

Procurement Policy

Purpose

This policy is to provide guidelines for the procurement of goods and services, to ensure that ethical and professional practices are adhered to.

The policy is applicable to all management and staff members ordering goods or services for Bishops, or any other person involved with the procurement process.

Purchasing is not centralized at Bishops and there is thus no purchasing department. Departmental Heads are the experts in their areas and therefore purchasing is decentralized: IT; Music; Sport; Book room; Audio Visual; Transport; Maintenance, etc. This policy needs to be read and understood in that context.

Policy statement

- This Procurement Policy has been approved by the Finance Committee.
- Procedures and processes must reflect a procurement system that is fair, equitable, transparent, competitive, cost effective and provides a quality product.
- Bishops will take appropriate action against corrupt or unethical activities and acts of financial misconduct.
- All transactions should be properly documented.
- Guidelines related to the receipt of gifts and promotional items must be adhered to.
- Where possible, Bishops will purchase from local suppliers rather than from overseas suppliers, to encourage local business development.

Broad Based Black Economic Empowerment (BBBEE)

- Black economic empowerment is fundamental and is appropriately in place to facilitate and promote opportunities for previously disadvantaged South Africans and the school will strive to do business with suitable BBBEE suppliers where possible.
- The school will request that suppliers adopt and demonstrate a policy of internally growing previously disadvantaged employees within their employ. Suitable theoretical and practical training methodologies must be demonstrable to create opportunities for staff to develop.
- Whenever there is a choice between suppliers of products or services of a similar price and quality, a BBBEE qualified supplier will be the first choice.
- Whenever there is a choice between two or more BBBEE suppliers of a product or service of a similar quality, the supplier with the lowest price will be the first choice.
- To be considered a BBBEE supplier, the supplier must be able to provide proof of BBBEE status. Where possible this will be corroborated through a recognized rating body and must not be more than 18 months old.
- The supplier is responsible for informing the school as to any change in its BBBEE status.
- Businesses misrepresenting their BBBEE status or not honouring commitments regarding subcontracting or joint ventures with BBBEE compliant businesses must be excluded from further business with the school.
- The school, via its various departments, will endeavour to collect BBBEE status details for all suppliers in respect of which Bishops has a minimum annual spend of R250 000.

Procedures to be followed

- In principle, when the need for a specific item or service arises or has been requested, the procurement process may not commence before proper internal approval has been obtained. This would usually be given by a department head.
- All requisitions must be accompanied by the correct request forms and signatures.
- It is essential to ensure that items ordered fall within the approved budget – any material over-runs must be tabled and approved by the Executive and summarised for approval by the Finance Committee and Council.
- As far as possible, three (3) quotes should be obtained for all requisitions over R50 000; however, a minimum of two (2) quotes is required for requisitions over this amount. Any request to accept a quote that is not the lowest price must be presented to the School Executive for approval.
- Management may adopt a policy of using preferred suppliers, but such supplier prices must still be tested against comparative quotes from time to time.
- For contracts involving amounts greater than R750 000, a tender process must be followed. See guidelines below.
- All original records must be kept on file and be readily available.

Tendering guidelines

- A list of bidders must be generated and retained.
- Tender by invitation is permitted. Any supplier invited to tender should have the required competency and capacity to fulfil the contract. All tenderers must provide their BBBEE status and at least one tenderer must be a suitably qualified BBBEE supplier.
- Evaluation criteria should be stipulated in tender documents.
- Unambiguous descriptions of the goods or services to be acquired are to be stipulated in the tender documentation.
- During the tender period, bidders may only communicate with the person/s listed in the tender document. Such communication will be limited to clarification of information relating to the tender.
- Tenders will close at a specified venue, date and time. The onus is on the bidder to ensure that tender documents reach the specified address timeously.
- Tenders which do not meet the tender conditions will be rejected, except where acceptance will not prejudice other bidders.
- After completion of the tender evaluation process, Bishops reserves the right to enter post-tender negotiations with the 'preferred bidder' or any number of short-listed bidders;
- Prices, technical and trade information included in bids must be treated with confidentiality both internally and externally.
- The only information to be disclosed to unsuccessful bidders is the name and address of all bidders responding to a tender invitation.

Contracting Principles

All contracts for the acquisition of any goods or services must be in writing (a valid invoice from a supplier is an absolute minimum requirement for all contracts).

Purchasing is managed differently depending on the nature or duration of the goods and/or services and is divided into the following broad categories:

- Day to day goods where a valid invoice defining the purchase is sufficient
- Day to day services such as consultants which are for short duration, and which have a value of less than R50 000 – these need to be supported by a valid quote that has been pre-approved. Any emergency services are excluded from this requirement.



- Non-day to day goods i.e. the purchase of goods that will have an estimated life of at least two years
- Non-day to day services i.e. services projects that are either of longer duration or are higher in value (at least R50 000).

The following contracting principles should be adhered to for all contracts that are non-day to day in nature:

- Parties – clearly identify the legal entity being contracted with (include registration number);
- Performance – detail precisely each party’s duties, rights and obligations, in particular any special conditions. If possible, build in a service level obligation to ensure that contractual performance meets an agreed standard.
- Price – show the make-up of the price in detail. Clarity over whether a price is inclusive or exclusive of VAT is essential. As a rule, payment for goods or services should only be made after delivery. Up-front payments should be kept to a minimum.
- Period and termination – in general, contracts should not be longer than three years. Contracts must be subject to a right of cancellation if counter-party is in material breach or has not complied with its obligation when measured against the agreed service level. Contracts that are signed for three years may be extended for a further two years (five years in total) where approved by the Executive. After five years, the service should go out to tender again.

Code of ethics and conflict of interests

- Bishops employees may not supply or tender for Bishops’ business.
- Suppliers or bidders should be asked to declare any direct or indirect family relationships as well as any personal relationships with Bishops employees. Failure to disclose relevant information will entitle Bishops to cancel the relevant contract.
- Where suppliers or bidders are parents, or they are related to parents, this interest must be declared upfront. No preference is to be given to parents.

Gifts and entertainment

- The exchange of gifts and entertainment is discouraged but is acceptable if such courtesies are not intended to influence any procurement decision, are declared to the person to whom the recipient reports and are recorded in writing.
- Bribes, incentives or any other form of “kickbacks” of any kind must never be solicited, accepted or offered, whether directly or indirectly.

Future policy amendments

This policy may be amended from time to time. Such amendments must be presented to the School Executive for approval.