



ST STITHIANS
COLLEGE

PROCUREMENT POLICY

(31 July 2025)

Approved by:

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| Claire Watson | Celeste Gilardi | Emma Mashilwane |
| College Responsible Representative | College Rector | Council Chair |
| 31 July 2025 | 31 July 2025 | 31 July 2025 |
| Date | Date | Date |

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1. DEFINITIONS AND ACRONYMS

The following acronyms and definitions bear the meanings assigned to them in this policy:

- 1.1. **“Agent”** means a Person or Company (external technical representative) who acts on behalf of the College.
- 1.2. **“B-BBEE”** means Broad-Based Black Economic Empowerment.
- 1.3. **“CAPEX”** means Capital/Projects/Building Expenditure.
- 1.4. **“OPEX”** means operational expenditure.
- 1.5. **“P&D”** means Planning and Development.
- 1.6. **“PO”** means Purchase Order.
- 1.7. **“RFx”** means including but not limited to: Tender, Bid, Request for Information (RFI), Request for Proposal (RFP), Request for Quotation (RFQ).
- 1.8. **“SPR”** means St Stithians Procurement Representatives or delegated Procurement Agent.
- 1.9. **“TEAR”** means Tender Evaluation & Adjudication Report.
- 1.10. **“Budget Holder”** means a budget holder is the person within The College who is responsible for managing and controlling a specific budget. This includes ensuring that spending stays within the allocated funds and that expenditures are aligned with the organisation’s goals and policies.
- 1.11. **“Donations”** mean voluntary gifts or contributions, usually in the form of money, goods, or services, given without expecting anything in return.
- 1.12. **“CAPEX”** stands for Capital Expenditures — the funds a company uses to acquire, upgrade, or maintain long-term assets such as buildings, machinery, technology, or equipment.
- 1.13. **“Governors”** are individuals who serve on any committees of The College.
- 1.14. **“OPEX”** stands for Operating Expenses — the ongoing costs a business incurs through its normal day-to-day operations.
- 1.15. **“Policy Deviation Notice”** is a formal document used to record and communicate any intentional departure from established policies, procedures, or standards. It ensures that deviations are transparent, justified, and approved by the appropriate authority.
- 1.16. **“Procurement Procedure”** is a structured set of steps and guidelines that an organisation follows to acquire goods, services, or works from external suppliers in a legal, efficient, and cost-effective manner.
- 1.17. **“Purchase Requisition”** is an electronic notification used within an organisation to request the purchase of goods or services. It is usually submitted by an employee or department to the procurement department for review and release for approval before a purchase order (PO) is created.
- 1.18. **“Sponsorship”** is a business arrangement in which a company or individual provides money, products, or services to the College, in exchange for promotional benefits or brand exposure.
- 1.19. **“The College”** is defined as St Stithians College and Thandulwazi Maths and Science Academy.

2. OVERVIEW

2.1. Policy Objective

St Stithians College is committed to the implementation of this Procurement Policy (hereafter referred to as the “Policy”) and its associated Procedure. The College will embark on a journey that supports its members in ensuring that these best-in-class procurement processes and good governance principles are applied as detailed in this Policy.

2.2. General

- 2.2.1. This Policy is applicable to governors, employees, agents and suppliers of St Stithians College (hereafter referred to as “the College”).
- 2.2.2. This Policy must be read in conjunction with ANNEXURE 1 – PROCUREMENT CODE OF ETHICS and ANNEXURE 2 – BROAD-BASED BLACK ECONOMIC EMPOWERMENT TARGETS, which Annexures are formally incorporated into this Policy; and the St Stithians College Procurement Procedure (hereafter referred to as the “Procurement Procedure”).
- 2.2.3. The purpose of the Policy is to provide the principles and framework associated with the procurement of goods and services for all Capital (hereafter referred to as “CAPEX”) and Operational Expenditure (hereafter referred to as “OPEX”).
- 2.2.4. The Policy aims to ensure that the College’s governance requirements are adhered to at all times.
- 2.2.5. The Policy aims to guarantee that all procurement processes are carried out in a manner which mitigates risk, is fair, transparent, and delivers value for money for the College.
- 2.2.6. Through robust procurement processes resulting in the selection of suitable suppliers, the College will ensure that its commercial, social and environmental objectives are achieved.
- 2.2.7. This document details and provides specific requirements, objectives and principles which are to be applied when sourcing, tendering, procuring, ordering and the receiving of goods and services for the College.
- 2.2.8. The decision as to whether goods or services are procured for the purpose of being used, performed in-house or as an outsourced service, is an Executive Management decision.
- 2.2.9. The College encourages and supports the provision of goods and services by parents, past parents, and alumni of children attending the College, subject to the guidelines set out in ANNEXURE 1 – PROCUREMENT CODE OF ETHICS, and in accordance with conflict of interest provisions, the College’s best interests, and without prejudice to the College. All transactions will comply with the College’s procurement processes. The College reserves the right to discontinue purchasing from any parents and past parents of children attending The College, or alumni of The College, if there is non-compliance with procurement policies and procedures. All quotes or proposals will be evaluated fairly against established criteria, and the College retains the right to select an alternate service provider if necessary.
- 2.2.10. All Sponsorships and Donations of goods and/or services from parents, past parents, or alumni to the College must not be made with the expectation of receiving

