



# AFRICAN INSTITUTE FOR INCLUSIVE GROWTH

## PROCUREMENT AND TENDER POLICY

### 1. POLICY FOR CENTRALISED PURCHASING MANAGEMENT

The supply chain management strategy of the African Institute for Inclusive Growth (AIIG) is a centralised one, which consists of the executive director or his representatives and representatives of the different management nodes. **With a** computerised control, any member of the organisation, with a motivation and budget line, can generate purchase orders. Once in the system, the team members of the Purchasing Committee (PC) will make a comment or approve if it meets the procurement criteria.

The following signing powers apply when research contracts have to be signed:

Upon approval, all purchase orders must be endorsed by the Financial Manager and signed by the Executive Director.

#### Fairness and equity

- We ensure that our procurement practices are fair, equitable, impartial, transparent, competitive and cost-effective. We aim to offer an opportunity in an ethical manner, to all service providers, representative of all communities, without discrimination based on race, gender or physical disability.
- We do not allow any compromise in terms of quality, standards, services and prices.
- For equity purpose, and having regards to the historical context of South Africa, we include a Black Economic Empowerment (BEE) Criteria
- For tenders up to R50 000 000 we allocate a BEE weight of 20% with points will be awarded as follows:

BEE Status	Points
1	20
2	18
3	14
4	12
5	8
6	6
7	4
8	2
No BEE Status	0

- For tenders above R50 000 000 the BBBEE weight of 10% and points will be awarded as follows:



BEE Status	Points
1	10
2	9
3	6
4	5
5	4
6	3
7	2
8	1
No BEE Status	0

BEE criteria does not apply to international purchases

## 2. PURCHASING THRESHOLDS FOR QUOTATIONS AND TENDERS

Capital goods (furniture and equipment), consumable goods and services:

Threshold	Quote and tender requirements
R 0 - R 2 000	No quotes required
R 2 001 - R 10 000	At least one written quotation
R 10 001 - R 50 000	At least two written quotations
R 50 001 - R 75 000	At least three written quotations
R 75 001 - R500 000	At least three written quotations (sealed) or tenders, depending on the evaluation criteria
R500 001 - and above	Tenders

Please note that the above thresholds are applicable to the total value of an order and not to the individual item value of an order. Above mentioned thresholds are applicable to all external purchases. In terms of internal purchases, the thresholds are only applicable to purchases above R500 000.

## 3. MINIMUM LEAD TIME PERIOD

Minimum periods for this process are as follows:

Local quotations	At least two weeks
Overseas quotations	At least four weeks
Local/overseas tenders	At least six weeks
Local Capital Project tenders (Facility Management)	At least 10 working days

\*\*Physical emergency services are excluded

## 4. TENDER POLICY AND PROCEDURE

### 4.1 Determining responsibility

4.1.1 All tenders and sealed quotations are centrally administered and procured on the standard AIIG tender document that describes specific terms and conditions of AIIG Tender procurements.





4.1.2 Tenders from preferred service providers will be procured according to purchasing thresholds and the minimum lead period for tenders as defined in the purchasing policy and procedure.

## 4.2 Procedure at commencement of tendering

4.2.1 Departments and divisions, professional teams, project leaders and other persons who may be involved in the process must plan their activities in such a way that sufficient time will be available for the Purchasing Committee to conduct negotiations to the best advantage of the AIIG in terms of this document. Before any tender process is commenced, the Purchasing Committee must receive written approval indicating that all expenses that may possibly be incurred have been approved in principle.

4.2.2 A detailed document must at all times be set out in writing to indicate quantities, specifications and other information such as drawings, measurements, etc. of goods and services for which tenders are requested. Details of samples or prototypes that are to be submitted by the tenderer must also be explained. This document will be known as the specifications document. The project leader or person who is authorised to request the goods or services to be purchased bears the responsibility for this.

