Vendor Take-on Guideline

[PUR007]

Department	:	Finance
Owner	:	Chief Financial Officer
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Vendor Take-on

Contents

Acronyms

B-BBEE	Broad-Based Black Economic Empowerment
HR	Human Resources
PPS	Procurement & Payment Services
RFQ	Request for Quotation
RFP	Request for Proposal
S&T	Subsistence & Travel
SAP	UCT's integrated Finance system
SARS	South African Revenue Services
PURCO SA	Purchasing Consortium Southern Africa

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1. Objective

The objective of this guideline is to ensure that all business relationships are conducted with reputable and qualified vendors in compliance with UCT-specific requirements, as well as any statutory requirements.

2. Scope

Includes all vendors doing business with UCT.

3. Definitions

UCT Vendors All vendors registered on SAP	**Trade** vendors, of which some are **preferred**	*Trade*: SAP vendor (individual or a business), that sells or supplies goods or services to UCT. **Preferred vendors** are a subset of Trade vendors, some of which are **PURCO vendors.** *Preferred vendor*: UCT-accredited SAP Trade vendor, where UCT or PURCO has negotiated preferential pricing, quality and service for one, or more than one commodity, for a specific period. See: Preferred vendor list. *PURCO vendor*: Vendors with whom PURCO SA has negotiated favourable terms and pricing – may, or may not, be UCT SAP Trade vendors. If a new PURCO SA vendor is required, the process for requesting a new UCT vendor will need to be followed. See: PURCO contract list.
	Temp vendors	Temporary SAP vendor for once-off purchases for the specific goods or services required, where no SAP Trade vendor exists. Up to 3 Purchase Orders are allowed, and its use is monitored.
	Student vendors	SAP vendor created for a UCT student to facilitate only study related payments, reimbursements and S&T.
	Staff vendors	SAP vendor created for an active staff member to facilitate only staff related reimbursements and S&T.

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Term	Definition
Permanent vendor	SAP vendor created to fulfil ongoing procurement needs. This type of vendor is intended for long-term use and is not subject to restrictions on the number of transactions or frequency of use. Permanent vendors are typically established for regular suppliers with whom the University maintains continuous business relationships.
PURCO SA	A SA Higher Education purchasing consortium that negotiates favourable contracts on behalf of Universities in South Africa, through collaborative procurement and professional support. See: PURCO
Vendor number	The 6-digit number allocated to a vendor registered on SAP.
Vendor management	A section within PPS responsible for creating SAP vendors, managing contracts, maintaining vendor relationships and ensuring compliance with relevant policies and regulations

4. Guideline

- The University reserves the right to accept or reject any application to become a vendor.

- The University does not guarantee business opportunities for listed vendors as all business will be subject to purchasing and related policies.

- Where possible, all goods and services should be purchased from Preferred vendors. In the absence of a Preferred vendor for specific goods and services, another Trade vendor may be used.

- Where a process has been followed, and agreements are in place, no further vendors will be considered for those goods or services until the process for renewal of the agreement commences.

- The University will always endeavour to use the most direct channel to source goods and services e.g. Original Equipment Manufacturers (OEMs), accredited agents, etc.

- If the requirement for a UCT vendor is ongoing or annual, or where frequent payments

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are required, a permanent vendor must be requested.

- Temporary vendors must be used with caution and only as a once-off exception where there is not an ongoing need. A maximum of three (3) payments are allowed under this vendor range and its use is monitored.

- All new vendor requests require UCT Vendor Management's approval prior to requesting supporting documentation from the potential vendor.

- Vendors may be excluded from trading with UCT where the following situations apply:
  - o Conflict of interest
  - o Non-compliance with statutory requirements
  - o Companies blacklisted by state entities
  - o Non-Adherence to the Supplier Code of Conduct

5. Considerations when appointing a UCT vendor

Prospective vendors will be evaluated against, but not limited to, the following criteria:

- **Price competitiveness:** Vendors that provide overall value proposition, including potential cost savings and long-term price and value benefits.

