





Finance Policy	FND_ UCT Quotations, Tenders and Requests for Proposal (RFPs)_PUR004
Objective	<p>To provide clarity in terms of how the UCT Quotation, Tender and RFP procedure must be applied in practice.</p> <p> Note</p> <p>These processes are in place in order to comply with the Purchasing Policy [PUR003], to ensure that risks are effectively managed and that the interests of UCT are protected. UCT undertakes to procure goods in a system which is fair, equitable, transparent, competitive and cost-effective in order to protect its risks.</p>
Scope	<p>Includes all goods and services procured using UCT funds in accordance with the threshold values (see Threshold Values For Purchasing PPP002 and Delegated Authority Limits GEN002), but can be used for any purchases, even if below the aforesaid threshold values.</p>
Definition	<p><i>Quote, Tender or RFP:</i> a written offer in a prescribed format, which arises from a request to a vendor for the provision of goods or services which may include an open or closed quote, tender or RFP.</p> <p> Note</p> <ul style="list-style-type: none">• Open quote, tender or RFP: allow potential vendors to bid for the business.• Closed quote, tender or RFP: allow pre-qualified vendors who have been identified and appointed by UCT through a formal process, as potential service providers to UCT, for an agreed period for specialised services, including but not limited to electrical, plumbing, data cabling and building contractors to bid for the business.• This form of tendering is also used in cases where the market has been tested and it is proven as a fact that there are only a few prospective service providers that are able to make a proposal. A current detailed market analysis report, or proof that the market has been tested adequately, must be available as motivation.• Tender may also refer to RFP or quote.
Applicable to	<p>The policy applies to all funding administered by UCT, irrespective of source, and to anyone involved in the process of procuring goods or services for or on behalf of UCT.</p>
Additional information	<p>Related policies</p> <ul style="list-style-type: none">• Purchasing [PUR003]• Delegated Authority Limits [GEN002]• Threshold values for purchasing procedures [PPP002]• Broad-Based Black Economic Empowerment (B-BBEE) [PUR005]• Purchasing Card (PCard) [PUR002]• Libraries Acquisition of Information Resources [PUR008]• Asset [AST001]• Conflict of Interest• Health and safety



Related practice note/guidelines

- Procurement [[PG001](#)]
- Green Procurement [[PG002](#)]
- [Acceptance of gifts](#)

Related forms

- Request for quotation [[MM024](#)]
- Summary of quotations received [[MM025](#)]

Roles & Responsibilities

A) Quotations



Prospective vendors must be identified from the UCT Preferred vendor list; alternatively, the Procurement and Payment Services (PPS) Vendor Management department can be contacted for potential vendors.

B) Tenders / RFPs

PPS facilitates the tender process with committees, comprising relevant stakeholders as defined in the table below. A servicing officer, appointed by the chair of the respective committee, must record minutes of each meeting as well as ensure that all members of each committee sign the conflict of interest register.

Responsible party	Responsibilities
<p>PPS Represented on all committees</p>	<ul style="list-style-type: none"> • Facilitates the tender/RFP process by: <ul style="list-style-type: none"> - advising the user department on drafting of specifications; - determining time lines and processes; and - providing policy advice.
<p>Specification Committee Appointed by the responsible Executive Director (ED) / Dean, comprising members of user department and subject matter experts (external to the department)</p>	<ul style="list-style-type: none"> • Ensures the compilation of unbiased specifications and/or terms of reference i.e. may not refer to: <ul style="list-style-type: none"> - brand/name - trademark - patent - design/type - specific origin/ manufacturer, unless there is no other way of describing the characteristics of the work, in which case such reference must be accompanied by the word 'equivalent'. • Draws up measurable evaluation criteria • If applicable, includes special conditions in respect of the goods or service
<p>Evaluation Committee Appointed by the responsible ED / Dean, comprising members of user department</p>	<ul style="list-style-type: none"> • Evaluates tenders in accordance with agreed criteria for tender: <ul style="list-style-type: none"> - Compliance with conditions - Compliance with specifications



<p>and subject matter experts (external to the department)</p> <p> Note</p> <p>Membership of the evaluation committee may include members of the Specification Committee</p>	<ul style="list-style-type: none"> - Consideration of latent factors that might influence the award - Comparison of prices and allocation of preference points - Checking for completeness and technical correctness - Checking all other registers for completeness and correctness e.g. site visits, briefing sessions - Verifying vendor details - Verifying claims in terms of preference points and status - Awarding points in terms of preference points and status - Calculating points awarded - Completing a list of tenderers • Submits a report and recommendations to the Tender Adjudication Committee
<p>Tender Adjudication Committee Appointed by Council/Exco, ED, Dean or HOD subject to term and/or value of goods or services (GEN002)</p> <p> Note</p> <p>No member of the Evaluation Committee may be a member of the Tender Adjudication Committee.</p>	<ul style="list-style-type: none"> • Considers the report and recommendations of the Evaluation Committee • Ensures that: <ul style="list-style-type: none"> - All necessary documents have been submitted - Disqualifications are justified - Scoring is fair - Declarations of interests have been taken into account • Depending on its delegation, makes a final award or recommendation to the ED or Council/Exco

Deviations Deviations to this policy will be considered, however, such application for deviation [[MM026](#)] must be authorised by ED: Finance or nominee. A motivation for the deviation must be provided.