The specifications document must be approved and signed by the person who has the capacity to authorise the expenditure. The specifications document may only be compiled by a tenderer or prospective tenderer in exceptional cases, with the agreement of the Tender Committee. If necessary, a consultant or his/her associate may compile the specifications document, but this person may only tender or be involved with the tender in exceptional cases and with the approval of the Tender Committee.

The specifications document must contain sufficient details of the specific goods or services desired. Specification documents may not give preference to certain brands or providers. The tender process cannot be initiated if full specifications are not submitted in writing.

The detailed specifications document must be handed in for the Purchasing Committee to be able to initiate the correct tender procedures. A target date for the delivery of goods must also be indicated, if possible.

4.2.3 The date for the receipt of the specifications document at the office of the Buyer must be entered in the tender register. The nature of the eventual contract must be determined, e.g. year contract, service contract, repairs, maintenance, etc., and must be entered as such in the tender register.

4.2.4 The Purchasing Committee allocates a tender number and description to the tender and enters these details into the tender register. Tender numbers must commence from number one (1) each year. Each subsequent number must begin with one figure more than the previous tender. This is followed by a forward slash (/), followed by the year (e.g. 11/2020).

4.2.5 The Purchasing Committee will determine the starting date for the tender and enter this date in the tender register.

4.2.6 The Purchasing Committee will determine the closing date for the tender in conjunction with the project leader and enter it in the tender register. The closing date must provide the tenderer with a reasonable amount of time.



4.2.7 The Purchasing Committee will determine the date from which tenders are binding for acceptance and enter this date in the tender register. The tender should be binding for acceptance for at least two calendar weeks following the date for the acceptance of tenders. (Reason: Should the successful tenderer, for whatever reason, be unable to perform or deliver, or should there be a delay in the process, for whatever reason, it is possible that the second-best candidate will be selected as the successful tenderer without necessarily having to restart the tender process.)

4.2.8 The Purchasing Committee will determine the tender acceptance date in co-operation with the project leader and enter this date in the tender register.

4.2.9 The following information must be included in the tender document distributed to tenderers by the Purchasing Committee:

- Tender number
- Description of the goods/services applicable to the tender
- The starting date for the tender
- The closing date and closing time for the tender
- The date until which the tender should be binding with regard to acceptance
- The acceptance date for the tender
- Proposed delivery date
- Specifications document

4.2.10 The relevant buyers must consult the list of approved suppliers to identify a list of suitable potential suppliers who could be invited to tender which must be in line with the tender purchasing thresholds.

Should there be too few or no approved suppliers who could deliver the relevant goods and/or services, the buyer in question, together with the project leader or head of the division, should decide on a manner of invitation to open up the tender process wider, should there be a possibility of more than one potential supplier. A list of potential suppliers, listed under the tender number, should be compiled and submitted to the Tender Committee for approval.

4.2.11 The invitation to tender must be confirmed by e-mail and the copies must be filed together with the list as stipulated in 4.2.10.

4.2.12 A record of each tender has to be kept in the tender register with regard to:

- The names of potential suppliers who have collected tender documents; and
- The name and signature of each person who collected a tender document.

4.2.13 All tender documentation for tenders that is non-regular, of institutional nature and above a value of R5 000 000 must be collected by Purchasing Committee in hard copy. If any further documentation needs to be sent to tenderers it must first be sent as a single pdf document to the Chairman of the Tender Committee and the Director Purchasing Committee for authorization. Only if authorised can it be sent to the tenderers by the buyer.

### 4.3. Regulations of the Tender Committee

#### **Name and Objective**

The committee is known as the Tender Committee of the AIIG. The Tender Committee must see to it that the best possible conditions are negotiated for the University in the selection of all tenders that serve before the Tender Committee.





