AN ANALYSIS OF PROCUREMENT POLICIES AND PROCEDURES AT THE UNIVERSITY OF NORTH WEST

BY

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DECLARATION

I declare that the dissertation for the degree of Master of Business Administration at the University of North West hereby submitted, has not previously been submitted by me for a degree at this or any other University, that it is my own work in design and execution and that all material contained herein has been duly acknowledged.

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ABSTRACT

The aim of this study was to analyse procurement policies and procedures at the University of North West. This analysis might assist the university to formulate a procurement policy that would be effective, efficient and cost effective. There was a need to assess the role that the university of North West procurement policy and procedure play with regard to the procurement of goods and services so that any gaps or limitations can be addressed.

The study was conducted at the University of North West from which the sample for the survey was drawn. This is an institution of higher learning in the Republic of South Africa. It is situated in the Capital of North West Province, Mafikeng.

In this study three principal methods of enquiry in investigating or exploring the university of North West procurement policies and procedures were used. These were; literature survey, document study and an empirical investigation which entailed the development of questionnaires. The questionnaire were constructed and distributed to UNW staff members who are responsible for buying in their respective departments. The questionnaire contained thirty seven (37) questions which attempt to validate the research objectives. A total number of seventy (70) potential respondents were targeted and only forty six (46) staff members returned completed questionnaires to the researcher. The sample size for this study was therefore forty six (46).

The results were analysed and the findings reflected that in general university of North West procurement policies and procedures need to be reformulated with full participation of the relevant stakeholders. The researcher recommends that the procurement policies and procedures of the university of North West must be revised and user departments must be involved in the whole process.

The policies and procedures should also be formulated in line with the government preferential procurement policy framework Act no.5 of 2000.

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CHAPTER 1

ORIENTATION

1.1 Introduction

All public and private organisations require goods such as raw materials, machinery and equipment as well as services such as repairs, maintenance and transport to make their activities possible. Organisations need such goods and services to perform their activities efficiently and effectively.

According to Purchasing Digest South Africa (2001) the basic objective of any institution is to operate purposefully and efficiently, that is, to obtain the highest possible return (output) with the lowest possible use of production resources (input). This implies that organisations have to function as productively as possible. In general the objective of successful purchasing is regarded as buying the right requirements (quality) in the right quantities at the right time and at the right price from the right source with delivery at the right place (Hugo et al, 1998). In order for organisations to achieve this, it is important for them to have procurement policies and procedures which are effective, efficient and cost effective.

The aim of this study was to analyse procurement policies and procedures at the University of North West so that the University management can ultimately formulate a procurement policy that would be effective, efficient and cost effective. There is a need to assess the role that the University of North West procurement policy and procedure play with regard to the procurement of goods and services so that any gaps or limitations can be addressed.

1.2 Statement of the problem

The focus of this study was an analysis of the procurement policies and procedures at the University of North West. The researcher wanted to know whether the procurement policies and procedures at the University of North West (UNW) met the needs of the university community. The researcher also wanted to establish the extent to which user departments within the university relied on the procurement policy. Finally the researcher wanted to establish the effectiveness of the procurement policies and procedures at UNW in comparison with other institutions.

1.3 Significance of the study

The study is significant in that its outcome might assist the University Management to formulate the procurement policy and procedures that could meet the needs of the university community. The findings of this study could address any limitations that might have been identified. The analysis of the procurement policy is also very important as it would assist the UNW purchasing division and university management to identify any problems about this policy and come up with revised policy and procedures that would be detailed, accurate, clear and simple.

1.4 Objectives of the study

The main objective of the study was to analyse the procurement policies and procedures at UNW with the aim of identifying the following:-

* To determine whether the procurement policies and procedures at UNW met the needs of the university community.
* To close any gaps that might have been identified within UNW procurement policies and procedures.

* To identify procedures that were no longer applicable and needed to be removed.
* To determine whether UNW procurement policies and procedures were efficient, effective and cost effective.
* To determine whether the procurement policy at UNW enabled user departments to buy the appropriate quality in the right quantities at the right time and at the right price from the right source and with delivery at the right place.
* To determine whether the UNW procurement policy ensured sound lasting relations with reliable suppliers.

1.5 Method of research

In this study three principal methods of enquiry in investigating or exploring the University of North West procurement policy and procedures were used. These were: literature survey, document study and an empirical investigation which entailed the development of a questionnaire that elicited responses from key individuals regarding their perceptions around the issue of procurement.

1.5.1 Literature survey

In this literature survey the researcher focused on the context of theoretical background of procurement policies and procedures. Relevant sources on procurement were consulted with the aim of getting an insight into procurement policies and procedures.

1.5.2 Document study

The procurement policies and procedure manuals of other educational institutions were examined with the aim of getting more information on the procurement of goods and services and also to obtain insight into how purchasing policies and procedures of other institutions were formulated, how similar or different they were from UNW policies and procedures.

According to Purchasing Digest South Africa (2001), a procurement policy and procedure manual communicates the organisation' s approved policies and procedures and gives guidance to the personnel to be assigned to the procurement function. This enables an organisation to source products and services of the right quality at competitive prices. A Purchasing manual serves as an aid to coordinate purchasing and other functional departments.

The researcher also conducted a thorough analysis of UNW procurement policies and procedures and compared these with procurement policies and procedures at other institutions and also the literature surveyed.

1.6 Scope of the study

The study was conducted at the University of North West from which the sample for the survey was drawn. UNW is situated in the capital of North West Province, Mafikeng. The research was limited to members of staff who had particular experience or expertise in procurement.

1.7 Organisation of the study

The study is organised in chapters in the following sequence:-

* Chapter 1: Orientation

* Chapter 2: Literature Review

* Chapter 3: Research Design and Methodology

* Chapter 4: Data Analysis and Interpretation

* Chapter 5: Summary, Findings and Recommendations

1.8 Summary

In this introductory chapter, a brief orientation has been provided describing the problem investigated and the formulation of objectives of the study, significance of the study, limitation of the study as well as organisation of the study.

CHAPTER 2

LITERATURE REVIEW

2.1 INTRODUCTION

In this chapter an attempt is made to place the research problem into the context of the theoretical background of the analysis of procurement policies and procedures. A general exposition of available studies in procurement policies and procedures with particular focus on procurement policies and procedures at the University of North West is given. The exposition reflects existing studies on procurement policies and procedures as well at various procurement policies and procedures at different institutions.

2.2 DEFINITION OF CONCEPTS

It is necessary to explain some of the concepts that are used in this chapter. Such concepts include procurement policies and procedures. The reason for this discussion is that these concepts could have different meanings for different individuals and therefore need to be contectualised for this study.

2.2.1 Policy

Policy is defined as a broad statement of self-imposed guidelines designed to direct discussion and behaviour towards specific strategic objectives (Feeron et al 1993). Anderson (1979:3) defines policy as a purposive course of action followed by an actor or set of actors in dealing with the problem or matter of concern. Policies can be referred to as laws, decisions, options, projects or programmes (Nagel, 1984:4).

Hugo et al (1998:22) define policy as a broad statement of self-imposed guidelines designed to direct decisions and behaviour towards specific strategic objectives. After objectives are established, policies are developed to serve as general guidelines in making operating decisions which direct actions towards the achievement of such objectives.

According to Dobler and Burt (1996) a policy can also be defined as a statement that describes in very general terms an intended course of action. Policies are also defined by Farmer (1985:16) as statements or decisions usually made and communicated by the top management of an organisation which apply universally to a set of circumstances met by personnel and which can be applied repeatedly. They represent procedural guidelines which can be followed consistently in decision making throughout an organisation. They should also be capable of implementation without further reference to higher management.

2.2.2 Procedures

Procedures are more detailed structured within policy parameters for performing routine activities aimed at achieving a set of objectives (Fearon et al. 1993). They are instructions and rules on how the work of the stores function or indeed any other function is to be carried out. Procedures must be written, be based on standards methods of work and be in a logical sequence (Jessop and Morrison 1994). Procedures outline how purchasing work should be performed.

2.2.3 Procurement

Procurement in the context of any enterprise whether private or public is understood to mean the purchasing of goods and services in order to advance the objects of that particular enterprise (Hugo et al 1998).

2.3 THEORETICAL BACKGROUND

2.3.1 Procurement policies and procedures manual

A procurement policy and procedure manual communicates an organisation' s approved policies and procedures and give guidance to personnel to be assigned the procurement function. This enables organisations to source products and services of the right quality at competitive prices (Purchasing Digest 2000). A procurement policy and procedure should deal with the following:

2.3.1.1Purchasing manual

A purchasing manual serves as an aid to co-ordinate purchasing and other departments. The following guidelines provide a general framework for the contents of a purchasing manual.
An introduction which specifies the manual objectives. A brief explanation of the main aspects of purchasing policy which forms the core of the manual. It should cover such aspects as:-

* Negotiations with suppliers
* Request for quotations
* Authority for purchases
* Supplier selection
* Supplier relations
* Purchasing ethics

A procurement policy and procedures manual should be accurate and detailed, clearly and simply written so that users of all levels of experience must be able to read and understand it. It should also be available to all users. Besides routine purchasing procedures, the manual should also contain detailed information of purchasing policies and a description of basic purchasing procedures.

It is essential that these policies carry a top management approval and that they be communicated to every departmental head. Policies must be stated simply and unambiguously in a manual that is easy to use and kept current (Dobler and Burt 1996). The manual should clearly define the authority and responsibility of the purchasing functions. It should also define relationships with user departments and also promotes better relations (Hugo et al.) (1998).

2.3.1.2 Basic Policies

A policy is a statement that describes in very general terms an intended course of action. After objectives have been established policies are developed to serve as general guidelines in making operating decisions which direct actions towards the achievement of objectives (Hugo et al 1998).

A well-constructed purchasing policy statement identifies the direction to be followed by the purchasing personnel giving them clear unambiguous objectives thus ensuring a smooth and orderly progress towards goal achievement in keeping with an expected standard of corporate behaviour. Purchasing policy assists top management in ensuring a consistent application of the purchasing standards which they wish to apply. Policies indicate a performance criterion which is unalterable.

It is evident that purchasing policies represent a clear delegation of responsibility and authority to the purchasing function. They establish a purchasing accountability in an organisation in that the application of the stated policies must be carried out in a manner prescribed. Proof of the worth of a policy is its ability to stand the test of time.

It has also to be recognised that although being respective, circumstances may vary to some degree and the purchasing policies will need to be sufficiently flexible to cover these differences (Farmer 1985: 16-17). The Basic policies must cover the following areas:-

Policies define purchasing responsibility. A decision has to be taken either to centralise or decentralise a purchasing function. Centralisation exists when an entire purchasing function is made the responsibility of a purchasing department.

Decentralisation on the other hand exists when departments within an organisation are allowed to decide unilaterally on services of supply and negotiate with suppliers directly for major purchases.

2.3.1.2.1 Centralisation of purchasing function

Centralisation of the purchasing function is essential for attainment of both optimum operating efficiency and maximum profit. It involves the placement of purchasing authority but not the location of buying personnel. It actually exists when the entire purchasing function is made the responsibility of a single person. This person is held accountable by top management for proper performance of purchasing activities.

Centralisation of purchasing when functioning properly can produce the following benefits:-

* Duplication of efforts and haphazard purchasing practices are minimised by the central coordination of all company purchases.
* Volume discounts are made possible by consolidating all company orders for the same and similar materials.

* Transportation savings can be realised by the consolidation of orders and delivery schedules.
* Suppliers are able to offer better prices and better services because their expenses are reduced.
* Line department managers do not have to spend time purchasing, they can devote full time and efforts to their basic responsibilities.
* Fewer orders are processed for the same quantity of goods purchased, thus reducing purchasing, receiving, inspection, accounts payable and record keeping expenses
* Responsibility for the performance of purchasing function is fixed with a single departmental head thereby facilitating management control (Farmer 1985).

2.3.1.2.2 Decentralisation of purchasing function

Complete centralisation is not always possible. A situation justifying some decentralisation of purchasing authority exists in technically oriented firms that are heavily involved in research. For example in research situations, scientists often do not know exactly what they want.

Consequently they must frequently discuss concepts with one or more suppliers before they select specific pieces of hardware. The purchase of non-technical odds and ends also often calls for a partial decentralisation of purchasing. Credit cards and petty cash funds of less than several hundreds rand or dollars are a good example (Dobler and Burt 1996).

2.3.1.2.3 Policies concerning ethical practices

A business organisation has two main windows to the outside world, its sales department and its purchasing department. Therefore the activities of a firm' s purchasing professional must be above reproach. The existence of formal, written policies dealing with ethical issues in purchasing has a strong positive impact on the behaviour of a firm's purchasing professional.

