

Practice Note FND_Vendor take-on_PUR007

Objective 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.

Scope Includes all vendors doing business with UCT.

Applicable to All vendors who wish to establish or maintain a business relationship with UCT for the supply of goods and services, irrespective of the nature of the goods or services.

Additional information *Related policies and guidelines*

- Purchasing Policy [[PUR003](#)]
- Quotations, tenders and Requests for Proposals (RFPs) [[PUR004](#)]
- Purchasing Threshold Policy [[PPP002](#)]
- Broad-Based Black Economic Empowerment (B-BBEE) [[PUR005](#)]
- Libraries Acquisition of Information Resources [[PUR008](#)]
- Green procurement [[PG002](#)]
- Import & export of goods [[PPP001](#)]
- Goods or services provided to UCT by staff or connected parties [[PAY007](#)]
- [Conflict of interest](#)

Related links

- [Information for vendors](#)

Definitions

- *Vendor*: any of a Preferred vendor, Trade vendor, or Temporary vendor.
- *Preferred vendor*: a UCT-accredited Trade vendor with which UCT has negotiated preferential pricing, quality and service for one or more than on commodity for a specific period. See [Preferred Vendor list](#).
- *Trade vendor*: a vendor that has a record on SAP (UCT's ERP system), with which UCT transacts, but where no formal agreement is in place.
- *Temporary vendor*: should **only be used for once-off purchases**, and for transactions where no Trade vendor or Preferred vendor exists on SAP for the specific goods or services required. Only three (3) payments are allowed under this range and its use is monitored. Using this type of vendor leaves UCT exposed to risks and hidden costs.
- *UCT vendor*: refers to all vendors registered on SAP i.e. Preferred and Trade vendors.
- *Vendor management*: a section within Procurement & Payment Services (PPS) responsible for contracting with vendors and managing vendor relationships on behalf of the University

Policy

- The University reserves the right to accept or reject any application to become a vendor.
- The University does not guarantee business opportunities to listed vendors as all business will be subject to the Purchasing Policy [[PUR003](#)] and other relevant policies.
- Where possible, all goods and services should be procured from *Preferred Vendors*. In the absence of a *Preferred Vendor* for specific goods and services, a *Trade Vendor* may be used.

- Where agreements are in place, no further vendors will be considered for those particular 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.
- Vendors may be excluded from trading with UCT where the following situations apply:
 - [Conflict of interest](#)
 - Non-compliance with statutory requirements
 - Companies blacklisted by state entities



Caution

Temporary vendors should be used with caution and only as a once-off exception. If the requirement is ongoing or annually, with frequent payments, a *Trade vendor* must be applied for by asking your departmental Purchaser to submit a *New Trade vendor* request in SAP for Vendor Management's approval and processing.

Considerations when appointing a UCT Vendor

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

- *Cost*: Vendors that continually look for ways to lower the University's costs.
- *Quality*: Vendors that are committed to providing quality goods and services.
- *Service*: Support and responsiveness.
- *Health, Safety & Environment*: Vendors that are compliant with all the necessary regulatory requirements.
- *Focus and innovation*: Vendors that are focused on "making purchasing easy" whilst meeting or exceeding our requirements, continually striving to improve.
- *Technology*: Vendors that adopt the latest purchasing related technologies in order to maintain a competitive edge and enhance capabilities and responsiveness.
- *Corporate Social Responsibility*: Vendors that have Corporate Social Responsibility and Sustainability plans and programmes in place.
- *B-BBEE*: Accreditation
- Valid Tax Compliance status
- *Financial stability*
- *Trade references*

Procedures

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

There are various ways for a vendor to become a UCT vendor:

- **Departmental request**

Where there is no *Preferred Vendor* or *Trade 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.

- **Competitive process**

- Tenders
- Request for Proposal (RFP)

- Request for Quotation (RFQ)
- Negotiated pricing agreements where the above do not apply e.g. research consumables.

- **Evaluation of active Temporary vendor payment frequency report**

Potential vendors are identified by evaluating the Temporary vendor frequency report, where the purchaser is required to initiate the vendor's Trade Vendor application, only if future payments are required..

- Upon the purchaser's New Trade vendor request initiation, and Vendor Management's approval, SAP will email the vendor a vendor application form. The potential vendor will be required to complete the New vendor application form and include the following documentation:
 - Official stamped letter from bank as completed on the vendor form
 - Valid Tax Compliance Verification certificate (no pin or pin page)
 - Valid B-BBEE certificate OR Exempt Micro Enterprise Affidavit

Where applicable:

- Company Registration certificate
- Passenger Liability certificate
- Health certificate
- Industry specific certification

The relevant parties will be advised whether the vendor application is successful or not.



Caution

Vendors who deliberately submit incorrect or fraudulent information will be removed from SAP in addition to any other action the University may institute against such a vendor. If University is prejudiced financially, UCT reserves the right to take legal action against the vendor.

Implementation responsibility

PPS is accountable for ensuring that compliant vendors are available for the use of the UCT community, to ensure that these are reviewed and that changes are communicated regularly to the UCT community.

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Process owner	Director: Purchasing & Payment Services (PPS), Finance
Prior review	December 2013
This review	December 2017
Approved by	PPS Management, December 2013