## Composition

With a view to tenders for purchasing goods and services valued from R250 001, renting or use of assets, tenders for the sale, renting or utilisation of assets, and tenders for requests for information and requests for proposals, the Tender Committee (TC) comprises:

- The Executive Director or his representative
- The manager of Corporate services or his representative
- The Finance director
- The managers of the respective managerial nodes or their representatives

The TC appoints a person to scrutinise tender specifications and to advise the Tender Committee on the tender process and risks involved in tenders.

The Tender Committee (TC) appoints a person as its secretary to take the minutes.

## Duties and Responsibilities

The duties and responsibilities of the Tender Committee include the following:

- The activities of the Tender Committee are conducted in accordance with the procedures set out in the policy document titled "Purchasing-, tender- and –procedures.
- The activities and recommendations of the Tender Committee are confidential and may not be made public by members of the Tender Committee, except when the information is officially made public by the Tender Committee.
- The Tender Committee can, at its own discretion and depending on the nature of a tender, invite other knowledgeable Stellenbosch University personnel, or consultants, to advise the Tender Committee.
- The Tender Committee is not obliged to recommend selection of the lowest or any tender.
- The Tender Committee may only deviate from the approved tender policy and procedure of the University when there are prior approval in terms of the Regulations with regard to Delegation of powers and responsibilities. The Tender Committee sees to it that an equitable and transparent tender process is followed.

## Evaluation Criteria

The following is applicable when the Tender Committee determines evaluation criteria:

- Before the tender process commences, there is agreement about a scorecard that indicates the factors that must be measured as well as the weight of such factors.
- Evaluation criteria should be clear and systematic.
- When determining the evaluation criteria, the RC head determines if, and to what extent, the tender process and the resultant transaction affect other environments and sees to it that the evaluation criteria takes this into account.
- The scorecard is used in the evaluation of the written tender and the tenderer's oral submission (if applicable).
- The evaluation criteria are made public at the time the tender invitation goes out, it does not include the weights per review category.

### 4.4. Procedure on receipt of tenders



4.4.1 Tenders can be received by mail or be delivered to the office of the Buyer or placed in the tender box. As far as possible, a tender box will always be used.

If tenders are placed in a tender box, the following procedures will apply:

- 4.4.2 The tender box must be placed in the immediate vicinity of the office of the Buyer or in another appropriate position, in such a manner that adequate, continuous security will be possible.
- 4.4.3 The tender box must be constructed of suitable material to ensure the security of the tenders. The tender box must be fitted with locks or other security devices and must remain locked except when it is opened for tenders to be opened.
- 4.4.4 If the tender box is physically taken to another location for tenders to be removed from the tender box, a notice of reasonable size and prominence must be placed in the place of the tender box to give clear indications concerning alternative methods of handing in tenders to prospective tenderers. Tenders handed in during this time must be scrupulously recorded and persons who deliver tenders should sign a document as proof of handing in the tenders.
- 4.4.5 At times when the tender box is opened, new tenders must be accepted across the counter by a person selected by the Buyer.
- 4.4.6 The responsible person selected according to 4.4.5 must give a verbal report to the Buyer concerning any tenders that may have been handed in during the opening of the tender box, as soon as the tender box has again been made available for the handing in of tenders. Such tenders must be deposited in the tender box without delay.
- 4.4.7 If the tender box is to be opened at its usual location, the tenders are placed in an appropriate container that can be locked before being taken to the Buyer.
- 4.4.8 No tender that is handed in late may be considered in the tendering process. (This may only be considered in exceptional cases, with the approval of the Director: Financial Planning and Budgeting.)
- 4.4.9 When tenders are received by mail, its date of receipt at the office of the Director: Purchasing and Provisioning Services must be entered in the tender register and the tender must be deposited in the tender box without delay.
- 4.4.10 When tenders are delivered, the date of delivery and the name of the person delivering it must be entered in the tender register and the person who delivered the tender must sign the tender register. The receiver must then place the tender in the tender box in the presence of the person who delivered it.