favourable treatment or preferential consideration in any College-related matters. All donations must be offered voluntarily and without any obligation on the part of the College to provide special treatment or advantages to the donor. The College will ensure that all donations are evaluated in accordance with the procurement policies and procedures, maintaining fairness, transparency, and integrity. Any attempt to influence decisions or processes through donations will be considered a breach of the College's ethical standards and may result in the rejection of the donation or future dealings with the donor.

2.2.11. All donations made to The College are irrevocable and cannot be withdrawn or reclaimed by the donor.”

2.2.12. Staff members and staff family members are prohibited from supplying the College with goods and/or services.

2.3. Broad-Based Black Economic Empowerment Principles

2.3.1. This Policy, ,ANNEXURE 1 – PROCUREMENT CODE OF ETHICS attached hereto and the Procurement Procedure provides guiding principles which ensure that the College’s procurement activities contribute towards the Broad-Based Black Economic Empowerment (hereafter referred to as “B-BBEE”) **objectives of South Africa.**

2.3.2. In implementing this Policy, the College intends to contribute to the transformation of the South African economy by supporting, through its procurement and tendering practices, companies owned by previously disadvantaged individuals. The College also seeks to promote small business development.

2.3.3. The College shall ensure that the B-BBEE targets detailed in the ANNEXURE 1 – PROCUREMENT CODE OF ETHICS hereto are achieved.

2.4. Contravention of this Policy

Failure by any St Stithians College employee to act in accordance with the provisions of this Policy and/or failure to act with integrity during the conduct of any procurement activities on behalf of the College, may result in disciplinary action, in accordance with the relevant Human Resources Disciplinary Procedures.

3. SCOPE OF THIS POLICY

3.1. Save for the exclusions listed in 2.6 below, St Stithians Procurement Representative (hereafter referred to as “SPR”) is responsible for the management of all procurement activities for goods and services required by the College in partnership with the Budget Holders.

3.2. The College’s Head of Finance will be responsible for the management and overseeing of all Procurement activities.

3.3. The SPR oversees the administration and facilitation of the end-to-end Procurement process detailed in the Procurement Procedure.

3.4. This Policy is applicable to all employees of the College (and their Agents) involved, in any way, with the sourcing and procurement of goods and/or services for the College’s educational, operations and/or capital and/or building projects.

- 3.5. Deviations from this Policy are only permitted once a Policy Deviation Notice has been approved in strict accordance with the Procurement Procedure, authorised by the Rector as the Chief Executive Officer and the Head of Finance (or their delegated representatives).
- 3.6. In the following instances, it is not necessary to generate a Purchase Requisition and Purchase Order (hereafter referred to as a "PO") or enter into a Legal Contract:
 - 3.6.1. Personal reimbursements not relating to procurement activities
 - 3.6.2. Credit card purchases
 - 3.6.3. Utility services;
 - 3.6.4. Temporary Labour/Weekly paid contractors.

4. PROCUREMENT GOVERNING PRINCIPLES

4.1. Procurement Approaches and Types:

All procurement at the College can be classified into one of the following procurement types and each procurement process is detailed in the Procurement Procedure.