- **Quality:** Vendors that are committed to meeting required specifications and industry standards while providing quality goods and services.

- **Service:** Support, responsiveness and delivery reliability

- **Heath, safety & environment:** Vendors that are compliant with all the necessary regulatory requirements.

- **Focus & innovation:** Vendors that are focused on "making purchasing easy" whilst meeting or exceeding our requirements, continually striving to improve.

- **Technical capabilities:** Vendors that adopt the latest purchasing-related technologies to maintain a competitive edge and meet project requirements

- **Corporate social responsibility:** Vendors that have corporate social responsibility and sustainability plans and programs in place that foster fairness, responsiveness, transparency and competitiveness

- **B-BBEE**: Accreditation

- **Tax compliance**: Confirmation of SARS status

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- **Financial stability:** Latest audited Annual Financial Statements (AFS)

- **Trade references**: As requested

6. Process

PPS Vendor Management evaluates all UCT vendor applications against university requirements and policies, and based on appropriateness and merit, will approve or reject such applications.

6.1 UCT vendor take-on

- Departmental request via the Purchaser (Trade, Temp and Student vendors)

- Where there is no vendor available on SAP for those goods and services, purchasers must submit a new vendor request in SAP for Vendor Management's approval and processing, and adhere to the Vendor Take-on process.

- Refer to the quick guide to vendor take-on

- Staff vendor - Complete Staff Vendor Application [FM040] or email staff details to fnd-purch@uct.ac.za

  Changes to staff vendors will be automatically updated based on corresponding changes made in the SAP HR system.

- Competitive process

  o Tenders – formal process

  o Request for Proposal (RFP)

  o Request for Quotation (RFQ)

  o Negotiated pricing agreements where the above do not apply e.g. research consumables.

6.2 Evaluation of active temporary vendor payments

- Potential vendors are identified by evaluating the frequency of active Temporary vendor payments.

- Where future payments are required, the purchaser must initiate the **New Trade Vendor Request** in SAP.

  - Use of a Temporary vendor leaves UCT exposed to risks and hidden costs.

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6.3 Vendor evaluation (excluding staff vendors)

- The request is evaluated by Vendor Management.
- Upon Vendor Management approval, an application form is sent via email to the potential vendor.
- The potential vendor must complete the application form and submit the form together with the following documentation:
  - Official stamped letter from bank (not older than three months)

    All bank details are verified via the Standard Bank Business online application. No vendor number will be created with unsuccessful bank verification.

  - Valid Tax compliance verification certificate i.e. not the SARS pin or pin page
  - Valid B-BBEE certificate or Exempt Micro Enterprise affidavit
  - Certified copy of ID/Passport of vendor and co-directors

    If any of the required supporting documentation is not applicable, please contact Vendor Management for further guidance.

  Where applicable:

  - Company registration certificate
  - Passenger liability certificate
  - Health certificate
  - Industry specific certification

6.4 Vendor responsibility

- Potential vendors will be required to sign a UCT code of conduct when requesting UCT vendor status.
- The relevant parties will be advised whether the vendor application is successful or not.
- Vendors who deliberately submit incorrect or fraudulent information and/or documents will be blocked in SAP, in addition to any other action the University may institute against such a vendor.

  If the University is prejudiced financially, UCT reserves the right to take legal action against the vendor.

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7. Related legislation, policies, guidelines and practices

This includes but is not limited to:

- Delegation of Authorities [GEN002]
- Purchasing [PUR003]
- Quotations, Tenders & Requests for Proposals [PUR004]
- Threshold values for purchasing [PPP002]
- Broad Based Black Economic Empowerment [PUR005]
- Procurement [PG001]
- Conflict of Interests

8. Implementation responsibility

PPS is accountable for ensuring that

- compliant vendors are available for the use by the UCT community; and
- these vendors are reviewed; and
- changes are communicated regularly to the UCT community.

9. Contact

Vendor Management Office

vendor@uct.ac.za

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