2.3.2 Procurement Procedures

Several activities or tasks are required to facilitate an orderly flow of material parts or finished inventory into a manufacturing or distribution complex. They are sourcing, order placement and expediting, transportation and receiving. These are normally referred to as inbound logistics. While exceptions do exist, the typical goal in procurement is to perform inbound logistics at the lowest costs (Bowerso and Closs 1996).

A procurement procedure outlines in detail specific actions to be taken to accomplish a given task, within the guidelines of any applicable policies. The procedures used in completing a total transaction constitute a purchasing cycle. The purchasing cycle includes the following steps, origin of the need, description of the need, selection of suppliers, determining of prices and availability, placing the order, following up and expediting, receipt, inspection and distribution, handling of faulty consignments and rejection, analysing the invoice, closing the order (payment) and maintaining files and records (Hugo et al 1998).

2.3.2.1Origin of the need

The need for specific materials, parts or services originates with the user departments or stores departments carrying the requirements as part of the inventory. Users know the quantity, quality and time when the goods are needed and have to inform the purchasing departments. There should also be specific purchasing procedures for the handling of urgent orders.

2.3.2.2 Description of a need

Clear, complete, appropriate definition and description is a joint responsibility of a user and a buyer. One of the reasons why every purchase authorisation document should be approved by designated departmental supervisors is to ensure that it is initially reviewed by qualified individuals and subsequently comes to purchasing in a correct form (Dobler et al 1996). A need is normally communicated to a purchasing department by means of a purchase requisition which is authorised by a responsible manager.

2.3.2.3 Selection of suppliers

The selection of suppliers is one of the most basic considerations made by a materials manager. The right supplier can contribute substantially to the effectiveness of a business.

When selecting suppliers certain criteria can be used, the three most important criteria are price, quality and service. These criteria should be viewed as a whole. A supplier offering the lowest price is not necessarily the best supplier, since his or her rating on the other two criteria can be so poor that he or she will not satisfy the needs of the business (Lotz M.H. UNW MBA Materials Management Study Guide 2003).

The nature of the requirement influences the procedure to be followed in selecting a supplier. When standard products are to be purchased in relatively small quantities the usual procedure for a buyer is to use a supplier recommended on the list. The supplier should however be known by a purchasing department and must have a good service record. When purchasing highly specialised equipment written quotations should be submitted with the requisition to the purchasing department. This is a useful guide for selecting a supplier. In such cases preferences is usually given to the suppliers preferred by user departments.

Interest in partnership is based upon a long-term perspective of buyer-supplier relationships and it implies therefore the adoption of a strategic role and approach for purchasing and supply management. The continued contact between buyer and supplier organisation in a long term relationship creates an enabling mechanism through which the two can work together and develop arrangement for the supply of requirements tailored to the needs of the purchaser (Sanders 1997).

2.3.2.4 Determining of prices and availability

This step in a purchasing cycle is an exclusive responsibility of a purchasing department. In practice, determining prices and availability often happens at the same time as the selection of suppliers. Purchase prices may be determined by using market prices or through negotiation. Availability and prices can be determined using price lists, catalogue and quotations.

2.3.2.5 Placing an order

Issuing an official order for the supply of goods and services is a legally binding step. It is therefore essential that the authority and responsibility for placing orders are vested in only one department, the purchasing department. All the details must be indicated in the purchase order which include information on quantities, prices, delivery dates and points of delivery.

Purchase orders are usually subject to the terms and conditions printed on the reverse side. Several copies of purchase orders are usually distributed to relevant departments which include finance, receiving, inspection and the purchasing department also retains a copy (Dobler and Burt 1996).

2.3.2.6 Following up and expediting

Following up of purchase orders normally happens when orders are not received on delivery dates. Expediting involves constant monitoring of supplier' s progress with orders to ensure that the supplier does not fall behind schedule and to assist with any problems that may arise.

2.3.2.7 Receipt, inspection and distribution

Normally the receiving department (stores) receives all deliveries. Only in exceptional cases should deliveries be made directly to user departments. The receiving department should carry out inspection on delivery to ensure that packaging has not been damaged and to compare quantities with those on the official order.

The extent of physical examination, weighing and counting of goods received should be arranged in the most economical way to avoid unnecessary delay or expense. Hazardous materials must be clearly marked as such and those responsible for receiving them have a duty to ensure that the materials are dealt with in the proper manner. Unloading should not take place until the necessary safety and other equipment is in place.

2.3.2.8 Analysing an invoice

A supplier' s invoice should be analysed by either the finance or purchasing departments. The invoice must be compared with an official order and the delivery note to make sure that there are no irregularities.

2.3.2.9 Closing an order

Closing the order is a process whereby all documents (order, invoice, receiving note and quotation) are submitted to the finance department to request payment. Keeping a record of all relevant documents is the final step in the purchasing cycle.

2.3.3 SPECIALISED PURCHASING PROCEDURES

Besides the basic procedures in the normal purchasing cycle most firms have procedures for special circumstances.

2.3.3.1 Standing orders

A standing order is an agreement with a particular supplier to deliver goods over an agreed period of time at a fixed price or for prices to escalate at a predetermined rate. Often a single order form is issued that stands for a certain period. This kind of order is aimed at avoiding the cost of a large number of small orders for standing requirements. When a standing order has been negotiated, any user department may ask for delivery on the basis of the standing order by mainly contacting the supplier (Hugo et al) (1998).

2.3.3.2 Urgent Orders

These orders are normally placed telephonically or by fax and they do not follow the normal cycle. A requisition may be required to obtain approval from top management. Urgent orders are however a manifestation of poor planning and should be discouraged as much as possible. They are bad for supplier relations as unnecessary pressure is placed on suppliers.

2.3.3.3 The small order problems

Small orders are costly both to the buyer and the seller. Some procedures that can lessen the load caused by a large number of low-value orders include.

* Petty cash
* Corporate Credit Cards
* Standing Orders
* Cash On Delivery Order by Telephone

3. PROCUREMENT POLICIES AND PROCEDURES UNIVERSITY SYSTEM OF MARYLAND

The procurement system of the above-named university was approved by the University System of Maryland Board of Regnets September 28, 1998 amended December 3, 1999.

3.1 Purpose

These procurement policies and procedures are designed to support and facilitate the educational research and public service mission of the University System of Maryland and its constituent institutions through the acquisition of goods and services by applying the best methods and business practices that provide for public confidence in the system www.usmd.edu.

3.2 Procurement methods

The procurement methods may be adjusted from time to time in the best interest of the university to reflect current business practices.

3.2.1 Simplified procurement limits

The simplified procurement limit is $100 000.00. Institutions may establish and implement their own simplified acquisition policies and procedures for purchase order. An institution may establish its own simplified procurement threshold based on its own requirements but that limit may not exceed $100 000.00. Procurement requirements shall not be artificially divided so as to constitute simplified procurements.

3.2.2 Procurements using purchasing cards

The preferred method of purchase is using purchasing cards in accordance with the policies and procedures set forth at individual institutions.

3.2.3 Competitive simplified procurement

For orders between $5 000.00 and $100 000.00 competition shall be sought to the extent practical as determined by a procurement officer, considering such factors as the availability of vendors and dollar value of the procurement cost of administering the procurement.

Consistent with the above, a procurement officer shall solicit quotations from a reasonable number of sources. He or she may consider factors such as the following when deciding how many quotations will be solicited:-

* Nature of the items or service to be purchased and whether it is highly competitive and readily available or if it is relatively non-competitive.
* Information obtained in making recent purchases of the same or similar items.
* The urgency of the proposed purchase.
* A past experience concerning a specific vendor' s pricing.

3.2.4 Use of competitive sealed bids

Competitive sealed bidding, also called invitation for bid, is a method of procurement which results in a contract awarded to the lowest evaluated responsive bid from a responsible bidder based on the specification aid set forth in the solicitation.

Typical reasons for using competitive sealed bids include:

1. The award will be made on the basis of price and other price related factors. There is a reasonable expectation of receiving more than one sealed bid.

2. Invitation for bid shall be published in a manner that best meets the need of the solicitation. Examples of resources available to the procurement officer for publishing a solicitation include but are not limited to bid board, Maryland contract weekly, trade journal and business journal.

3. Bid will be requested from adequate number of suppliers. Reasonable time should be provided for bidders to prepare and submit bids.

3.2.4.1 Bid opening

Once received all bids and modification to bids shall be placed in a secure place until the date and time for the bid opening. Bids are to be opened publicly. The name, bid price and other relevant information shall be needed or otherwise made available to those in attendance at the bid opening. All bids received must be recorded, tabulated or summarised.

3.2.4.2 Bids evaluation and awards

An award will be made to the bidder offering the most favourable price that has been determined to be both responsible and responsive in meeting the requirements set forth in the solicitation. An institution may make multiple awards if it is deemed to be in the best interest of that institution.

3.2.5 Sole source procurement

3.2.5.1 Reason for use of sole source

Procurement without competition is authorised under limited conditions and subject to written justification documenting the conditions which preclude the use of a competitive process. If the purchasing officer determines that there is only one source that will satisfy the requirements and or circumstances present, the procurement officer may negotiate and award a contract without competition to the sole source. Sole source in the amount of $100 000.00 or less may be approved by the procurement officer. This will be avoided except in circumstances where it is both necessary and in the best interest of the institution.

3.2.6 Emergency procurement

The university may also conduct procurement in an emergency basis. Emergency may be negotiated on a sole source or limited competition as dictated by the circumstances surrounding the emergency. An emergency procurement can be used when the conditions threaten one or more of the following:-

- The health and safety of a person or an animal.
- The preservation or protection of property.
- The continuance of necessary university functions.

The emergency procurement shall be limited to the procurement of only the types of items and quantities or time period sufficient to meet the immediate threat and shall not be used to meet long term requirements.

4. TECHNIKON VAAL TRIANGLE - PURCHASING PROCEDURES AND PRACTICES MANUAL

Technikon Vaal Triangle manual has been developed with the assistance of all the departments. The purchasing function includes the procurement of materials, equipment, services, rentals, vehicles hire, flight reservations and leasing of materials and equipment. It also includes all the commercial aspects such as processing of orders; leasing, rental, developing source of supply, selecting qualified bidders, obtaining and evaluating quotations, negotiating prices, terms and conditions, preparing tender and purchase documents. Awarding and administering all contracts and expediting delivery of materials or services are also part of procurement departments. However, major buildings, contracts, real estates, insurance, accounting and foreign exchange dealings are excluded from the purchasing function.

Suggestions for improvement are welcomed and may be directed to the Director of Finance. All the revisions and or additions to the manual are made as or when required.

4.1 Purchase requisition authority

Authority for requisitioning and its delegation is granted by the Technikon Board. A purchase order may only be initiated on receipt of an approved requisition. The purchasing department is responsible for verifying authorisation and compliance with authority limitations on all requisitions. The department verifies that each requisition contains a budget code before being processed. The correctness of the budget code is not the responsibility of the purchasing department.

DELEGATED AUTHORITY

Approved by	General	Building Projects
Technikon Board	-	R500 000.00
Rector	R75 000.00	R500 000.00
Vice Rector	R75 000.00	-
Director	R10 000.00	-
Assistant Director	R5 000.00	-

Only authorised personnel may enter into and sign or countersign a purchase order. When the value of a purchase exceeds the purchasing individual's signature authority, approval from the next level of authority must be obtained.

The purchasing division prepares and issues orders to suppliers for all purchases exceeding R500.00. Purchases less than R500.00 are processed at department level and are subject to the small transaction purchasing procedures.

4.2 Credit cards

The Vaal Triangle Technikon also issues credit cards to certain personnel. The said cards are used for purchasing of motor fuel, out of town accommodation but not entertainment. Purchases other than these are for the card holder's own accounts and are deducted from his or her salary.

4.3 Purchase order signing authority

The Director of Finance is responsible for signing all contracts, rental, hiring and lease agreements and also to countersign orders in excess of R10 000.00. All buyers are authorised to sign orders less than R10 000.00 or orders delegated by the Director of Finance. The Director Library or as delegated sign all orders for publications, newspapers and books. Small transactions purchases not exceeding R500.00 can be made by the departments directly through an order book allocated by the purchasing department to each department.

4.4 Ethical purchasing practices and relationships

Purchasing personnel are expected to adhere to the highest standard of business integrity and ethics and to respect and comply with all applicable laws, regulations and customs. They or any other persons involved with purchasing must keep themselves free from any type of personal obligations to any supplier.

-Personal gifts, loans or compensation are not accepted from suppliers. Acceptance of entertainment invitation should be approved by the individuals' department director or next level of authority.

4.5 Suppliers selection

Purchases are made from suppliers that meet the Technikon's quality and delivery requirements and provide goods or services at the best value. At least two written quotations of which one should be obtained by purchasing shall be required for multi supplier goods .i.e. for purchases exceeding R5000.00 but not exceeding R20 000.00. A sole supplier must submit written quotations for purchases exceeding R2000.00.