4.1.1. Procurement Approaches

4.1.1.1. Tactical Procurement:

i. Definition:

Tactical spend refers to purchases made for immediate operational needs. These are usually routine, low-value, and non-critical expenses.

ii. Key Characteristics:

- Short-term focus
- Reactive purchasing (on-demand, as needed)
- Lower value or non-critical items
- Often involves multiple, ad-hoc suppliers
- Less emphasis on long-term supplier relationships
- Examples: General stationery, Branded merchandise, Catering, Flowers, IT Peripherals (keyboards, mice, etc.

4.1.1.2. Strategic Procurement:

i. Definition:

Strategic spend focuses on high-value, long-term procurement decisions that align with the organisation's goals and competitiveness.

ii. Key Characteristics:

- Long-term focus
- Proactive planning and supplier management
- High-value, high-impact purchases
- Involves key supplier partnerships & negotiations
- Requires detailed market research and risk assessment
- Examples: long-term IT, Catering, Cleaning contracts, Maintenance, Capital equipment, Textbooks, Sports Equipment, Guest Speakers, Specialist Consultants, Training programs, certifications, conferences, and workshops
- Are frequent or specialised, unique and high in contract value; and/or

- Are only supplied by limited or sole suppliers; and/or
 - Require a formal contract mitigate the high risks associated with the transactions.
- iii. This procurement process should result in a long term (one to a five year) Legal Contract being signed by the supplier and the College.
 - iv. Strategic, Approved Capital, Refurbishment and Maintenance Projects will be defined as the procurement of the College's requirement (goods and services) for capital/ building projects as included in the budget approved by Council on an annual basis;
 - v. When required, the College may elect to utilise a Request for Information (RFI) process to prequalify suppliers to be included on the College bidders list prior to issuing an RFP to potential bidders in the market for a specific Capital/Building/Project Scope of Work/Service;
 - vi. This procurement process should result in a Legal Contract being signed by the supplier and the College for the duration of the project.
 - vii. A primary objective of good procurement practice is the promotion of fair and transparent competition and wide access to the procurement process. Quotations and tenders are instruments to achieve this objective. The aim is to find an appropriate balance between competition, practical feasibility and the efficiency, cost effectiveness of the process and quality of goods and/pr service.
 - viii. The prescribed monetary (VAT inclusive) and delegated limits to determine the commercial process required (quotations or tenders) are presented in table below.
 - ix. Prescribed monetary and delegated limits for quotations and tenders:

| Tactical Purchases | |
|---------------------------|--|
| Monetary Limit | Commercial Process Required |
| R0 – R999 | No quote required |
| R1000 – R14 999 | One written quotation |
| R15 000 – R39 999 | Two written quotations |
| R40 000 – R299 999 | Three written quotations |
| R3000 000 and over | Formal RFQ process – at least four suppliers must be invited |

| Strategic, Approved Capital, Refurbishment and Maintenance Projects | |
|--|---|
| Monetary Limit | Commercial Process Required |
| R1 – R40 000 | At least one quotation |
| R40 001 – R350 000 | At Least two written quotations |
| R350 001 – R1 000 000 | At least three written quotations |
| R1 000 001 onwards | Closed tender – at least four suppliers must be invited |

- 4.1.2. Purchase Requisitions will be submitted via Fraxion (procurement software). A system generated purchase order is the official document which must be communicated to the supplier when placing an order. Invoices must reflect the Fraxion purchase order number when submitting for payment; invoices that do not reflect the invoice number will be rejected.