Conditions under which UCT may negotiate with vendors for the purchase of goods or services without having to follow the formal quotation/tender/RFP process detailed in this policy include, but are not limited to, when:

- goods or services can only be supplied by a particular vendor due to:
 - no reasonable alternative or substitute existing;
 - patent or copyright issues; or
 - the absence of competition for technical reasons.
- unforeseen events or emergencies and the urgency to obtain certain goods or services where these goods or services could not be obtained by means of the formal quotation/tender/RFP process;
- a change of vendor would compel UCT to obtain spare parts or additional equipment or services that are not compatible or interchangeable with existing equipment or services which were obtained from an original vendor;



- UCT can purchase under exceptionally advantageous conditions which are only available for a short period. This provision covers the following circumstances:
 - unusual disposals (e.g. auctions and sales) by firms that are not normally vendors; or
 - disposal of assets or businesses in liquidation or receivership.

Procedures A) Quotations

Using the Quotation summary sheet [MM025] and Quotation form [MM024], quotations should follow the same principles as the tender process viz:

- Ensure the process is fair and equitable
- Provide the same information to all parties
- Stipulate closing time
- Maintain confidentiality of pricing
- Keep quotes and summary sheet on file for audit purposes
- Where the vendor selected is
 - not on SAP, the successful quotation [MM024] and summary sheet [MM025] must accompany the invoice, purchase order, [MM010](#) (with required authorisation) for payment.
 - on SAP, the successful quotation [MM024] and summary sheet [MM025] must be available on request.

B) Tenders / RFPs

1. Tender Register

Once a request has been identified, a tender number is issued by PPS and recorded in the Tender Register which will include:

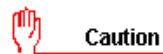
- Request date
- Requester department
- Scope of work
- Location
- Date of issue
- Closing date
- Tenderers
- Tendered amount
- Successful tenderer
- Authorised by
- Award date
- Purchase order number

2. Prepare tender documents

Tender documents must address two main elements, namely the technical and commercial aspects of the specific requirements.

The **technical aspects** include, but are not limited to the detailed specifications and description of the goods or services to be supplied or scope of work, location and

methodology of application. The technical aspects are the primary responsibility of the user department or the end user of the goods or services that are required.



Care must be taken that specifications are not written to favour a particular vendor or brand.

3. *Commercial aspects*

The commercial aspects are the responsibility of PPS with assistance from subject matter experts appointed by the ED Finance.

The commercial aspects include:

- price schedules
- payment terms
- guarantees
- mandatory legislative compliances.

4. *Inviting tenders*

The complexity or the nature of the service or the goods required, will determine the time allowed for the preparation and submission of tenders. Generally, a period of 28 days is allowed from date of advertisement to date of tender submission. Mandatory briefing sessions may be scheduled during this period. Open tenders are advertised in the national media, e.g. Weekend Argus, Mail and Guardian, Sunday Times. All requests for the RFP document from service providers are recorded in a Tender Register.



UCT reserves the right to request vendors to submit tenders by means of the 'two envelope' (sealed) method, one envelope detailing functionality, the other specifying price and B-BBEE status. Failure to meet functionality requirements as submitted in the first envelope would eliminate the tenderer from further consideration.

5. *Receiving tenders*

All tender submissions must be deposited in the tender box currently located in the PPS foyer, 2nd Floor, Meulenhof, 93-95 Main Road, Mowbray. All tenders will be opened at the stipulated date and time (standardised at 12h00), in the presence of at least two PPS staff members. Tenderers and relevant stakeholders may be present at the opening. Late tenders will not be considered.

In the event of an error in the submission by a tenderer, quotations and tenders may be amended or withdrawn by such tenderer up to the closing date and specified time in the tender document. Thereafter, in the event of an error, quotations and tenders may not be amended but may be withdrawn prior to acceptance. The names of tenderers and the cost proposals must be recorded in the Tender Register and the pages of the cost proposal of the tender documents must be signed by a PPS staff member.

6. Evaluating tenders

The tender evaluation process can be a one or two phase process depending on the complexity and /or specific requirements of commodities or services.

During the **first phase** of evaluation, all submissions will be evaluated based on functionality as per the evaluation criteria below.

