



FOR THE APPROVAL OF: Council

PREPARED BY: Morgan Nhiwatiwa (CFO)

ADDENDUM TO THE CURRENT SUPPLY CHAIN MANAGEMENT POLICY

1. PURPOSE OF THE REPORT

To seek Council approval of the addendum to the SCM policy.

2. INTRODUCTION AND BACKGROUND

The current University SCM policy was approved on 2 February 2016. The policy is now outdated when compared to current best practices. There are also procedures contained in the current policy that do not adequately meet the needs of the University at present which results in inefficiencies.

A revised SCM policy was presented to FCC on 26 June 2019 and was referred to back to management for changes. FCC also recommended that the Contract Management Policy be tabled together with the revised SCM Policy. The plan is to present the revised SCM policy and the Contract Management policy by 30 September 2019.

In the interim management seeks Council approval to implement the thresholds in the revised policy. The revised thresholds will greatly improve efficiencies in the procurement process.

3. PROPOSED PROCUREMENT THRESHOLDS

The following threshold values are to be applied when procuring goods or services, capital assets or entering into contracts:

Value of supply, service or contract (VAT inclusive)	
No Quotations required	
<= R5000	No quotation required, provided that goods and

Value of supply, service or contract (VAT inclusive)	
	services are purchased from entities on the supplier database or from commercial entities standardly used by members of the public for household and related requirements Work should be allocated to suppliers on a rotational basis.
Quotations	
>R5 000 <= R10 000	One written quotation Work should be allocated to suppliers on a rotational basis.
>R10 000 <= R25 000	One written quotation plus approval by Unit Head and Buyer Work should be allocated to suppliers on a rotational basis.
>R25 000 <= R100 000	At least two written quotations. Request for quotations may be verbal or in writing. Order to be approved by Senior Buyer Campus Finance and the responsible Head of Department
>R100 000 <= R250 000	At least three written quotations. Request for quotations must be in writing. Order to be approved by Senior Buyer Campus Finance and the responsible Head of Department
>R250 000 <= R500 000	At least three formal written quotations. The request for quotations must be in writing. Order to be approved by Deputy Director Campus Finance and/or Deputy Director Procurement and the relevant and responsible IMC member.
>R500 000 <= R1 000 000	Formal written Request for Quotations (three closed quotations selected from suppliers on the database), selection to be approved by the CFO and relevant and responsible IMC member.
>R1 000 000 <= R2 500 000	Formal written Request for Quotations (three closed quotations selected from suppliers on the database), opened by responsible IMC member, Senior Accountant Procurement and Deputy Director Procurement and Approval by CFO.
Competitive Bids	
>R 2 500 000	The competitive bidding process to be applied.

Value of supply, service or contract (VAT inclusive)	
	Tender Committee to make a recommendation to the Vice-Chancellor for approval.

Unless written authorisation from the Vice-Chancellor or a person delegated by him or her is obtained to the contrary, when determining transaction values, a specification for goods, services or works consisting of different items must be treated as a single transaction and may not be split into parts or items of a lesser value merely to avoid complying with the requirements of this Policy; and

All reasonable steps must be taken to ensure that the procurement of goods and services is not abused.

4. INTERACTION WITH OTHER STAKEHOLDERS

None

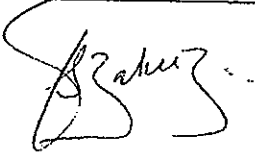
5. RESOURCE IMPLICATIONS (HUMAN RESOURCES, FACILITIES, ICT, LEGAL, LABOUR, STUDENTS, COMMUNICATIONS AND FINANCIAL)

There are no implications to labour, ICT, Facilities and HR

6. RECOMMENDATION

It is recommended that Council approves the addendum to the SCM.

7. SIGNATORY

Name and Designation	Signature	Date
Mr T Zakuza Chairperson of Council		04/09/2019