- 4.1.3. Purchase requisitions are thoroughly reviewed and released for approval by the Procurement Department to ensure full compliance with the College's procurement policy. This process helps maintain transparency, accountability, and alignment with established guidelines, ensuring that all purchases meet the required standards and budgetary considerations. The approval of purchase requisitions will be conducted in accordance with the established Levels of Authority. This ensures that all approvals align with the College's governance structure, maintaining accountability and compliance with internal policies.
- 4.1.4. A preferred supplier is one that has undergone a proposal and/or quotation comparison process and been selected as the best option for the College, managed by the Procurement Department. A negotiated cost has been fixed over a period of time. The preferred supplier list will be reviewed every 2 years for tactical spend and every 3-5 years for strategic spend.
- 4.2. Purchases made through a preferred supplier as defined in point 4.1.5 are exempt from following the quotation matrix and will remain on the preferred supplier list for 2 years for tactical spend or 3-5 for strategic spend, as these suppliers have already met the College's established criteria for quality, pricing, and reliability. This streamlines the purchasing process while ensuring that the College continues to receive competitive value.
- 4.3. **Conflict and Declaration of Interest**
A conflict of interest arises when a person or entity involved in the procurement process has a personal, financial, or other interest that could improperly influence their actions or decisions. This includes, but is not limited to, situations where an individual has a financial stake, a personal relationship, or other connections that might compromise their objectivity.
 - 4.3.1. An annual Declaration of Interests will be completed by all members of the College's Council and Senior Management Team.
 - 4.3.2. All College employees and members of the adjudication committee (or their Agents), who are involved in any way, in the procurement process, must declare upfront all interests, either direct or indirect, which they may have with any of the bidders on the Bidders List, and recuse themselves from the evaluation process to avoid any perceived or actual favouritism in the procurement process.
 - 4.3.3. The declaration of interest should be completed and submitted to the Head of Finance and should include details of the nature of the conflict.
 - 4.3.4. Failure to disclose any conflict of interest may result in disciplinary action.
 - 4.3.5. All College governors (person or companies) (Council, Trust, Council sub-committee members and their companies), or their Agents, may not be considered as a bidder to participate in a tender or quotations process.
- 4.4. **Gifts and Entertainment**
 - 4.4.1. All College employees are to maintain the highest standard of integrity in all business relationships by rejecting any practices which could reasonably be deemed as improper. By accepting inappropriate gifts or entertainment which may result in unnecessary embarrassment or damage the College's reputation. Specific concerns

arise when the acceptance of entertainment and gifts is in any way connected with an actual or perceived potential business transaction.

- 4.4.2. Employees are strictly prohibited from accepting gifts of any value that:
- Could be perceived as a bribe or an attempt to influence business decisions.
 - Are of significant value, including but not limited to, cash or items worth more than R500 unless approved by Head of Finance.
 - Are intended to create a conflict of interest or appearance of impropriety.
- 4.4.3. Any gift that exceeds the acceptable value limit of R500 must be approved by the SPR or Head of Finance before it can be accepted. The SPR or Head of Finance will review the circumstances and provide a decision within 3 business days.
- 4.4.4. All gifts and entertainment, in relation to Procurement, whether accepted or declined and irrespective of value – must be disclosed and registered on a St Stithians Gifts and Entertainment Register which will be maintained by each College Department and School.
- 4.4.5. On an annual basis, the Head of Finance will conduct an audit of the St Stithians Gift and Entertainment Register. The gift register must be forwarded to the SPR the end of every financial year (31 December) and reviewed by the Head of Finance.
- 4.4.6. Employees must not give gifts to suppliers or contractors that could be perceived as an attempt to influence their business relationship.

4.5. Contract Creation

- 4.5.1. Contracts will be created, negotiated, executed and managed by the SPR, or their duly appointed legal Agent, in collaboration with the end-user/budget holder, if required.
- 4.5.2. A Legal Contract shall be concluded for the procurement of goods and/or services that are categorised as:
- Strategic;
 - Capital/Building/Projects.

4.6. Contract Approval, Letter of Award, Amendments and Extensions

- 4.6.1. All Contract/letter of award amendments must be approved in line with the College Authorisation Matrix.
- 4.6.2. Strategic contracts may be contracted for a 5-year term, with a 1-year extension subject to mutual agreement by both parties upon the expiration of the initial term.
- 4.6.3. Contract/letter of award amendments greater than ten percent (10%) with a maximum of R 1 million of the original Contract value shall not be allowed without a duly authorised Deviation Notice, this is in terms of the capex policy and levels of authority. Where the requested Contract/letter of award amendment results in a significant deviation from the initial Scope of Work/Service of the current Contract/letter of awards, the Head of Finance shall review the circumstances, and may approve the Contract amendment, request a new Contract to be placed or a new procurement process be initiated.
- 4.6.4. Contract extensions may not exceed 12 months, without a duly authorised Deviation Notice for expenses contracts and 24 months for income contracts.
- 4.6.5. Contracts may only be extended twice.

4.7. Supplier Onboarding

The supplier onboarding procedure must be followed for vendor selection and adjudication, as stipulated in the Procurement Procedure.