#### 4.5 Procedure at the opening of the tender box and tenders

- 4.5.1 The opening of the tender box, opening of sealed envelopes and entry of tenders that do not require the involvement of the Tender Committee must take place in the presence of a member of the Tender Committee.
- Any member of the Tender Committee may also be present during this process.
  - On opening the tenders, the date on which the tenders are opened, must be written on the front page of the tender documents.
- 4.5.2 Tenders must be recorded in a tender register. Allowance must be made for the signatures of all persons that have to be present at the opening, to serve as proof of the completeness of the opening process and the correctness of the procedure that is followed.





4.5.3 The original tenders, as well as the tender prices, must be filed and must remain locked away in the safe of the Purchasing and Provision Services division, except during the evaluation of the tenders.

4.5.4 No tender information contained in the tender documents may be made public.

#### 4.6. Evaluation of tenders that need not be submitted to the Tender Committee

4.6.1 All the tenders that are received for a project (except as set out below), must be handed to the project leader or the head of the division by the buyer. The tenders, copies thereof or scheduling documents may under no circumstances be made available to persons or parties who are already engaged in the particular service or are similarly contracted.

- In the case of capital tenders, tenders must be handed to the project leader.

4.6.2 All the tenders that have been received for a specific project must be further evaluated on the basis of the evaluation criteria for tenders.

- The Purchasing Committee administers the purchasing process, while the recommendation is made as set out in section 4.2 of this document.
- A written summary of the evaluation of all the tenders must be prepared and handed to the person responsible for making the recommendation.
- The project leader or the head of the division must propose a recommendation in writing, to be handed in together with the written summary of the tenders.
- The project leader, head of the division or committee that makes the final recommendation with regard to the acceptance of a specific tender must evaluate the tenders on the basis of the evaluation criteria for tenders, the price and the proposed written recommendation of the project leader, head of the division or committee.
- The final recommendation for the approval of a tender must be made in writing and sent for a decision, confirmation and notification in accordance with the regulations of the SU Council and the purchasing thresholds.

#### 4.7. Evaluation of tenders to be submitted to the Tender Committee

4.7.1 The Chairman of the Tender committee must arrange a meeting of the Tender Committee in good time, so that the committee can have an opportunity to evaluate the tenders and make a recommendation. See 4.3 for determining evaluation criteria.

4.7.2 All the tenders that were received for a project must be handed to the chairperson of the Tender Committee by the buyer.

4.7.3 All the tenders that are received for a specific project must then be further evaluated in accordance with the evaluation criteria for tenders. The Tender Committee must make a recommendation or do an approval in accordance with regard to the nature of the tender. A recommendation must be made when tenders with a reputation risk, institutional- or strategic are involved. The Finance Committee will make a recommendation to the Rectorate for approval.



- 4.7.4 The Tender Committee must, in all instances, decide whether a specific separate contract, over and above the tender document, must be concluded.
- 4.7.5 The Tender Committee must at all times apply the tender policy and procedures of SU. The activities and decisions of the Tender Committee must be regarded as confidential and may not be made public by members of the Tender Committee, except when such information is made public officially by the Tender Committee.
- 4.7.6 If members of the Tender Committee are in any way related to a tenderer or have any vested interest in a tender, this relationship or vested interest must be made known and entered in the minutes at the commencement of the meeting of the Tender Committee. Such a member of the Tender Committee is allowed to attend the meeting at which a decision on a specific tender is to be made, but is not allowed to vote and will not be considered in the decision with regard to the allocation of the tender, unless the other members of the Tender Committee decide otherwise. The non-disclosure of relationships/interests and receipt of gifts is deemed very serious and may lead to disciplinary action against staff and/or the annulment of a tender process and/or suspension of a supplier's contract. Each tender document contains a clear exposition of the considerations which might lead to an annulment of the tender process, and the way in which it will be done. Donations to AIIG or AIIG staff will not affect the evaluation and awarding of tenders.