Tender procedure are followed for purchases exceeding R20 000.00 although tenders can be issued for lesser amounts. Purchases from employees or their immediate families or from retired or former employees may only be made with prior written approval of the rectorate. When such purchases are contemplated, the purchasing department determines or requires proof from the department concerned that goods cannot be secured more advantageously from another source.

4.6 Tender procedures

Request for tenders must be accompanied by written specifications, description data sheet and or drawings or whatever is applicable. If the description specification or scope of a job changes before the closing date, this information must be communicated to all potential tenders by purchasing and a reasonable time must be allowed to enable all tenders to rectify their quotations.

Items only available from one source will not be subject to this procedure. It should be taken that such items are purchased from the manufacturer or agent and that unnecessary middlemen are avoided.

All work in excess of R20 000.00 is subjected to tender procedure. The technikon does not bind itself to accepting the lowest or any tender or to assign any reason for the rejection of a tender. It also reserves the right to accept the whole or any portion of a tender. In case of emergency those procedures may be ignored but this must be noted on the requisition and approval should be given by the vice rector (Administration and Finance).

Tenderers must submit their tenders in sealed envelopes and tenders may be submitted as follows:- they can be placed in the tender box, by registered mail where upon the Technikon's mail office will record the unopened tender letter as incoming mail or deposited in the tender box.

4.7 General terms and conditions of purchase

4.7.1 Price and delivery

Unless otherwise stated on the order, the price includes delivery costs, taxes, VAT, custom duties, clearance and other charges. Therefore the price, delivery date and place of delivery shall be deemed fixed.

4.7.2 Consignments

Goods must be consigned to the address as indicated on the order. Order numbers must be indicated clearly on the delivery advice notes and invoices. Non-compliance with this clause will result in non-acceptance of the goods.

The supplier should ensure that the goods are securely packed and undamaged. The technikon reserves the right to return goods for replacement at the supplier's costs (Technikon Vaal Triangle Purchasing Procedure Manual Document).

5. TECHNIKON WITWATERSRAND PROCUREMENT SERVICES POLICIES AND PROCEDURE MANUAL

5.1 Purpose of the manual

The manual has been compiled and developed with the assistance of all departments concerned in order to comply with the objectives of both the internal and external stakeholders of the technikon.

5.2 Objectives of the manual

The objectives of the manual include the following:-

* Promotion of centralised purchasing that will provide maximum buying power to ensure optimum value for the limited funds available.
* Ensuring an uninterrupted flow of goods, services and equipments required for continued operation of the Technikon.
* Securing the purchasing requirements at the lowest possible prices.
* Achieving a harmonious working relationship with user departments within the Technikon and with outside suppliers.
* Selecting and developing competent suppliers and maintaining adequate quality control standard.

5.3 Ethical purchasing practices and relationships

Technikon Witwatersrand endorses the standard of purchasing practice of the South African institute of purchasing.

* Transactions and communications with suppliers must be sincere, factual and straight forward. The confidence of suppliers must be respected.
* No personal gifts, loans or compensation may be accepted from suppliers.
* Imprinted sales promotional or advertising items of small value are exception.
* When in doubt about what is acceptable in terms of gifts, staff must decline the offer or ask their line managers advice. Staff must obtain their line managers approval before accepting any entertainment offer.

5.4 Petty Cash Purchases

Any non-stock item to a total value of R200.00 exclusive of VAT is considered a petty cash purchase that a department may make directly.

5.5 Consortium

The Purchasing Consortium of Southern Africa (PURCO S.A) enters into agreements with suppliers for the benefit of participating institutions.

5.6 Urgent orders

An urgent order/requisition may only be issued for extremely urgent needs such as breakdowns and must be authorised by deans of faculties.

5.7 Quotations

A quotation is the basis on which a supplier is prepared to supply or render specified goods or services to the Technikon Witwatersrand. At least three written quotations (one of which must be obtained by the procurement services department) are required for multi supplier of goods and purchases of R10 000.00 and up to R50 000.00. The tender procedure must be followed for purchases over R50 0000.00, although tenders can be issued for lesser amounts. Goods and services obtained from the Purchasing Consortium Southern Africa contracts are automatically exempt from those procedures subject to a clear reference of PURCO S.A contract number appearing on the requisition or order.

Non-contractual goods and services that are obtained consecutively from one supplier and that accumulates to an amount above R50 000.00 within one financial year are subject to the following to be performed by procurement services department:

* A supplier evaluation to be conducted on the supplier' s premises
* Monitoring the supplier' s competitiveness in the particular market segment.
* Investigating a possible contractual agreement with the supplier concerned.

5.8 Tender

A tender is a document issued by the procurement services department to obtain a commitment or price from suppliers for goods or services exceeding R50 000.00

5.9 Delegated Authority

Approved by	General	Building Projects
TWR Council	Unlimited within	Budget Constraints
Principal and Vice Chancellor	R1000 000.00	R1000 000.00
Vice Principals	R250 000.00	R250 000.00
Deans	R100 000.00	R100 000.00
Directors and Heads of Departments	R10 000.00	R10 000.00

Credit cards are issued to certain staff and must only be used for the purpose that they were issued i.e. purchase of motor fuel, out of town accommodation and official entertaining. No private purchases are allowed.

5.10 Signatory for orders

The assistant Registrar Procurement Services signs all contracts rental, hiring and lease agreement. Orders in excess of R250 000.00 must be counter-signed by the Deputy Registrar - Finance. Buyers sign all orders less than R10 000.00 or orders delegated by the Assistant Registrar Procurement Services. The Director: Library signs all orders for publications, newspapers and books.

5.11 Supplier Selection

Purchases must be made from suppliers that meet the Technikon' s quality and delivery requirements and that provide goods or services at the best value. The use of PURCO S.A. contracts must be encouraged. If the requisition recommends a specific material or supplier that does not comply with the requirements of the procurement services department the requisition must be approved at the next higher level authority.

The Technikon supports the development of Small Medium Micro Entreprise (SMME' s) not only to become viable suppliers to the technikon but also to create employment opportunities and thus supporting the country' s reconstruction and development plan. It therefore undertakes to allocate 20% of its total annual operational and capital purchasing budget to the SMME sector by allowing the SMME to undertake subcontractor work for the Technikon's existing suppliers or contractors.

Staff may not use the services of the procurement services department for personal purchases. The only exception is the cash on delivery (COD) manual order that the Assistant Registrar Procurement Services will grant for the following items:

Supplier	Item	Limit per staff member annually
Firestone	Tyres	3 sets
Mustek	Computer	1 set

5.12 Tender procedures

Requests for tenders must be accompanied by appropriate written specifications, description data sheets or drawings. Tenders can be submitted as follows; placed in the tender box in front of main stores or sent by registered mail whereupon the Technikon Postal Services will record the unopened tender letter as incoming mail and deposit it in the tender box. A tender box is accessible to all tenderers during office hours but late tenders are not considered.

The buyer must open the tender box in the presence of the accountant and the requisitioner. Only tenders closing on that specific date may be registered and stamped with a time date stamp by the buyer in the presence of the accountant and the requisitioner. The Technikon does not bind itself to accepting the lowest or any tender or to furnishing any reason for the rejection of a tender. It reserves the right to accept the whole or any portion of a tender.

5.13 Delivery advice notes and invoices

Goods must be accompanied by delivery advice notes or invoices clearly indicating the order number, quantity and description corresponding with the order. Failure to comply to this results in non-acceptance of the goods and delayed payment of invoices.

5.14 Inspection

The supplier's premises, materials or goods must be available for inspection if required by the technikon to determine whether or not the goods comply with the description or specifications as reflected in the order.

5.15 Quality guarantee

Goods supplied must comply with the provision of the Occupation Health and Safety Act No 85 of 1993. It is an offence if the supplier sells goods which do not comply with the act.

Unless indicated differently on the order, goods delivered must be new and of good quality and at all times comply with the description.

5.16 PURCO S.A

The Purco S.A is a statutory body that undertakes collective negotiation of contracts with suppliers in order to obtain maximum quantitative and qualitative benefits for all its members. One of Purco S.A.' s major aims is the optimisation of collective buying power and expertise to satisfy unlimited requirements with limited funds so as to facilitate teaching and training in higher education institutions.

As a Purco S.A. member, the Technikon is legally bound to honour its obligations once it has committed itself to a contract. In other words all contracts related items must be bought from the preselected suppliers for the period stipulated in such a contract.

5.17 Stores

All furniture and heavy or large capital equipment will be delivered to user departments. All other stock and non-stock commodities can be collected at the main stores. Stock items to be collected must be accompanied by an authorised requisition. (Technikon Witwatersrand Procurement Services Policies and Procedure Manual Document).

6. UNIVERSITY OF SOUTH AFRICAN (UNISA) TARGETED PROCUREMENT POLICY

At the University of South Africa (UNISA) all suppliers are requested to complete the supplier application and registration forms to establish their credentials, shareholding and employment equity initiatives for use in the targeted procurement programme.

The purchasing department functions as tenders advice centre and assists SMME's and other suppliers with advice, information and registration or any other assistance that they may require.

6.1 Supplier application and evaluation form

The supplier application form is used to gather all the relevant information required on existing suppliers as well as new suppliers registered with UNISA. The document provides vital information such as company registration, VAT and tax numbers, including banking details and company profiles.

6.2 Support of SMME's

UNISA supports listed SMME's by setting aside a certain amount of business as agreed with users. SMME tender in open competition with other suppliers in line with the tender procedures of the university.

Personnel responsible for procurement must verify that SMME's wishing to supply goods or services to UNISA comply with statutory requirements such as to be in possession of a valid income tax clearance certificate, company or closed corporation registration certificate and or sales tax registration or exemption documents.

The university is committed to principles of openness, integrity and accountability and always aspires to implement the best procurement practices.

6.3 Ethics principles between buyers and suppliers

It is expected of UNISA employees, especially its buyers, to behave ethically. UNISA has a code of conduct which aims at directing its employees through the ethical pitfalls found in the workplace and the university also has a code of conduct for suppliers that they must familiarise themselves with before dealing with UNISA. Its main purchasing office is centralised but it also has a decentralised departmental purchasing offices at the main campus in Pretoria.

6.4 Submission of tenders to UNISA

Tenders must be submitted to UNISA in the requested format stipulated in the enquiry or according to the specifications provided. In the case of telephone enquiries, the supplier should determine in what format the buyer requires the reply.

Telephone quotations are called for where the value of the enquiry is below R5 000.00. Three verbal quotations will be required for enquiry values between less than R5 001.00 and R10 000.00. Three written quotations shall be required for enquiry values between more than R60 001.00 and R100 000.00 which must be in a sealed envelope and deposited into the tender box at the Department of Finance.

Formal tenders are called for where the value of the tender is in excess of R100 001.00 and official tender documents must be completed. All tenders and closed quotations must be placed in the tender box at the Department of Finance before the closing time on the closing date. Late tenders or quotations are not accepted.

A company profile must be submitted in the event where the tenderer is not yet listed on the approved supplier list on UNISA database.

6.5 The process after receipt of the tenders

Tenders are opened in the presence of internal auditors of the university and at least two officiating staff members from the Department of Finance. The tenders are checked for their responsiveness. If the supplier's tender is not responsive to the specifications terms and conditions it is not considered for evaluation.

The tenders are then evaluated by the responsible purchasing section and compared with one another to establish which tender provides the best value for money. Several other factors are taken into consideration for instance the way in which a company is constituted, its share holding as well as black empowerment initiatives and the upliftment of previously disadvantaged enterprises.

Once the evaluation process of all the tenders are completed by the purchasing section, the buyers then summarised the data and present their findings and recommendations to the tender committee for approval. The tender committee checks if the procedures have been followed and thereafter approves all purchases above R60 000.00. The buyer then places the order with the successful supplier and inform other tenderers that they were not successful.

6.6 Supplier performance measurement

UNISA conducts supplier appraisal meetings with its major suppliers on a regular basis. This practice is intended to enhance customer supplier relations and improve co-operation between parties.

Matters that may affect suppliers such as constantly late deliveries, products that do not conform to the required specifications or non-adherence to pricing arrangement are dealt with by the purchasing staff. The first intent is to ensure that the correct value for money is attained by the university. If the supplier is involved in any wrong doing affecting UNISA or the community at large, the university may remove the supplier from the approved list without notification.

6.7 Performance assessment of suppliers

The performance of major suppliers is regularly scrutinised by the purchasing department or user department. Suppliers are measured on amongst other things:-

* Price stability and value for money of their goods and services.

* Quality deliverance in respect of requirements or standards on time deliveries pre and after sale services.

The buyer identifies any deviations or problems areas and brings these to the notice of the head of the department for further investigation and possible actions. If necessary a meeting is arranged with the supplier to discuss unsatisfactory performance. Performance information is also used in the re-qualification process.