5. SEGREGATION OF DUTIES

The following rules are applicable to procurement at the College:

- 5.1. The SPR will compile the Contracts and complete the Contract checklist. The Contracts will be signed by the College Rector (or the Rector's formally delegated authority) as per the College LOA.
- 5.2. A minimum of two (2) people will open the tender proposals received from the bidders.
- 5.3. The end-user/budget holder that has requested the procurement of goods or service, may not issue a tender or manage the procurement process.
- 5.4. All Proposals received during a procurement process for Strategic and Capital Project procurement will be reviewed and adjudicated by both a technical and a financial representative of the College.
- 5.5. The end-user/budget holder that requested the goods or services may not compile the Contract.
- 5.6. A minimum of two (2) people from the College will sign the delivery note/for goods being delivered to the College.
- 5.7. The person/s involved in the procurement process should not be involved in the payment of the supplier's invoices.

6. EMERGENCY PROCUREMENT

Emergency procurement guidelines:

- 6.1. In the event of an emergency where immediate procurement of goods, services, or construction is necessary to prevent serious disruption to operations, safeguard public health, safety, or welfare, or protect property, the standard procurement procedures may be waived.
- 6.2. An emergency must be declared by the Head of Department/School.
- 6.3. The emergency situation must require immediate action, making compliance with normal procurement timelines impractical or impossible.
- 6.4. The scope and duration of any emergency procurement shall be limited to only what is necessary to address the emergency.
- 6.5. Procurement under emergency conditions should be conducted with transparency, competitive pricing where feasible, and documented justification for the emergency.
- 6.6. Efforts should be made to obtain quotes or bids as soon as practicable, even during the emergency.
- 6.7. All emergency procurements shall be reported to the SPR within 7 days for review and inclusion in regular procurement reports.
- 6.8. A full review of emergency procurements shall be conducted after the emergency to evaluate compliance and inform future policy adjustments.

7. REFERENCE DOCUMENTS

The following documents should be read in conjunction with this Policy:

- 7.1. St Stithians Procurement Procedure;
- 7.2. College Authorisation Matrix/Levels of Authorisation Procedure;
- 7.3. Staff Discipline Procedure;
- 7.4. Complaints And Whistleblowing Policy;
- 7.5. Anti-fraud, Corruption and Bribery Policy;
- 7.6. Saints Charter;
- 7.7. The St Stithians Code of Good Practice (2007);
- 7.8. Diversity Plan/Transformation Statement.

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Author & Owner: Head of Finance

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ANNEXURES

ANNEXURE 1 – PROCUREMENT CODE OF ETHICS

1. PURPOSE

- 1.1. This document provides a set of Policy guidelines by which all the St Stithians College's (hereafter referred to as "the College") employees should be bound when interacting with suppliers. While procurement and purchasing ethics may be interpreted subjectively, this document recommends a Policy that is as unambiguous as possible. The acceptance and adherence to the principles contained herein protects not only the interests of the College but those involved in the procurement and purchasing processes.
- 1.2. The College regards integrity, commitment, professionalism, transparency, the identification of risk, and prudence as central to every aspect of the College's activities.

2. INTRODUCTION

- 2.1. The operating and capital expenditure of the College is substantial and utilises a considerable network of suppliers. The importance of the College's relationship with its suppliers, the impact of ethical practices in this relationship and the College's reputation, is summed up in the following excerpt:

"Although purchasing has developed somewhat into a science of its own, its decisions remain largely a matter of personal judgment and it is necessarily carried on, to a great extent, through personal contacts and relationships. The purchaser is the custodian of the (College's) funds, responsible for their conservation and prudent expenditure. Moreover, through contacts and dealings with suppliers, the purchaser is a custodian of the (College's) reputation for courtesy and fair dealing.

For all these reasons, a high ethical standard of conduct is essential. The purchaser must not only act ethically, but must be above the suspicion of unethical behaviour. Such conduct is seen as an essential pre-requisite for the promotion and maintenance of good supplier relationships."
(Steward F. Heinritz; "Purchasing; Principles and Applications")

- 2.2. It is important to note the following:
 - 2.2.1. Several suppliers to the College are directly or indirectly involved with one or more of the schools within the College, adding an important dimension to the relationship;
 - 2.2.2. The economic health of suppliers can be affected by the conduct and behaviour of the College;
 - 2.2.3. The integrity and reputation of the College is dependent on how employees interact with suppliers and with those, perhaps, already directly or indirectly associated with the College.
- 2.3. All College employees will observe the highest ethical principles when entering into procurement and purchasing interactions with suppliers.
- 2.4. These principles are summarised in the following guidelines:
 - 2.4.1. Personal interests which may impinge on impartiality when dealing with suppliers will be declared in a Declaration of Interests to the College's Executive Committee on an annual basis.