#### 4.8. Timing and return dates for tenders: Shortest possible options

- 4.8.1 If it is possible to speed up the process, the involved buyers will allow the process run as fast as possible. In all instances, though, the timing schedule as described below and return dates for tenders will apply as the shortest possible time for the Purchasing Committee
- 4.8.2 In the case of tenders on the abbreviated tender basis, whether submitted to the Tender Committee or not, the following timing schedule and return dates will come into operation if day 1 is the day on which the specifications document is received:
- Day 1 - Receipt of specifications document
  - Beginning of day 4 - Creation of tender
  - End of day 15 - Closing date for tender
  - Beginning of day 20 - Handing over to evaluator
  - Beginning of day 25 - Date of acceptance
  - End of day 27 - Inform unsuccessful tenderers
  - Beginning of day 33 - Place order

**NB:** The above dates exclude weekends and public holidays.

- 4.8.3 In the case of tenders that are to be opened in public, whether submitted to the Tender Committee or not, the following timing schedule and return dates will apply, if day 1 is the day on which the specifications documents are received:

- Day 1 - Receipt of specifications document
- Beginning of day 7 - Creation of tenders
- End of day 17 - Closing date for tenders
- Beginning of day 22 - Handing over to evaluator
- Beginning of day 27 - Date of acceptance
- End of day 29 - Inform unsuccessful tenderers
- Beginning of day 35 - Place order

**NB:** The above-mentioned dates exclude weekends, university holidays and public holidays.







#### 4.10. Samples

4.10.1 If the specifications document requires tenderers to provide samples, the samples must be delivered to the office of the Buyer between 08:00 and 16:00 on weekdays, excluding public holidays.

4.10.2 The Purchasing Committee must issue a sample receipt form to the person delivering the samples when the samples are received. The receipt form must be made out in duplicate and the copy should be filed by the Purchasing and Provision Services division.

The sample receipt form should contain the following information:

- Tender number
- Description of the sample
- Date of handing in
- Signature of the person who delivered the sample
- Last date on which the sample can be collected in the case of unsuccessful tenderers.

This must be entered in the tender register to confirm that the tenderer has handed in the samples as required.

4.10.3 Samples handed in by unsuccessful tenderers can be collected from the office of the Buyer between 08:00 and 16:00 on weekdays, excluding university holidays and public holidays, on presentation of the sample receipt form, which must then be filed against the copy. The person who receives the sample in return has to sign the sample receipt form as proof of having received it in return.

4.10.4 Samples must be locked away for safekeeping. If the sample is handed to an evaluator, project leader or body for testing, the sample receipt form has to be endorsed with the relevant details and the person who receives it has to sign the endorsement.

4.10.5 If samples have to be sent away for testing, the tenderer must be contacted in advance by telephone for permission to do such testing, as the tenderer has to bear the cost of the testing.

4.10.6 This telephonic request must be confirmed by e-mail or in writing by the tenderer before the testing can proceed and such confirmation must be filed.

4.10.7 The final date on which unsuccessful tenderers can collect samples before such samples are to be auctioned for the account of AIIG will be 60 days subsequent to the date of the acceptance of the tender. The Purchasing Committee from time to time compiles a written description of samples that have not been collected by the prescribed date, or cannot be utilised in some other way by AIIG, and hands this to the relevant division or person responsible for auctions at AIIG.

#### 4.11. Negotiations with the tenderer

4.11.1 Coordinating relations between the users and the supplier is an important part of the function of buyers. Prices have to be procured and compared in accordance with purchasing policy and procedures. Recommendations with regard to suppliers are made in cooperation with users in departments and divisions.



4.11.2 Negotiations with tenderers should be limited to requests for additional information should it become evident during the evaluation process that valuable information is needed to be able to compare tenders with one another, or that information is needed with regard to any other matter that may be to the advantage of AIIG. Negotiations may lead to additions and amendments to original documents.