6.8 Declaration of interest

In the event where a person employed by or an employee that has a kinship or blood relationship with any suppliers that has an interest in a business venture and intends to supply goods or services to UNISA, this person must comply with the following procedures:

* The UNISA employee must declare his or her interest relationship and or shareholding in the enterprise to the tender committee.
* The UNISA employee must apply to be placed on the approved supplier list on the same basis as any other supplier.

All UNISA employees intending to do business with the university must complete a supplier application form and meet the requirements to be placed on the approved supplier list. It is a policy that any staff member who has any interest in a transaction entered into by UNISA must declare such interest in writing to the tender committee.

6.9 Transparency in the purchase process

Whenever UNISA wants to purchase goods or services the terms and conditions under which the tenders will be considered and the contracts are awarded must be indicated. These terms and conditions include any deviations from the normal competitive tendering process.

UNISA makes its purchasing policies, directives and tender procedures available to all prospective suppliers as well as any other interested parties.

7. AUDIT AND INTEGRATION OF MANAGEMENT SYSTEMS AT THE UNIVERSITY OF CAPE TOWN (UCT)

The aim of the Audit and Intergration of management system is to ensure that the support and service structure and processes are aligned with the functionality and needs of the core business which is academic.

The major problem facing the purchasing function at UCT has been ineffective purchasing policy. The university used to have decentralised paper based purchasing system. This has led to an excessive number of orders being placed.

The intent of the recommendations made by the Audit and Integration of Management System (AIMS) work stream is not to centralise the purchasing function, but rather to adopt a purchasing policy which allows the university to leverage its considerable buying power, minimise abuse of the system, decrease unnecessary administration and improve service to internal and external stakeholders alike.

Certain key principles were applied in redesigning the university purchasing process and they include the following:-

* Placing of purchase orders will remain a developed function
* There will be a greater use of contractual relationships but with a focused number of preferred vendors chosen in consultation with users
* There will also be a proper procedure for purchasing outside the relationships.

The stream also proposed four interventions to achieve a more streamlined and effective approach to purchasing at UCT.

7.1 Reduction in the number of low-value orders

UCT places about 100 000 purchase orders per annum at present. This is a high volume of orders and it impacts primarily on the creditors' section where invoices are processed and payments made.

Problems encountered in delayed payments have adversely affected the university' s relationship with several vendors. A high volume of orders is caused by a large number of low value orders. UCT has now introduced cards to deal with high volume of low value supplies for example stationery, lab supplies and computer consumables. The advantage is that many orders are eliminated from the system completely, as well as the manual processing of associated invoices and will effect single payment to multiple vendors.

A procurement card enables the holder to order goods directly from pre-selected suppliers within strict financial limits. Lost, stolen or compromising cards can be blocked with immediate effect. Each transaction is verified by the vendor with the bank prior to processing. Individual cards have unique financial limits and vendor restrictions.

7.2 Reduction in the number of authorised purchases

To increase efficiency of the purchasing process the university needs buyers who are skilled, informed and responsible.

7.3 Vendor rationalisation

This refers to the identification of preferred suppliers and to review and or establish contracts with these chosen vendors. The target is that 55% of all UCT's purchasing spent will be with contract vendors to maximise UCT's buying power.

7.4 Structure changes to purchasing and payment services

If UCT is to sustain the impact of the above three interventions, it is necessary to ensure that the department of purchasing and payment services is empowered with the necessary resources. This requires a radical re-organisation including combining the current purchasing department with creditors function in the finance department to establish single accountability across the full central purchasing function.

8. PROCUREMENT POLICIES AND PROCEDURES-UNIVERSITY OF NORTH WEST

All goods and services required by the university departments must be ordered using the purchasing system. Relevant goods held in stores must be utilised before any outside purchases are made. No department will be allowed to purchase items from suppliers if the said items are available in the university stores.

8.1 Purchases

Purchases of all items must follow the following procedures.

* Purchase requisition must be prepared whenever any items is needed.
* If goods are purchased via Purchasing Consortium S.A no quotations are required.
* A Purchasing Officer must obtain quotations from suppliers whose names are suggested by the person authorising an on-line purchase requisitions as follows:
  - For purchases of R2 000.00-R25 000.00 three written quotations are required.
  - For purchases of R25 000.00-R150 000.00 three written quotation which must be in a sealed enveloped and addressed to the Purchasing Officer must be submitted. Deviations from any procedure for purchases up to R150 000.00 must be approved by the Deputy Vice Chancellor (Administration and Finance).
  - For Purchases above R150 000.00 tenders must be invited.

Quotations for purchases between R25 000.00 and R150 000.00 must be opened by the purchasing officer in the presence of Manager Facilities and the person requesting the order. The purchasing officer is required to maintain strict confidentiality in respect of prices and other details of quotations. The head or manager of a department must authorise the purchase requisition on line after checking the budget allocation on line. The accounting system does not allow any purchases over budget.

If the supplier who submitted the lowest quotations is selected, the order is approved by the Purchasing Officer. If the supplier other than the one who submitted the lowest quotations is selected the order is approved by the Manager Facilities. The purchase order once authorised must be printed in duplicate. One for the supplier and the other for numerical filling in the Purchasing Department by the Purchasing Officer.

8.2 Receipt of Goods

On receipt of the goods directly to the department, the head of department receiving the goods must process a Goods Received Note (electronically) on the system linking the Goods Received Note to the purchase order. No invoice will be paid or processed unless the Goods Received Note has been processed.

8.3 Payments for goods and services.

All payments must be supported by original supporting documentation. Authorisation for payments is made only after a Goods Received Note is processed and the invoice checked to the order.

8.4 Tender policies and procedures

All purchases of goods above R150 000.00 or services rendered in terms of the contract which extends more than twelve months must be made via the tender committee. The tender committee must be decided on by the audit committee and must comprise five (5) members including the Vice Chancellor, the Deputy Vice Chancellor Administration and Finance and the Financial Manager. The tender committee may invite an expert in the field which may be the person requesting the tender. The secretary of the tender committee and the recording secretary from the committee secretariat should be in attendance at meetings of the tender committee.

8.4.1 Procedure

When a head of department needs any purchase of over R150 000.00 or supply of services exceeding twelve months he or she should complete a tender application form and submit it to the Manager Facilities to be included in the next tender committee meeting.

If the purchase is between R150 000.00 and R300 000.00 a closed tender process may be used, if it is above R300 000.00 an open tender process must be used. If the purchase is between R2 000.00 and R150 000.00 the purchasing officer must obtain three (3) written quotations. If the purchase is over R300 000.00 the tender committee must advertise the tender to the general public as determined by the tender committee. The advertisement must include all details of the tender and the tender must remain open for at least three weeks. The tendering supplier must complete the set of tendering forms when the tender is submitted.

All tenders when received must be in sealed envelopes and stamped with the date of arrival and must then be placed into a locked box in the office of Manager Protection Services. The box must be secured at all times. At the deadline time the chairperson or member of tender committee together with another university official who will be there as a witness must open the tender box at a meeting to which the chairperson in conjunction with the Deputy Vice Chancellor (Administration and Finance) and the Manager Facilities may invite other persons such as the person requesting the tender.

All tenders must be evaluated using the tender evaluation criteria which have been specified by the tender committee for a particular tender. All suppliers not meeting the minimum requirements must be removed from the short list of suppliers. Once a supplier has been awarded the tender, the purchase must follow the normal procurement procedures.

Any deviation from these procedures must be specifically approved by the tender committee and reported to the audit committee for rectification.

9. UNIVERSITY OF THE NORTH - PROCUREMENT POLICY

The procurement policy of the University of the North aims to achieve the following objectives:-

* Procure goods and services of the right quality, in the right quantity, at the right time, from the right sources, at the right price and to have goods delivered to the right place
* Procure from suppliers with sufficient resources and expertise to carry out services and or deliver goods to the best advantage of the university from a price, risk and performance point of view.

9.1 Vendors

9.1.1 Vendor Certification

All suppliers whose services would be required by the university and meet the approved requirements should be put on a vendor list. This list should be reviewed every six months. Only senior officials in the buying section should have access to add or delete vendors on the vendor list.

9.1.2 Vendor evaluation criteria

A criterion to evaluate vendor proposals is approved by a tender committee. The following factors are considered when evaluating vendors:-

* Quality and quantity of goods.
* Lead times.

* Discounts offered by vendor.
* Economic empowerment of HDI' s.
* Expertise of the contractor to carry out services.
* Reliability of contractor and availability of resources.
* Any other factor that may be set by the tender committee.

9.2 Code of conduct or ethics for buying section staff

The buying section should abide by the following:-

* Disclose all actual or potential conflicts of interest to senior management on an annual basis.

* All staff with purchasing function responsibilities should not accept gifts from the suppliers.

* Honest in all transactions, specifically denouncing all forms of improper business practices.

* Ensuring that all procurement transactions are carried out in a fair, transparent, equitable, competitive, market related and a cost effective manner.

* All staff and management with purchasing function responsibilities should sign an annual declaration or compliance with the code of conduct.

* Violations of code of conduct or ethics should immediately be addressed and employees disciplined.

9.3 Tender committee

The chairperson of the tender committee is appointed by council. Members of a tender committee receive official letters of appointment. The committee is expected to maintain a tender system that is fair, equitable, transparent, competitive and cost effective.

9.3.1 Procedures pertaining to tenders and quotations.

9.3.1.1 Limits for calling of tenders and quotations

The Purchasing Consortium Southern Africa has negotiated several contracts for a wide range of products and services. Prices of these items is available from the Purchasing Department and no further quotations are required.

Expenditure less than R1 000.00	-	One telephonic quotation
Expenditure between R1 001.00 and R4 000.00	-	Three telephonic quotations
Expenditure between R4 001.00 and R30 000.00	-	Three written quotations
Expenditure between R30 001.00 and R60 000.00	-	Three written quotations submitted to procurement manager

Expenditure between R60 001.00 and R100 000.00-	Three written quotations submitted to the procurement manager. Approval must be given by the procurement manager, budget officer and manager finance.
Expenditure between R100 001.00 and R200 000.00 -	Three written quotations submitted to the Finance Manager who will use his discretion on whether the quotations will be considered by the Tender Sub Committee, or it will be approved by the Procurement Manager, Budget Officer and Finance Manager
Expenditure exceeding R200 000.00 -	Official tender documents must be completed and submitted to the Purchasing Department.

In case where there is only one supplier for goods or services to be procured, only one quotation is required. Approval levels indicated above must still be adhered to.

9.3.1.2 Calling for tenders and quotations

Where the relevant expenditure as calculated exceeds R200 000.00, the purchasing department should advertise for tenders. In all cases where official tender documents are used the purchasing section shall deal with such documents in consultation with the department concerned.

A non-refundable fee of R100.00 shall be payable by tenderers. Where prices are negotiated by the purchasing consortium it shall not be necessary for tender or quotations.

9.3.1.3 Opening of tenders

Each tender on the university's official tender document, should be submitted in a sealed envelope and shall be placed in the locked tender box.

At the closing time of the tender, the Head of the Department of Finance or his or her nominee, a nominated member of the tender committee and the Internal Auditors shall open all tenders or quotations. All tenders received should be recorded in the tender register by the officials responsible for the tender register. Officials responsible for the opening of tenders should sign next to each tender on the register.

Any tender received after the closing time shall not be considered and shall be returned immediately to the tenderer concerned, together with an explanatory letter.

Tenders in respect of buildings and capital projects which are called by Technical Services Management after approval from the planning and development committee follow the same tendering procedure unless determined otherwise by council. The tender committee shall consider both the tender price and other general criteria in awarding points to tenders. In both instances, preferential procurement system shall be used with a bias towards historically disadvantaged individuals.

The University of the North is under no obligation to provide reasons for rejecting proposals. No contract may be awarded to a person who has failed to submit an original tax clearance certificate from South African Revenue Services (SARS).

9.4 Payment of suppliers

All suppliers payments shall be made in accordance with the university' s approved creditor's payment procedures as revised from time to time.

9.5 Ethics for tender committee members

The tender committee and sub-committee members should abide by the following:-

* Disclose all actual or potential conflicts of interest to the committee at the beginning of every year.

* If conflict exists, the concerned member should not take part in the awarding of the tender.
* Committee members should not accept gifts from tenderers.
* Ensuring the tendering process is carried out in a fair, transparent, equitable, competitive, market related and cost effective manner.

10. BUSINESS ETHICS

Business ethics and professionalism go hand in hand and ethics can be defined as the application of ethical principles to business relationships and activities (Purchasing Digest S.A Journal 2000).