- 2.4.2. Confidential information received in the course of duty will be respected. Information given in the course of duty will be true and fair.
- 2.4.3. Any procurement and purchasing arrangement which hinders fair competition among potential suppliers should be avoided.
- 2.4.4. Gifts or hospitality which may be seen to influence an employee to prefer one supplier over another will not be given or received.
- 2.4.5. Procurement and purchasing from a supplier may not depend upon a reciprocal relationship with the College.
- 2.4.6. No employee may use the procurement and purchasing influence of the College for personal purchases of any kind.
- 2.4.7. All procurement and purchasing agreements will be made with the College as purchaser – no other relationship with a supplier will affect this arrangement;
- 2.4.8. No employee will use the College's procurement and purchasing influence to obtain preferential prices beyond that the supplier would usually provide.
- 2.4.9. No item will be acquired in contravention of copyright laws. No software and printing publications in particular will be acquired through illegal copying.
- 2.4.10. Any requirements prescribed by South African law will be identified and complied with in all cases.

3. DECLARATION OF INTEREST

- 3.1. A conflict of interest can arise when an employee is involved in a personal activity which may interfere with the interests of the College.
- 3.2. Any perceived interest which may impinge or might reasonably be perceived by others to affect the judgment of the employee to the detriment of the College and/or its suppliers must be avoided.
- 3.3. All outside interests which fall within this category must be disclosed to the College's Executive in writing every twelve (12) months. Interest of this type can be financial, i.e. an investment in a company supplying goods to the College. Indirect interests could include family members whose interests may affect the objectivity of an employee.

4. CONFIDENTIALITY OF OFFICIAL INFORMATION

- 4.1. Confidential information received in the course of duty must be respected and should not be used for personal gain.
- 4.2. The College's interest must be protected by dealing confidentially with College and supplier information.
- 4.3. College or supplier information which is generally not available to the public may not be disclosed.
- 4.4. No College or supplier information should be disclosed to external parties, unless warranted.
- 4.5. It is not the College's intention to exclude suppliers in which College employees may have a personal interest from providing or delivering services. These suppliers could provide an efficient and effective service, at a reasonable price, to the benefit of the College.
- 4.6. Where a St Stithians Procurement Representative or a supplier is in possession of inside or confidential information of which competitors have no knowledge, that individual or

company is being unjustly favoured. Such information should not be used for personal gain.

- 4.7. College tender documents must include a clause whereby College employee interests can be disclosed by the tenderer/supplier.
- 4.8. Information that is provided to suppliers or to any party involved in the purchaser/supplier relationship must be true and accurate at all times.

5. FAIR COMPETITION AMONG SUPPLIERS

A long-term relationship with a supplier can be to the advantage of the College provided that the relationship does not exclude fair competition in the marketplace for the College's business. Particular caution is needed where these potentially restrictive relationships between the College and an existing supplier are based on a personal relationship between an employee of the College and a counterpart of the supplier.

6. UNDUE INFLUENCE CAUSED BY GIFTS, ENTERTAINMENT AND HOSPITALITY

- 6.1. In the interests of maintaining a good relationship with parents and/or suppliers, an employee will not accept any favours which may influence the employee to prefer one parent or supplier over another.
- 6.2. In order to maintain existing relationships or secure additional business, suppliers may invite a College employee to luncheons, dinners or even donate gifts. Any gift from a supplier or parent which may alter the judgment of a College employee to accept terms that would not normally be accepted should be considered unethical and not be entertained.
- 6.3. It is important that the timing of such gifts be considered. Under no circumstances may gifts or entertainment be accepted by any employee during a procurement process relating to the adjudication of tenders, contract and price negotiations for goods and services.
- 6.4. Moderate hospitality is an accepted courtesy of a "business" relationship. However, the recipients should not allow themselves to reach a point where they might be considered to have been influenced in making a purchase decision as a result of accepting such hospitality.
- 6.5. It is suggested that only the following gestures be regarded as acceptable:
 - 6.5.1. Occasional lunches and dinners provided that the company is already a supplier of goods or services or with whom the College is not involved with negotiations;
 - 6.5.2. Advertising material, for use within the College environment, that has little or no real value and on which the name of the supplier is engraved;
 - 6.5.3. Tickets to local sporting events;
 - 6.5.4. Gift should not exceed a defined monetary value.
- 6.6. The frequency and scale of hospitality should not be significantly greater than a recipient's employer would be likely to provide in return. When in doubt as to what is acceptable in terms of gifts or hospitality, the offer should be declined, or advice sought from the Head of Finance.
- 6.7. All gifts and entertainment, whether accepted or declined and irrespective of value, must be disclosed and registered on a St Stithians Gifts and Entertainment Register, which each College department will maintain.