- The nature, reason and outcome of any negotiations with tenderers must be included in written form with the tender documents that are given to the persons who will be responsible for making the recommendations. Essential amendments pertaining to tenders must be submitted at the first subsequent meeting of the Tender Committee. Negotiations in terms of price, services and products unless preapproved in terms of the Rules in respects of Delegated Authority and Responsibility, may only be done after the evaluation process is completed with the successful tenderer. Purchasing and Provision Services must be part of these negotiations.

#### 4.12. Sole tenderers

4.12.1 Should there be only one tenderer, this must be clearly indicated on the front of the tender document when the tender is handed to the persons who have to make the recommendation.

#### 4.13. Communicating with tenderers

4.13.1 Unsuccessful tenderers must be informed by the relevant purchaser of the decision and confirmation (if necessary) of a tender being allocated. The tender register must be updated with the necessary information as soon as unsuccessful tenderers have been informed in writing that they have not been successful.

4.13.2 All communication with tenders before and after the tender must be done by the Purchasing and Committee designate or head of the Division originating the purchase order.

#### 4.14. Procedure following the approval of tenders

4.14.1 A tender acceptance form must be made out with regard to successful tenderers and sent to the successful tenderer.

4.14.2 The buyer who is involved must submit the order or any such documents. No orders may be placed before a tender is awarded.

4.14.3 The contract between the two parties must be finalised and signed, if necessary, as specified by the Tender Committee. In certain instances, the contracts first have to be concluded before orders can be placed. The Tender Committee should give clear instructions in this regard.

#### 4.15. Urgent tasks

4.15.1 Urgent tasks or services that cannot take place in accordance with normal procedures because of the urgency of such tasks should be avoided, if possible.

4.15.2 Requests for urgent tasks that cannot be accommodated in the tender process must be accompanied by a motivation from the person who authorises incurring the expense. This documentation must be handed in at the office of the Buyer. The request and accompanying motivation must be referred to the Director: Financial Planning and Budgeting. The Director: Financial Planning and Budgeting must evaluate the matter to decide whether the task really is urgent and should be accommodated outside the tender process.

4.15.3 Tender documents must be completed by the supplier within three (3) days of approval.





#### 4.18. Sole tender documents

- 4.18.1 In the case of urgent tasks or sole tenderers, the suppliers have to complete the document undertaken, in order to place the minimum information concerning suppliers on record and to bind the supplier to the conditions of the tender.

#### 4.19. Repeated purchases

- 4.19.1 In the case of a repeated purchasing transaction of below R250 000, tenders do not have to be called for if the requirements listed below are met.
- A repeated purchasing transaction is defined as a transaction which is contracted within six (6) months of the previous purchasing transaction. The products and services for which repeated purchases are made must be of exactly the same kind and specifications as the original transaction.
  - A repeated purchasing transaction may be undertaken after consultation with the Executive Director and the Finance Director if the Purchasing Committee considers it to be to AIIG's advantage.

#### 4.25 Appointment procedures with regard to consultants on projects

- Consultants shall be appointed on a rotational basis from an approved list of consultants after consideration and recommendation by the Purchasing Committee. The annual compilation of the approved list of consultants shall take place in cooperation with the Purchasing Committee.
- At least three (3) of the Purchasing Committee members shall be present when the recommendation is submitted.
- In the recommendation and appointment of consultants the following criteria shall be considered over and above the rotation system:
  - Whether the consultant is on the approved panel.
  - Whether the consultant has specific expertise and experience of the required service.
  - Whether the consultant has done work of satisfactory quality in the past.
  - Whether the consultant has specific prior knowledge of the facility where the service has to be provided.
  - Whether the consultant's follow-up service is good.

## 5. GENERAL PURCHASING

The purchase of any items or goods and services above 10 000 must be evaluated by the Purchasing Committee and approved by the Executive Director.

**Purchase of goods and services below R10 000 will only require the verification by finance department and sign-off of the executive Director**