 **Note**

The minimum qualifying score for functionality must be agreed upon by the Specification Committee prior to advertisement and should be made known to all tenderers through the advertisement or the tender documents.

Example of first phase functional evaluation

Evaluation criteria (but not limited to)	Weighting /100	Score (1 – 5)	Final score (/500)
Relevant experience in providing goods and service to tertiary institutions	20	1	20
Competency assessment			
• Track record (References)	10	4	40
• Understanding of scope of work in tenderer responses	30	4	120
• Management & resource capacity	15	2	30
• Professional body / business standards / associations	5	2	10
• Methodology and the implementation thereof	15	5	75
• Submission of information in respect of industry specific requirements	5	5	25
Total score	100	Max 5	320 / 500 (64%)

During the **second phase** evaluation, the successful tenderers attaining the minimum qualifying score, will be further evaluated based on the 80/20 or 90/10 preference point system, depending on the total value of the tender. In the unlikely event where the tenderer with the highest score is not awarded the tender, the reasons should be documented by the Adjudication Committee

The **80/20** preference point system will apply to acquisitions of services, works or goods up to a Rand value of R1,000,000, including VAT. The 80 points will be awarded for price and the 20 points for B-BBEE compliance.

The **90/10** preference point system will apply for acquisitions of services, works or goods with a Rand value above R1,000,000, including VAT. The 90 points will be awarded for price and the 10 points for B-BBEE compliance.



Depending on whether the 80/20 or the 90/10 preference point system is being applied, the points awarded for B-BBEE compliance, are given in the table below:

B-BBEE point system

	80/20	90/10
<i>B-BBEE status of contributor</i>	<i>No of points</i>	<i>No of points</i>
1	20	10
2	18	9
3	16	8
4	12	5
5	8	4
6	6	3
7	4	2
8	2	1
Non-compliant contributor	0	0

Formula for second phase evaluation

The following formula is used to calculate the **points for price** in respect of tenders and quotations:

$$Ps = 80 \left(1 - \frac{Pt - P \min}{P \min} \right) \text{ or } Ps = 90 \left(1 - \frac{Pt - P \min}{P \min} \right)$$

Where

Ps = Points scored for comparative price of tender or offer under consideration

Pt = Comparative price of tender or offer under consideration

P min = Comparative price of lowest acceptable tender or offer

Depending on the preference point system used, the B-BBEE points per the table, are added to the result of the formula above.

Based on the overall points, the Evaluation Committee decides on a **shortlist**.

Shortlisted service providers may be requested to make a presentation to the Evaluation Committee.

Copies of all presentations must be kept for record purposes.

The Evaluation Committee then makes a recommendation to the Tender Adjudication Committee.

7. Adjudicating tenders

A. General Tenders

The Tender Adjudication Committee considers the recommendation of the Evaluation Committee in conjunction with any supporting documentation provided. The Tender Adjudication Committee makes a decision to either approve/reject or revert back to the Evaluation Committee for further clarification.



Should the Tender Adjudication Committee request further clarification, it will refer the matter back to the Evaluation Committee. Once such information is obtained from the Evaluation Committee, it will be submitted to the Tender Adjudication Committee for further consideration.

In the event of rejection, the Tender Adjudication Committee will provide reasons and make appropriate recommendations to the Evaluation Committee.

Should the recommendation of the Evaluation Committee be approved, the Tender Adjudication Committee, depending on its delegated authority, will convey its decision to Council/Exco or authorise the relevant ED / Dean to enter into discussions with the successful tenderer.

B. Tenders for Outsourced Services

In addition to (a) above, the following applies:

- a) The criteria for tender adjudication for the supply of outsourced services shall in future include the tenderer’s record of:
 - respect for and upholding of human rights;
 - probity, including financial probity; and
 - employment policies and practices.
- b) Tenderers for the supply of outsourced services shall be required to satisfy the Tender Adjudication Committee that they have a record of
 - respect for and upholding of human rights;
 - probity, including financial probity; and
 - sound employment policies and practices.
- c) Future contracts for the supply of outsourced services contain a provision allowing for the University, unilaterally, to cancel the contract where the contractor*, during the term of the contract, is found to have been guilty of a human rights violation.

**(where entity or contractor is understood to be the tendering company and any associated company).*

8. Appointing and awarding tenders

PPS is responsible for facilitating post tender negotiations and assists with drawing up a commercial contract in the best interest of UCT.

- PPS advises the successful tenderer of intention to enter into an agreement. (Letter of Intent).
- UCT enters into a formal agreement with the successful tenderer.
- PPS advises and debriefs unsuccessful tenderers if requested.

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Policy owner	Executive Director: Finance
Responsible for update	Director: Procurement & Payment Services (PPS). Finance
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