11. BUYING INTO BLACK ECONOMIC EMPOWERMENT

In South Africa what is commonly referred to as corporate social responsibility is more specifically called Black Economic Empowerment (BEE) when it comes to procurement policy in the private and public sectors of the economy. The imbalances and injustice of the past have to be identified and addressed. The business function of buying, purchasing and procurement are channels through which economic and social upliftment can be expedited. The BEE procurement policy has led directly to the mushrooming of small medium and micro enterprises (SMME's) headed up by previously disadvantaged individuals (PDI' s). Buyers need to change their mind-set and assume a committed set of BEE practices (Purchasing Digest - 2001).

12. THE PREFERENTIAL PROCUREMENT ACT No.5 OF 2000 AND REGULATIONS

This legislation introduces the concept of a point system to be applied by all organs of state in awarding contracts. The Act seeks to actively promote the inclusion of Historically Disadvantaged Individuals (HDI's) and Previously Disadvantaged Individuals (PDI's) into the mainstream of the economy and endorses activities which further the goals of the Reconstruction and Development Programme (RDP). In evaluating any tender, all organs of state are required to apply a point preference system based on the following:-

The 80:20 points system applied to tenders under R500 000.00 in value. The tenderer obtains 80 points if the tender price is the lowest. If not, the lowest than fewer points are allocated pro-rata to the highest tender price. The tenderer obtains a maximum of 20 points for achieving specific empowerment objectives which must be clearly detailed and specified in the tender document and these objectives must be measurable and it must be possible to monitor their compliance. A 90:10 points system will similarly apply to tender above R500 000.00 in value.

The act and its regulations actively encourage large corporations to sub-contract work to historically disadvantaged individuals, to fuel co-operation between white and black businesses and generally to identify and reward the transfer of skills, the sharing of equipment and the active promotion of RDP principles. It also dictates a high level of transparency for the whole tender process (Preferential Procurement Act No.5 of 2000).

13. PROCUREMENT POLICY AND PROCEDURES-DURBAN INSTITUTE OF TECHNOLOGY

13.1 RESPONSIBILITIES

At the Durban Institute of Technology the procurement division has the total responsibility for the procurement of all goods and services, the processing and sale of absolute or surplus goods and to either provide the service for such procurement and processing or to give functional direction to other staff members delegated with the authority to perform such duties. The procurement division has the responsibility for making the final decision where orders are placed, the terms and conditions under which business is conducted with suppliers.

These decisions are made in consultation with user departments as appropriate, consistent with user departments as appropriate, consistent with the consideration of price, quality and service the number of suppliers is to be minimised. In the case of specialised products or services, departments may communicate with suppliers and suggest sources of supply to the purchasing division.

13.2 Purchasing Consortium

Where applicable the use of contracts negotiated by the Purchasing Consortium Southern Africa (PURCO) for the supply of goods and services is mandatory.

13.3 Personal Purchases

Goods and services for personal use may not be ordered against university purchase orders. Staff members may also not purchase goods or services on behalf of the university with personal credit cards.

13.4 Procurement Act

All procurement whether it be purchasing, leases, rentals or contract work must comply with the Government's preferential procurement policy framework Act 2000 and the university' s targeted Procurement Policy.

13.5 Cash Purchases

Where an item of low value is to be purchased, cash order may be issued at the discretion of the purchasing office. Cash purchases shall be limited to a maximum of R700.00 per purchase and shall be restricted to consumable items only. Documentary evidence of the transaction must be submitted with all reimbursement claims.

13.6 Tenders and Quotations

Circumstances under which tenders or quotations for the provision of goods and services must be invited are as per the university' s prescribed tendering policy and procedures.

* No quotations needed for items on PURCO S.A. contracts
* R0-1999.00 open order no quotation required.
* R2000-4999.00 at least three telephonic, electronic or facsimile quotations required.
* R5000-24999.00 at least three electronic, facsimile or written quotations required.

The head of department (or his or her nominee) must sign the requisition and accept responsibility for purchase.

In exceptional cases goods and services in excess of R25 000.00 per item may be purchased without recourse to tender. Specific exceptions such as vehicles purchases, as approved by the Chief Purchasing Officer, will require three written quotations.

14. THE SPECIALISED SOURCE-LINK ELECTRONIC PURCHASING SYSTEM

The Source-link Electronic Purchasing System facilitates the procurement process in respect of the communication of information between buyer and supplier. The process is request for quotation based and is best suited to source new purchasing agreement, project-based procurement, capital goods procurement and on ad hoc purchases. It caters for both formal tenders and trade enquiries. This solution enables corporate buyers to interact via electronic media with supplier at various levels of technological development.

Trade world will distribute trade documents via fax, e-mail or the internet in the communication medium of the supplier's choice. Data capture centres ensure that all non-electronic information is consolidated in electronic format before distribution to buyer - organisations (The Purchasing Digest 2002).

15. ANALYSIS OF UNIVERSITY OF THE NORTH-WEST (UNW) PROCUREMENT POLICY AND PROCEDURES

15.1 Policies defining purchasing responsibilities.

The purchasing function at the University of North-West is centralised. User departments are however allowed to facilitate the process by looking for quotations from accredited suppliers. This shows that some form of decentralisation exists.

15.2 Policies concerning ethical practices

There is no policy regarding ethical practices with regard to the University of North-West Procurement Policy and Procedures. There is however a normal practice that any gift obtained from suppliers must be reported to the public relations office. Since no such policy exists and departments are able to negotiate with suppliers on their behalf unethical behaviour may occur.

This is unlike at other institutions of higher learning where there is a code of conduct for suppliers and buyers. For example, Technikon Vaal Triangle and Technikon Witwatersrand endorse the standard of purchasing practice of the South African Institute of Purchasing. The University of South Africa (UNISA) has ethics principles between buyers and suppliers in place. The University of the North has a code of conduct for its buying staff. It also has ethics for members of its tender committee.

15.3 Procurement Procedures

The procurement procedures followed by the University of North West (UNW) is almost the same as at other institutions of higher learning. The purchasing cycle is the same as at other institutions. The difference is with the number of quotations to be submitted and at stipulated amounts.

15.4 Special purchasing procedures

The procurement policy and procedures at UNW does not have procedures for special circumstances. It does not have procedures like standing orders. A standing order is defined as an agreement with a particular supplier to deliver goods over an agreed period of time at a fixed price or for prices to escalate at a predetermined date (Hugo et al 1998). The university does not have corporate credit cards and provision for emergency procurement. The University System of Maryland for example has provision for emergency procurement. The Vaal Triangle Technikon also issues credit cards to certain personnel. These are used to purchase motor fuel and for official out of town accommodation.

Witwatersrand Technikon has provision for urgent orders which may only be issued for extremely urgent needs such as breakdowns and must be authorised by the deans. The Vaal Triangle Technikon also classifies non-stock items to a total value of R200.00 as petty cash purchase that a department may make directly.

15.5 Tendering procedures

The University of North-West follows almost the same tendering procedures as other institutions of higher learning. However the amounts for quotations differ from one institution to the other.

15.6 Support for SMME' s

There is no clear cut policy regarding the SMME's in the University of North-West procurement policy. For example, at Technikon Witwatersrand 20% of its total annual operational and capital purchasing budget is allocated to SMMES. Unisa also supports SMME's by setting aside a certain amount of business as agreed with users. However there are some requirements that the SMME's must meet before becoming supplier of goods and services to these institutions.

15.7 Supplier application

The UNW policy is also silent on the supplier application and evaluation form. Unisa has this form and it is used to gather all the relevant information. The University of the North uses vendor certification. All suppliers who meet the requirements are put on a vendor list. With regard to UNW suppliers are entered in the system by using quotations.

15.8 Policies affecting external relationships and images

The purchasing and sales department of any organisation contributes heavily to the shaping of its public image. A good supplier relationship is needed by any organisation. It is difficult at UNW to develop a good supplier relationship because the policy allows users to communicate directly with suppliers.

Users are able to negotiate for discounts with suppliers on behalf of the purchasing division. This makes it difficult because the buying division will not know the negotiation skills users have, whether they negotiate in good faith or not. The Purchasing division will also not be in a position to know the problems the users have encountered with suppliers. This creates problems which will not be known to the buying division.

15.9 Purchase Orders

After a purchase order has been issued it is then forwarded to the supplier for them to deliver the ordered items. UNW purchase orders do not provide the following information; delivery dates, inspection procedures and the criteria to be used for quality control sampling. The orders do not have terms and conditions printed on the reverse side of delivered goods such as terms of payments, guarantees for defects, inspections, responsibility for risks and other aspects which may be considered legally important.

This creates a lot of problems as suppliers do not know the period at which the order may be cancelled. It also gives the supplier an opportunity to take his or her time before the delivery can be made. It also does not protect the procurement officer when he or she has to cancel the order as no delivery period is specified. The supplier also does not know the terms and conditions of purchase because they are not printed. As a result of these short-comings it is very difficult for the purchasing office to enforce timeous delivery from suppliers.

It is also not stated that goods supplied must comply with the provision of the occupational Health and Safety Act No. 85 of 1993 as is the case at Wits Technikon and other tertiary institutions.

15.10 Follow up and expediting of UNW Purchase Orders

Suppliers often send an acknowledgment of order indicating a firm's delivery date. Follow up occurs when orders are not received on delivery dates.

The University of North West procurement policies and procedures do not indicate delivery dates on orders. However orders are followed after a month and as a result purchasing officers are not legally protected especially when they have to cancel orders as there are no delivery period indicated.

15.11 Receipts inspection and distribution of UNW purchased items

In accordance with the UNW financial policies and procedure manual, deliveries should be done at respective departments and heads of departments must process Goods Receipts Notes. This arrangement poses a serious problem as it is possible for departments to claim to have received the goods and sign the invoice for goods never received. This is unlike at Wits Technikon where stock and non-stock commodities are received at the main stores. Stock items to be collected must be accompanied by an authorised requisition. Only furniture and heavy or large capital equipment are delivered to user departments.

The arrangement is a good internal control measure as goods are received by persons other than those who placed the order.

UNW LIBRARY

15.12 Handling of deliveries and rejections of items at UNW

This is also a loophole with regard to UNW procurement policies and procedures as goods are received at different departments. It is not possible for the purchasing division to know if some consignments were faulty and supplier relations may be affected.

15.13 Summary

The aim of this chapter was meant to present an analysis of the procurement policies and Procedures at the University of North West. The chapter reflects the definition of concepts such as policy and procedures with a view of clarifying these concepts. Therefore it examined procurement policies and procedures of different institutions. These policies and procedures reveal the steps involved and how these policies and procedures differ from one institution to the other.

Furthermore this chapter looked at procurement policies of various educational institutions in the republic of South Africa with a view of analysing the procurement policies and procedures of the University of North West. The chapter concluded by the analysis of the University of North West Procurement Policies and Procedures with a view of trying to look at what aspects are not included in it whereas they are included in the procurement policies of other institution.

This study revealed that there were some aspects that were not included in the policy and as such this may create some problems. There was no clear cut policy concerning ethical practices and the support for small medium and micro enterprises. There was also no policy affecting external relationships and image. There were a number of gaps that were identified that needed to be added to the policy and procedures of the University of North West to put it in line with procurement policies and procedures of other educational institutions.

CHAPTER 3

RESEARCH DESIGN

3.1 INTRODUCTION

This Chapter outlines methods of research of this study. It reflects the rationale behind the methodology used and how the research was conducted. The theoretical framework is provided in Chapter two (2) and the purpose of the study as stated in Chapter one (1) was a guiding force in this investigation.

3.2 DATA COLLECTION

The methods of data collection were determined by the purpose of the study as stated in chapter one. Therefore the methods used for data collection were a questionnaire and document analysis.

3.2.1 Document analysis

This study involved, to a great extent the use and analysis of documents. Various procurement policies and procedures of different tertiary institutions were used. According to Bell (1993:68) a document is a general term for an impression left by a human being on a physical object.

3.2.2 Questionnaire

In the empirical investigation of this study a self-administered questionnaire was employed as a data collection instrument.

3.2.2.1 Development of the questionnaire

The aim of the questionnaire was to gather information on the analysis of procurement policies and procedures at the University of North-West. The strategy used to develop the items in the questionnaire was mainly derived from the literature reflected in Chapter two. A structured type of questionnaire was used for data collection.

According to Bless and Higson-Smith (1995:3) a research design can be understood as the planning of any scientific research from the first to the last step. It is a programme to guide the researcher in collecting, analysing and interpreting observed facts. Very often this process is described as research management or planning. According to Chadwick et al (1984), research design can be reduced into five steps, namely, planning the project, designing procedures, gathering data, analysing data and report results.

Cooper and Schindler (1988:287) argue that a research design can be classified by the approach used to gather primary data. According to Mouton (1988:1) one of the main styles of social science research used by empirically minded social scientists in all disciplines is qualitative research: a style of investigation also called field research, ethnographic research, the interpretative approach and the case study method.

The methodology applied in this research was qualitative in nature and the instrument used in this study was a questionnaire. Chadwick et al (1984:100) state that survey research is the most widely used method of data collection in the social sciences. There are two main types of survey methods; the interview and the questionnaire.

