3. Deactivation of Suppliers from the Database

A Supplier can be deactivated from the University's supplier database under the following circumstances:

- The entity ceases to exist, or the sole proprietor dies.
- Liquidation/sequestration of the entity.
- The Supplier has not in use for more than 24 (twenty-four) months.
- The contract with the Supplier has terminated (contract has expired).
- Consistent non-delivery or unable to meet minimum specifications.
- Non-compliance with legislation or statutory requirement including but not limited to tax status.
- Fraud and/or corruption including but not limited to unethical conduct.
- Making a false declaration to the University.
- On written request by the Supplier.
- By mutual agreement between the parties.

8. APPROVAL AND AUTHORISATION

The approval and authorisation for all purchases must be effected in accordance with the DOAD.

9. NON-COMPLIANCE

Non-compliance with this policy will be dealt with in terms of the University's disciplinary procedures.

VERSION HISTORY

Version	Date	Summary	Changed by
C2010/218	8 October 2010		PEC
C2021/XX	13 October 2021	The Procurement Policy has been aligned to the current updates made to the Delegation of Authority Document.	Procurement Services: J Roberts, Z Hassim and Legal Office: S Morar
C2022/XX	18 August 2022	The Procurement Policy has been aligned to the current updates made to the Delegation of Authority Document. Provisions regarding supplier blacklisting and supplier deactivation have been included.	Procurement Services: Z Hassim and J. Roberts
C2023/XX	12 May 2023	The Procurement Policy was updated for the PEC 12 April 2023 Position paper on Procure to Pay exceptions	Procurement Services: Z Hassim and J. Roberts