3.2.2.2 Format and content of the questionnaire

The questionnaire was divided into two sections (Appendix B). The questions in Section A, that is questions 1 to 8, were meant to elicit biographical information of the respondents. The questions in Section B that is questions 1-37 were meant to gather the views of the respondents regarding procurement policies and procedures at the University of the North West.

These questions were constructed in such a way as to enable the respondents to provide direct and indirect answers, perceptions and views regarding procurement policy and procedures of the University of North West.

3.2.2.3 Pre-testing the questionnaire

In order to determine the relevance of the questionnaire with regard to the respondents' understanding questions and their interpretations, the questionnaire was pre-tested using a sample of three respondents whose responses were not considered for analysis of the data.

The respondents were asked to complete the questionnaire and to comment on any questions that seemed to affect the intended purpose. The suggestions made by the respondents were given careful consideration to improve the questionnaire.

3.2.2.4 Final questionnaire

Having considered all the amendments, a final questionnaire was distributed to members of the University of North West. The distribution was made to academic staff members, administrative staff members, academic support services staff members and the technical staff. Care was taken to ensure that only those employees who were responsible for buying in their departments were given copies of the questionnaire.

3.2.2.5 Covering letter

A covering letter explaining the purpose of the study and assuring the respondents that the information given would be treated with confidentiality and that they would not be singled out for analysis accompanied the questionnaire (Appendix A).

3.3 POPULATION

The study was conducted at the University of North West from which the sample for the survey was drawn. This is an institution of higher learning in the Republic of South Africa. It is situated in the capital of North West Province, Mafikeng.

The population of the study consisted of deans, heads of departments or units and managers who are responsible for procurement of goods and services in their respective departments. A total number of seventy (70) potential respondents were targeted and only forty six (46) staff members returned completed questionnaires to the researcher. The sample size for this study was therefore forty six (46).

The researcher used the non probability sampling method of purposive sampling. The reason for using this method was to make sure that, members of staff who had particular experience or expertise in procurement were selected. The sample was truly representative in the sense that it represented all employees who were charged with the responsibility of buying in their respective departments.

Copies of the questionnaire were distributed during the month of July 2003. Participants were requested to return the completed copies by internal mail as soon as possible. Only forty six (46) copies were returned during the month of August 2003 and the beginning of September 2003.

Data were presented in table form and analysed by using percentages and frequency tables.

CHAPTER 4

DATA ANALYSIS AND INTERPRETATION

4.1 Introduction

The previous chapter described the research design of the study. This chapter reports on the results of the emperical investigation conducted to gather the views of staff members of the University of North West with regard to the procurement policies and procedures of the university. This chapter therefore focuses on the respondents and the presentation and analysis of data collected from university staff members on their expectations and analysis of procurement policies and procedures of the University of North West. The researcher through the assistance of an experienced statistician used software SPSS 11.0 for windows to analyse data. This software used frequency tables and graphs.

4.2 Respondents

A total number of seventy (70) potential respondents were targeted for this study. Copies of the questionnaire were distributed to UNW Staff members who are responsible for buying in their respective departments or units. They were distributed to all departments including members of the stores and purchasing division. Only forty six (46) respondents returned completed copies of the questionnaires to the researcher. Those who did not respond in time were followed-up telephonically and personally and they gave an excuse of work related problems.

4.3 Biographical data

The biographical data of the respondents were obtained in order to determine the gender, division of the university in which they work, whether academic, administrative or technical.

4.3.1 Gender

Out of forty six (46) responses received, only 19 were female and 27 were males. This indicates that most of the respondents were from the male group.

4.3.2 Age

The highest number of respondents was between the ages 36-45 years.

4.3.3 Marital status

Most of the respondents (31) were married people.

4.3.4 Education

Out of forty six (46) respondents, twelve (12) were in possession of matriculation certificates, nine (9) diplomas, ten (10) undergraduates and fifteen (15) post graduate degrees.

4.3.5 Occupation

Out of forty six (46) respondents twenty nine (29) were administrative, eight academic and eight technical. Most respondents were administrative staff.

4.3.6 Work Experience

The majority of the respondents were between 11-15 years in the employ of the University.

4.3.7 Frequency Table

Table 4.1 shows responses of respondents in terms of gender, 4.2 in terms of age, 4.3 marital status, 4.4 education and 4.5 occupation.

Table 4.1 Gender of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	27	58.7	58.7	58.7
	Female	19	41.3	41.3	100.0
	Total	46	100.0	100.0	

Table 4.2 Age of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	26-35yrs	14	30.4	30.4	30.4
	36-45yrs	17	37.0	37.0	67.4
	45 and above	15	32.6	32.6	100.0
	Total	46	100.0	100.0	

Table 4.3 Marital Status of Respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	31	67.4	67.4	67.4
Married	2	4.3	4.3	71.7
	11	23.9	23.9	95.7
Unmarried	2	4.3	4.3	100.0
	46	100.0	100.0	
Single				
Divorced				
Total				

Table 4.4 Education of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Matric	12	26.1	26.1	26.1
	Diploma	9	19.6	19.6	45.7
	Degree	10	21.7	21.7	67.4
	Postgraduate Degree	15	32.6	32.6	100.0
	Total	46	100.0	100.0	

Table 4.5 Occupation of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Administrative	29	63.0	64.4	64.4
	Academic	8	17.4	17.8	82.2
	Technical	8	17.4	17.8	100.0
	Total	45	97.8	100.0	
	Missing System	1	2.2		
	Total	46	100.0		

Table 4.6 Number of years at University of North West

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0-5yrs	3	605	6.5	6.5
	6-10yrs	15	32.6	32.6	39.1
	11-15yrs	19	41.3	41.3	80.4
	16-20	8	17.4	17.4	97.8
	21yrs and over	1	2.2	2.2	100.0
	Total	46	100.0	100.0	

4.4 Analysis and Evaluation of the findings

Table 4.4.1 Soundness of procurement policy manual

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	2	4.3	4.4	4.4
	D	13	28.3	28.9	33.3
	U	5	10.9	11.1	44.4
	A	25	54.3	55.6	100.0
	Total	45	97.8	100.0	
	Missing System	1	2.2		
	Total	49	100.0		

Table 4.4.1 above shows that 54.3% of the respondents agreed that the University of North West has sound procurement policies and procedures manual, 10.9% were uncertain, 28.3% of the respondents disagreed and 4.3% strongly disagreed. The aim of this question was to ascertain if the respondents are happy with the procurement policy of university of North West. It was evident that the majority of the respondents agreed that the University of North West (UNW) has a sound procurement manual.

Table 4.4.2 Policy Manual and user departments

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	6	13.0	13.0	13.0
	D	13	28.3	28.3	41.3
	U	4	8.7	8.7	50.0
	A	23	50.0	50.0	100.0
	Total	46	100.0	100.0	

Table 4.4.2 provides a summary of the responses to the question whether procurement policy and procedures of UNW addressed the need of user departments, 50% of the respondents agreed with the above question, 8.7% of the respondents were uncertain, 28.3% disagreed and 13% of the respondents strongly disagreed. This really shows that on average the procurement policy and procedure manual of the university addresses the needs of user departments.

Table 4.4.3 Unnecessary procedures to be scrapped

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	23	50.0	53.5	53.5
No	20	43.5	46.5	100.0
Total	43	93.5	100.0	
Missing	3	6.5		
System	46	100.0		
Total				

From the above table fifty per cent (50%) of the respondents agreed that there are other procedures that needed to be scrapped, 43.5% did not agree that there are some procedures that needed to be scrapped and 6.5% were uncertain.

Those who believe that there are some that should be scrapped recommended the following changes:-

* Most respondents felt that the issue of quotations should be revised.
* Red tape be reduced and Procurement Officer be empowered to take decisions on behalf of management.
* Purchasing of Technological equipment and software for research be left to departments.

* Buying of books be left to the University Librarian.
* Executive Deans and Heads of Departments be allowed to authorise Purchase Orders up to R20 000.00. The Procurement Officer should only audit the process afterwards.

Table 4.4.4 UNW procurement policies and procedures and policies of other tertiary institutions

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	5	10.9	10.9	109
	D	9	19.6	19.6	30.4
	U	20	43.5	43.5	73.9
	A	12	26.1	26.1	100.0
	Total	46	100.0	100.0	

Table 4.4.4 indicated that 26.1% of the respondents agree that UNW procurement policy is in line with procurement policies of other institutions, 43.5% of the respondents are uncertain, 19.6% disagreed and 10.9% strongly disagreed. It really shows that most of the staff members never gave themselves time to find out how other tertiary institutions procure goods and services for their respective institutions.

Table 4.4.5 comparison of UNW procurement policy and procedures and other tertiary institutions in terms of its effectiveness and efficiency.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	4	8.7	8.7	8.7
	D	11	23.9	23.9	32.6
	U	16	34.8	34.8	67.4
	A	15	32.6	32.6	100.0
	Total	46	100.0	100.0	

In responding to the question whether University of North-West has efficient procurement policy and procedures manual as compared to other institutions 32.6% of the respondents indicated that UNW has an effective policy, 34.8% of respondents were uncertain, 23.9% disagree and lastly 8.7% of the respondents strongly disagree.

Table 4.4.6 ethics in UNW procurement policy and procedures

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	3	6.5	6.7	6.7
	D	12	26.1	26.7	33.3
	U	13	28.3	28.9	62.2
	A	15	32.6	33.3	95.6
	SA	2	4.3	4.4	100.0
	Total	45	97.8	100.0	
	Missing	1	2.2		
	System	46	100.0		
	Total				

Table 4.4.6 indicated that 4,3% of the respondents strongly agreed that the policy addressed ethical issues, 32.6% agreed, 28.3% of the respondents were uncertain, 26.10% disagreed and 6.5% strongly disagreed. This is an indication that the majority of UNW staff members are aware of ethical issues in procurement which is really good.

Table 4.4.7 UNW procurement manual and the procuring of goods and services

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	6	13.0	13.0	13.0
	D	12	26.1	26.1	39.1
	U	3	6.5	6.5	45.7
	A	21	45.7	45.7	91.3
	SA	4	8.7	8.7	100.0
	Total	46	100.0	100.0	

In table 4.4.7, 8.7% of the respondents strongly agreed that the manual enables users to buy goods of the right quality at the right price and right quantities and place, 45,7% agree, 6.5% of the respondents were uncertain, 26.1% disagreed and 13% strongly disagreed. On average employees of UNW were happy with the procurement policy and procedures.

Table 4.4.8 UNW Procurement Policy regarding supplier relations.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	5	10.9	10.9	10.9
	D	11	23.9	23.9	34.8
	U	12	26.1	26.1	60.9
	A	16	34.8	34.8	95.7
	SA	2	4.3	4.3	100.0
	Total	46	100.0	100.0	

In table 4.4.8, 4.3% of the respondents strong agreed that the policy ensures sound lasting relations with reliable suppliers, 34.8% agreed, 26.1% were undecided, 23.9% disagreed and 10.9% strongly disagreed. The question was asked to find out whether UNW staff members are aware of the need to have a good lasting relation with suppliers. Most staff members believe that the policy ensures sound lasting relations with reliable suppliers.

Table 4.4.9 quotations

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	8	17.4	17.4	17.4
	D	13	28.3	28.3	45.7
	U	3	6.5	6.5	52.2
	A	15	32.6	32.6	84.8
	SA	7	15.2	15.2	100.0
	Total	46	100.0	100.0	

In table 4.4.9, 15.2% of the respondents strongly agreed that there was always a need to look for quotations irrespective of the amounts, 32.6%, agreed, 6.5% uncertain, 28.3% disagreed with the statement and 17.4% strongly disagreed. This question was asked in order to find out whether respondents are happy with the present arrangements. However, most respondents were happy with the present arrangements.

Table 4.4.10 The overall procurement policies and procedures manual

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	17	37.0	37.0	37.0
	No	29	63.0	63.0	100.0
	Total	46	100.0	100.0	

In table 4.4.10 sixty three percent (63%) of respondents were not comfortable with the overall procurement policies and procedures of the university, thirty seven percent (37%) of the respondents were comfortable.

Those who were not comfortable came with the following:-

* No provisions for emergencies, too much red tape.
* To much centralisation delay progress.
* Suggested some form of decentralisation.
* Procurement officers must be represented in all committees responsible for buying e.g. Tender Committee.
* Library must be allowed to make their own purchases.
* More powers to procurement officers.
* Input from users in formulating procurement policy and procedures.

Table 4.4.11 Clearly defined UNW procurement policy and procedure manual

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	4	8.7	8.7	8.7
	D	13	28.3	28.3	37.0
	U	11	23.9	23.9	60.9
	A	17	37.0	37.0	97.8
	SA	1	2.2	2.2	100.0
	Total	46	100.0	100.0	

In table 4.4.11, 2.2% of the respondents strongly agreed that the policy is clearly defined, 37% also agreed with the statement, 23.9% were uncertain, 28.3% disagreed and 8.7% strongly disagreed. The majority of the respondents understand what the policy required.

Table 4.4.12 Expectation in terms of requirement

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	5	10.9	10.9	109
	D	13	28.3	28.3	39.1
	U	5	10.9	10.9	50.0
	A	20	43.5	43.5	93.5
	SA	3	6.5	6.5	100.0
	Total	46	100.0	100.0	

In table 4.4.12, 6.5% strongly agreed that user department know what is expected of them, 43.5% also agreed with the statement, 10.9% uncertain, 28.3% disagreed and 10.9% strongly disagreed. It emerged that on average staff members knew exactly what was required.

Table 4.4.13 Participation by users in the formulation of procurement manual

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	22	47.8	47.8	47.8
	D	19	41.3	41.3	89.1
	U	5	10.9	10.9	100.0
	Total	46	100.0	100.0	

Table 4.4.13 indicated responses with regard to participation by user departments in the formulation of the procurement policy and procedures manual, 10.9% of the respondents were uncertain, 41.3% disagreed and 47.8% strongly disagreed. The objective of this question was to find out whether user departments participated in the formulation of the manual of UNW. It came out clear that 89.1% indicated that they were not involved in the formulation of the policy.

4.4.14 Financial authorisation by UNW procurement officer

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	21	45.7	46.7	46.7
	No	24	52.2	53.3	100.0
	Total	45	97.8	100.0	
Missing		1	2.2		
System		46	100.0		
Total					

In table 4.4.14, 52.2% of the respondents indicated that the financial authorization by procurement officer is not enough, 45.7% indicated that it is enough. This question was asked to the respondents in order to determine whether they were happy with the limit given to the procurement officer.

It is evident that the majority were not happy. Most of them recommended that the procurement officer should approve all the orders except those that have to go through the tender committee in order to speed up the process.

Table 4.4.15 Authority to approve purchase orders

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Procurement officer	39	84.8	88.6	88.6
	Finance manager	5	10.9	11.4	100.0
	Total	44	95.7	100.0	
	Missing system	2	4.3		
	Total	46	100.0		

In table 4.4.15 above 84.8% of the respondents indicated that purchase orders should be approved by procurement officers 10.9% indicated that the finance manager should approve purchase orders.

Table 4.4.16 Conditions of purchase

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	44	95.7	97.8	97.8
	No	1	2.2	2.2	100.0
	Total	45	97.8	100.0	
	Missing System	1	2.2		
	Total	46	100.0		

In table 4.4.16, 95.7% of the respondents indicated that it is very important for conditions of purchase to be printed on the Purchase Order.

UNW LIBRARY

Only 2.2% indicated that it is not necessary. This question was asked to determine from the respondents whether they know the importance of having these conditions printed overleaf.

Table 4.4.17 Contractual obligations with suppliers

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	42	91.3	93.3	93.3
	No	3	6.5	6.7	100.0
	Total	45	97.8	100.0	
	Missing System	1	2.2		
	Total	46	100.0		

In table 4.4.17, 91.3% of the respondents agreed that there should be that contractual consequences for those suppliers who fail to deliver on time. Only 6.5% said it is not necessary.

Table 4.4.18 Limitations/loopholes with procurement policy and procedures

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	20	43.5	51.3	51.3
	No	19	41.3	48.7	100.0
	Total	39	84.8	100.0	
	Missing System	7	15.2		
	Total	46	100.0		

In table 4.4.18, 43.5% of the respondents admitted that there are loopholes in the UNW procurement policy and procedures and 41.3% indicated that there were no loopholes. This question was asked in order to determine whether there were loopholes in the policy so that they could be addressed.

Those who responded by saying there were loopholes cited a number of reasons:-

* The need for closed quotations does not solve problems because users may consult first with the suppliers and strike a deal before the supplier sent a quotation to the purchasing officer in a sealed envelope.
* There is no provision for supplier evaluation as such the university may tend to lose good suppliers.
* After authorisation of requisition there is no other method to check where the requisition is.
* There is a loophole of insider trading by user departments for personal gains.

Table 4.4.19 Distribution of copies of procedure manual to users

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	20	43.5	51.3	51.3
	No	19	41.3	48.7	100.0
	Total	39	84.8	100.0	
	Missing System	7	15.2		
	Total	46	100.0		

In table 4.4.19, 97.8% of the respondents indicated that copies of the procurement manual must be distributed to the user departments and only 2.2% indicated that it was not necessary to distribute such copies.

Table 4.4.20 Reformulation of procurement policy and procedures

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	3	6.5	6.5	6.5
	D	1	2.2	2.2	8.7
	U	1	2.2	2.2	10.9
	A	19	41.3	41.3	52.2
	SA	22	47.8	47.8	100.0
	Total	46	100.0	100.0	

In table 4.4.20, 47.8% of the respondents strongly agreed that UNW Procurement Policy and Procedures must be reformulated or revised, 41.8% also agreed with the statement, 2.2% was undecided, 1% disagreed and 6.5% strongly disagreed. It really showed that the majority of the respondents were not happy with UNW procurement policy and procedures.

Table 4.4.21 Control by heads of departments

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	3	6.5	6.5	6.5
	D	1	2.2	2.2	8.7
	U	1	2.2	2.2	10.9
	A	19	41.3	41.3	52.5
	SA	22	47.8	47.8	100.0
	Total	46	100.0	100.0	

In table 4.4.21, 37% of the respondents agreed that UNW procurement policy allows heads of departments to be in full control of purchases in their respective departments, 6.5% were undecided and 23.9% disagreed while 26.1% strongly disagreed and 6.5% strongly agreed.

Table 4.4.22 Provision to curb fraudulent transactions

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	23	50.0	52.3	52.3
	No	21	45.7	47.7	100.0
	Total	44	95.7	100.0	
	Missing System	2	4.3		
	Total	46	100.0		

In table 4.4.22, 50% of the respondents agreed that the policy make provisions to curb fraudulent transactions, 45.7% did not agree with the statement. This question was asked in order to determine whether the policy does have control measures in place.

Table 4.4.23 Centralised UNW purchasing function

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	8	17.4	17.8	17.8
	D	14	30.4	31.1	48.9
	U	6	13.0	13.3	62.2
	A	11	23.9	24.4	86.7
	SA	6	13.0	13.3	100.0
	Total	45	97.8	100.0	
	Missing System	1	2.2		
	Total	46	100.0		

In table 4.4.23, 30.4% of the respondents disagreed with the statement that the purchasing function of UNW is centralised. While 23.9% agreed with the statement, 13% were undecided, 13% strongly agreed and 17.4% strongly disagreed.

Table 4.4.25 User participation in obtaining quotations

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	30	65.2	66.7	66.7
	NO	15	32.6	33.3	100.0
	Total	45	97.8	100.0	
	Missing System	1	2.2		
	Total	46	100.0		

In table 4.4.24, 65.2% of the respondents felt that it is necessary for user departments to participate in the process of obtaining quotations from suppliers while 32.6 disagreed. This question' s objectives were to check if the university can still stuck to the present arrangement. The majority of the respondents believed that the status quo can still remain.

Table 4.4.25 Threats posed by users when obtaining quotations

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	9	19.6	19.6	19.6
	D	17	37.0	37.0	56.5
	U	12	26.1	26.1	82.6
	A	7	15.2	15.2	97.8
	SA	1	2.2	2.2	100.0
	Total	46	100.0	100.0	

In the above table 4.4.28, 37% of the respondents disagreed with the statement, that when users obtain quotations from suppliers, this can pose a serious threat to supplier relations, 15.2% of the respondents agreed with the statement, 2.2% strongly agreed and 19.6% strongly disagreed.

Table 4.4.26 Unethical behaviour by users

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	5	10.9	10.9	10.9
	D	14	30.4	30.4	41.3
	U	9	19.6	19.6	60.9
	A	13	28.3	28.3	89.1
	SA	5	10.9	10.9	100.0
	Total	46	100.0	100.0	

In table 4.4.26, 30.4% of the respondents disagreed with the statement that unethical behaviour could occur because users were allowed to obtain quotations from suppliers, 19.6% were undecided, 28.3% of the respondents agreed with the statement, 10.9% strongly agreed and 10.9% strongly disagreed.

Table 4.4.28 Negotiations with suppliers by user departments

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	9	19.6	19.6	19.6
	D	13	28.3	28.3	47.8
	U	6	13.0	13.0	60.9
	A	15	32.6	32.6	93.5
	SA	3	6.5	6.5	100.0
	Total	46	100.0	100.0	

In table 4.4.27, 32.6% of the respondents indicated that users must be allowed to negotiate with suppliers for discounts, 28.3% disagreed, 13% were undecided, 6.5% strongly agreed and 19.6% strongly disagreed.

Table 4.4.28 Obtaining of quotations by user departments

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	23	50.0	52.3	52.3
	No	21	45.7	47.7	100.0
	Total	44	95.7	100.0	
	Missing System	2	4.3		
	Total	46	100.0		

In table 4.4.28, 50% of the respondents did not see anything wrong with users obtaining quotations from suppliers, 45.7% did not agree with the statement.

Table 4.4.29 Written policy regarding ethical practices

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	44	95.7	95.7	95.7
	No	2	43	4.3	100.0
	Total	46	100.0	100.0	

In table 4.4.29, 95.7% of the respondents were for the idea that a written policy regarding ethical practices should be incorporated in the UNW procurement manual, only 4.3% of the respondents were not in favour.

Table 4.4.30 Obtaining of quotes from suppliers by users

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	32	69.6	71.1	71.1
	No	13	28.3	28.9	100.0
	Total	45	97.8	100.0	
	Missing System	1	2.2		
	Total	46	100.0		

In table 4.4.30, 69.6% of the respondents believed that users must be allowed to look for quotations. Only 28.3% indicated that users should not be allowed to look for quotations.

Table 4.4.31 cost effectiveness of suppliers selection through purchasing consortium

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	6	13.0	13.3	13.3
	D	9	19.6	20.0	33.3
	U	8	17.4	17.8	51.1
	A	15	32.6	33.3	84.4
	SA	7	15.2	15.6	100.0
	Total	45	97.8	100.0	
	Missing System	1	2.2		
	Total	46	100.0		

In table 4.4.31, 32.6% of the respondents agreed that the selection of suppliers through Purco Contracts is cost effective, 17.4% of the respondents were undecided, 19.6% disagreed with the statement, 15.2% strongly agreed and 13% strongly disagreed.

This shows that the majority of respondents still believe that the use of Purco contracts is cost effective.

Table 4.4.32 Placement of purchase orders with the lowest quoted suppliers

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	19	41.3	43.2	43.2
	No	25	54.3	56.8	100.0
	Total	44	95.7	100.0	
	Missing System	2	4.3		
	Total	46	100.0		

In table 4.4.32, 54.3% of the respondents did not agree that when an order is placed with the lowest quoted supplier money can be saved, 41.3% of the respondents agreed to the statement. This is an indication that price is not the only deciding factor. There are other factors that should be taken into account when making an analysis or determining which supplier to buy from.

Table 4.4.33 Delivery of goods

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	25	54.3	55.6	55.6
	No	20	43.5	44.4	100.0
	Total	45	97.8	100.0	
	Missing System	1	2.2		
	Total	46	100.0		

In table 4.4.33, 54.3% of the respondents believed that goods must be delivered at respective departments and 43.5% did not agree with the statement.

Table 4.4.34 Handling of deliveries and rejection

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Departments	19	41.3	42.2	42.2
	Central Stores	26	56.5	57.8	100.0
	Total	45	97.8	100.0	
	Missing System	1	2.2		
	Total	46	100.0		

In the above table 4.4.34, 56.5% of the respondents believed that handling of deliveries and rejections must be done at the central stores while 41.3% believe that it must be at the respective departments.

Table 4.4.35 Analysis of invoices

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Finance department	20	43.5	46.5	46.5
	Purchase section	23	50.0	53.5	100.0
	Total	43	93.5	100.0	
	Missing Total	3	6.5		
	Total	46	100.0		

The above table 4.4.35, 50% of the respondents indicated that invoice must be analysed at the purchasing section while 43.5% believe that it should be at Finance Department.

Table 4.4.36 Objectives of the Procedures manual

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	15	32.6	36.6	
	No	26	56.5	63.4	
	Total	41	89.1	100.0	
	Missing System	5	10.9		
	Total	46	100.0		

In table 4.4.36, 56.5% of the respondents indicated that UNW procedure manual does not indicate the manual's objectives while 32.6% believe that it does. This question was asked to find out whether users are aware of the objectives of procurement policies and procedures. The responses showed that the majority believe that the manual does not cover that.

Table 4.4.37 Support of procurement policy by top management

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	18	39.1	43.9	43.9
	No	23	50.0	56.1	100.0
	Total	41	89.1	100	
	Missing System	5	10.9		
	Total	46	100.0		

In table 4.4.37, 50% of the respondents indicated that the procurement policy does not have the support of top management, 39.1% indicated that management support the procurement policy. The objective of this question was to find out if management assist the purchasing division to enforce the laid down policies and procedures. However it emerged that management does not support this policy.

UNI LIBR

4.5 Summary

This chapter dealt with the analysis of data collected from employees of the university of North West who are responsible for buying in their respective departments, with the main aim of analysing UNW procurement policies and procedures. The data were presented in a tabular form using frequency tables as well as percentages.

The result of the questionnaire are intended to serve as a basis for any further investigation and the contribution to the body of knowledge in the procurement policies and procedures by fellow scholars. A brief summary of the study, conclusions and recommendation will be presented in the next chapter.

CHAPTER 5

SUMMARY, FINDINGS AND RECOMMENDATIONS

5.1 Introduction

The previous chapter dealt with the analysis and interpretation of data. This chapter basically gives the findings of the previous chapter and thereafter provides recommendations which might be useful to the University of North-West.

5.2 Summary of the study

Chapter one, introduced the research topic which was an analysis of procurement policies and procedures at the University of North West. It also dealt with the background to the study, the objectives of the study, statement of the problem, scope of the study and significance of the study.

Chapter two reflected the literature reviewed for this study to establish and recognise what other authors had to say with regard to procurement policies and procedures. An attempt was made to place the research problem into the context of theoretical background for the study.

Chapter three, focused on the research design and indicated the survey as the method used for data collection, the format and content of the questionnaires and how those questionnaires were administered.

Chapter four, presented views of the respondents on the analysis of procurement policies and procedures and these views were examined and analysed.

5.3 Findings of the study

The general research result is that the majority of the employees at the university of North West were not involved or did not participate in the formulation of procurement policies and procedures. The participants felt that these procedures were imposed on them.

With regard to the objective, to determine whether the procurement policy and procedures at UNW met the needs of the University Community, the research findings reflect that:-

The procurement policy and procedures manual does address the needs of the university community as reflected in table 4.4.2 of the questionnaire. The respondents were in favour of the procurement policy and procedure of UNW. However there is still a lot that has to be done as 28.3% of the respondents disagreed, 13% of the respondents strongly disagreed and 8.7% of the respondents were undecided. Care should be taken that the other 41.3% of the respondents are taken on board with regard to objective two (2) so as to close any gaps or limitations that might have been identified.

It was also indicated by respondents that there is a need to incorporate a written policy regarding ethical practices in the overall procurement policies and procedures. This is reflected in table 4.4.29 in which 95% of the respondents indicated that they were in favour of the move. This is very important as university employees will know exactly what is ethical and what is not ethical with regard to procurement of goods and services.

With regard to this objective 45.7% of the respondents agreed with the above statement. However 26.1% disagreed and 13% of the respondents strongly disagreed with the statement while 6.5% of respondents were undecided.

Objective six, was meant to determine whether UNW procurement policy ensure sound lasting relations with reliable suppliers.

The research findings reflect that 34.8% of the respondents agreed with the statement and 4.3% of the respondents strongly agreed with the statement while 26.1% of the respondents are undecided and 23.9% disagreed.

5.4 Recommendations

In view of what the study has revealed about the procurement policies and procedures, the following may be recommended:-

* The procurement policy and procedure manual of the UNW must be revised and user departments must be involved in the whole process. This will assist university management in making sure that all significant aspects have been included in the manual and top management must give its full support. The manual should also be formulated in line with the government' s preferential procurement policy framework Act No.5 of 2000.

* Some form of decentralisation should be allowed especially for low value orders. This will speed up the delivery of services.

A certain limit of R700.00 should be allowed to enable Heads of Departments to authorise and issue purchase orders in their respective departments. A low value order book may be introduced and all departmental heads should have a copy. The procurement officer will audit the process every month and to make sure that everything is in order.

The purchasing function should be fully centralised with the exception of the buying of books which must be left to the librarian. With regard to low value orders up to R700.00 end user departments should not be allowed to look for quotations but should just be provided with an order book to make purchases at their respective departments.

A clear policy regarding ethical practices for buyers should be incorporated in the overall procurement policy and procedures manual. The said policy will not only make purchasing officers and managers act ethically but would in addition make them to be above suspicion with regard to unethical behaviours.

Copies of UNW procurement manual should be distributed to both suppliers and user departments to enable them to know what is required of them. Suppliers will be aware of policy and procedures on matters such as payments of accounts, tenders, processing of discrepancies etc. The manual should also include aspects of supplier relations.

In order to assist staff in the purchasing division to follow up and expedite outstanding orders, the following information should be written on the purchase order, namely, the delivery date, quality and discounts, inspection procedures and the criteria to be used for quality control purposes.

The terms and conditions of purchase should also be printed on the reverse side of the purchase order, for example, terms of payment, guarantees for defects, inspections, responsibility. This would speed up the delivery of items purchased.

5.5 Conclusion

It is true that in order for the University of North West to continue in maintaining its objectives and striving for a position of leadership, it is imperative that tertiary institutions strive for cost effectiveness in every area. Acquisition of goods and services makes up a significant portion of the university budget and therefore provide with excellent opportunities for cost reduction and control of management responsibilities.

It is in the light of the above that the primary responsibility of the procurement division is the acquisition of goods and services with the objective that they will be consistent with the considerations of best price, quality and service. While this research has identified some of the limitations or gaps within the procurement policy of UNW, it is imperative that the procurement policy must be detailed and written in a user friendly manner so that it can be understood by all stakeholders.

It should also have the support of top management. Lack of support will make the university to fail to fulfil its objectives to the university community and the entire South African community.

This study is only limited to the University of North West. It is hoped that similar studies may be extended to other South African universities by interested researchers.

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APPENDIX A

DEAR RESPONDENT

I am a student at the University of North West pursuing a Master of Business Administration Degree in Financial Management.

Attached is a questionnaire that I would like you to complete and return to me as soon as possible. This questionnaire is part of a study I am conducting towards the fulfillment of the Degree of Master of Business Administration in Financial Management.

The topic in this regard is an analysis of procurement policies and procedures at the University of North West.

The information given will be kept confidential and no one will be singled out for analysis. Please express your answers frankly and honestly as you are assured of anonymity. The study is solely done for academic purposes.

Your completion and return of the questionnaire will hopefully be of mutual benefit. For any further clarification please feel free to contact the writer at telephone number 389-2094.

Thank you in advance for your co-operation in this study.

.....

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LIBRARY

APPENDIX B

SECTION A

(DEMOGRAPHIC CHARACTERISTICS)
PLEASE TICK THE APPROPRIATE BOX

1. Gender.

Male	
Female	

2. In which age group do you belong?

16 – 25 years	
26 – 35 years	
36 – 45 years	
46 & above	

3. Marital status.

Married	
Unmarried	
Single	
Divorced	

Other specify .....

4. Education.

Std 8 and less	
Matric	
Diploma	
Degree	
Post Graduate Degree	

Other specify .....

5. Occupation.

Administrative	
Academic	
Technical	

Other specify .....

6. For how long have you been working at UNW?

0 - 5 years	
6 - 10 years	
11 - 15 years	
16 - 20 years	
21 years and over	

SECTION B

GENERAL QUESTIONS

To what extent do you agree with the following statements with regard to University of North-West Procurement Policies and procedures manual? **Place an X in the appropriate block.**

1. Generally the University of North-West has a sound procurement policies and procedures manual.

1	Strongly disagree	
2	Disagree	
3	Undecided	
4	Agree	
5	Strongly agree	

2. The procurement policy and procedure manual of UNW addresses the needs of user departments.

1	Strongly disagree	
2	Disagree	
3	Undecided	
4	Agree	
5	Strongly agree	

3. In terms of Procurement Policies and Procedures of UNW do you feel that there are other procedures that are no longer necessary and needed to be scrapped?

Yes	
No	

If yes which procedures

.....

4. Procurement policy and procedures of UNW is in line with procurement policies of other institutions.

1	Strongly disagree	
2	Disagree	
3	Undecided	
4	Agree	
5	Strongly agree	

5. UNW has effective and efficient procurement policy and procedure manual as compared to other institutions.

1	Strongly disagree	
2	Disagree	
3	Undecided	
4	Agree	
5	Strongly agree	

6. UNW Procurement Policy and procedures manual addresses ethical issues.

1	Strongly disagree	
2	Disagree	
3	Undecided	
4	Agree	
5	Strongly agree	

7. UNW procurement manual enables user departments to buy the right requirement (quality) in the right quantities at the right time and at the right price from the right source and with delivery at the right place.

1	Strongly disagree	
2	Disagree	
3	Undecided	
4	Agree	
5	Strongly agree	

8. UNW procurement policy ensures sound lasting relations with reliable suppliers.

1	Strongly disagree	
2	Disagree	
3	Undecided	
4	Agree	
5	Strongly agree	

9. There is always a need to look for quotations irrespective of the amount.

1	Strongly disagree	
2	Disagree	
3	Undecided	
4	Agree	
5	Strongly agree	

10. Are you comfortable with the overall procurement policies and procedures of the University?

Yes	
No	

If no, what should be improved?

.....

.....

11. Procurement policy and procedure manual is clearly defined.

1	Strongly disagree	
2	Disagree	
3	Undecided	
4	Agree	
5	Strongly agree	

12. User department know exactly what is expected of them.

1	Strongly disagree	
2	Disagree	
3	Undecided	
4	Agree	
5	Strongly agree	

13. User departments participated in the formulation of the procurement manual.

1	Strongly disagree	
2	Disagree	
3	Undecided	
4	Agree	
5	Strongly agree	

14. Do you think financial authorisation of the procurement officer is enough?

Yes	
No	

If no, up to which amount should he or she approve Purchases?

.....

15. Who should approve or authorise purchase orders.

Procurement Officer	
Financial Manager	
DVC Admin & Finance	
Deputy Registrar	

16. Do you think it is important to have the conditions of purchase printed on the purchase order document?

Yes	
No	

17. Do you think there should be any contractual consequences for those suppliers who fail to deliver on time?

Yes	
No	

18. Are there any loopholes or limitations in UNW procurement policy and procedures manual?

Yes	
No	

If yes what are those

.....

19. **Do you think copies of procedure manual should be distributed to user departments and suppliers?**

Yes	
No	

20. There is a need for the procurement policy and procedures of UNW to be revised so that they can enable the institution to function effectively and efficiently.

1	Strongly disagree	
2	Disagree	
3	Undecided	
4	Agree	
5	Strongly agree	

21. Do you think the procurement policy allows the head of the section to be in full control of the division?

1	Strongly disagree	
2	Disagree	
3	Undecided	
4	Agree	
5	Strongly agree	

22. Does the policy make provisions to curb fraudulent transactions?

Yes	
No	

23. The Purchasing function of UNW is centralised.

1	Strongly disagree	
2	Disagree	
3	Undecided	
4	Agree	
5	Strongly agree	

24. Is it necessary for user departments to be allowed to participate in the process of looking for quotations from accredited suppliers?

Yes	
No	

25. Do you think the user departments to be allowed to look for quotations from suppliers will pose a serious threat to supplier relations?

1	Strongly disagree	
2	Disagree	
3	Undecided	
4	Agree	
5	Strongly agree	

26. It is possible that unethical behaviour can occur since users are allowed to look for quotations.

1	Strongly disagree	
2	Disagree	
3	Undecided	
4	Agree	
5	Strongly agree	

27. Users are allowed to negotiate for discounts with suppliers on behalf of purchasing departments.

1	Strongly disagree	
2	Disagree	
3	Undecided	
4	Agree	
5	Strongly agree	

28. Do you think this should be allowed refer to question 27.

Yes	
No	

29. A written policy regarding ethical practices should be incorporated in the procurement policy and procedure manual.

Yes	
No	

30. Do you think user departments should also be allowed to look for quotations from suppliers?

Yes	
No	

31. Selection of suppliers through Purchasing Consortium Contracts is cost effective and not time consuming.

1	Strongly disagree	
2	Disagree	
3	Undecided	
4	Agree	
5	Strongly agree	

32. Do you think a Purchase Order should be placed with the lowest quoted supplier and whether this can save the University a lot of money?

Yes	
No	

33. Do you think delivery of goods should be done at respective departments and heads of departments must process Goods Receipts Notes?

Yes	
No	

34. Handling of deliveries and rejections should be handled at...

Department	
Central Stores	

35. Invoices should be analysed at....

Finance Department	
Purchase section	

36. Do you think UNW procedure manual indicates the manual' s objectives?

Yes	
No	

37. Do you think the policy has the support of top management?

Yes	
No	