7. CONTRACTUAL AUTHORITY AND LIABILITY

- 7.1. To ensure that the College is not exposed to contractual liability through the actions of employees acting outside their limits of authority, it is necessary that such levels of authority are clearly documented, published, updated and adhered to.
- 7.2. Where an employee enters into an agreement, whether verbally or in writing, with an outside party the College could be committed contractually with the risk of irrecoverable loss.
- 7.3. It is the responsibility of Executive/Management to compile levels of procurement and purchasing authority matrices.

8. SHARP PRACTICES

- 8.1. The term “sharp practice” is best defined as evasion and indirect misrepresentation just short of actual fraud on the part of the purchaser. Illustrations of sharp practices include:
 - 8.1.1. Discussing large quantity purchases with a potential supplier in order to gain large volume discounts when, in fact, the actual requirements are small in volume that would not earn quantity discounts in the normal course of events;
 - 8.1.2. Inviting bids from suppliers whom the purchaser has no intention of patronising and using these quotations for the sole purpose of negotiating down other quotes from suppliers who are considered to be potential suppliers.
- 8.2. Sharp practices constitute misrepresentation by the employee concerned and the College, and must be avoided.
- 8.3. Although it is legitimately expected of a purchaser to make full use of the College’s purchasing power, this factor should operate to the mutual benefit of both the College and the supplier.

9. RECIPROCITY

- 9.1. Purchases from an authorised supplier should not be made on the basis that the supplier purchases services from the College. The College’s decision to use the services of a supplier must be totally independent from the supplier’s decision to utilize the services of the College, for whatever reason.
- 9.2. Where suppliers of identical goods and services compete for the College’s business, cognisance should be taken of existing relationships. Parents of children at the College, and alumni of the College, may be considered provided that support services etc., are comparable to that provided by other suppliers and the College is in no way prejudiced.

10. PURCHASES FOR PERSONAL USE

No employee may use the purchasing power of the College for personal purchases of any kind except with a recommendation from their head/manager and authorised by the Head of Finance.

11. PREFERENTIAL PRICES

This deals with the difference between a “best price” and a “preferential price”:

- 11.1. Procurement and purchasing agents for the College must try to obtain the best price for approved goods and services;
- 11.2. Volume or quantity discounts are normal and should be negotiated where possible;

- 11.3. However, no College procurement Representative/purchaser may knowingly incite or receive a preferential price (that is, a price lower than the supplier charges others for the same product where the quantities and methods of sale are the same) through manipulation or coercion or where the supplier is not acting on the basis of free will.

12. COPYRIGHT AND SOFTWARE PIRACY

- 12.1. Certain items purchased by the College, including books, other written material, videos, audiotapes, photographic material and computer software, are subject to copyright and, in some cases, “restricted use” clauses which are included in the purchase agreement.
- 12.2. To comply with local and international law, as well as the terms of a purchase agreement, no employee may copy or use these products in contravention of these laws and agreements.
- 12.3. In some cases, breach of copyright may result in severe financial penalties. Moreover, the relationship between the College and the supplier of these copyright materials could be severely compromised.

13. ETHICS AND RESTRICTIONS IMPOSED BY SOUTH AFRICAN LAW

While there is no South African legislation dealing directly with ethical practices in procurement and purchasing agreements, employees of the College entering into procurement, purchasing negotiations and agreements must assume responsibility for establishing any restrictions decreed by South African common law, now or in the future, and apply with such in all cases.

ANNEXURE 2 – BROAD-BASED BLACK ECONOMIC EMPOWERMENT TARGETS

1. The College shall on a termly basis measure, record and report on their actual B-BBEE discretionary spend achievements with transformed suppliers.
2. The Head of Finance shall on an annual basis update the B-BBEE targets for the next financial year, if required.
3. The B-BBEE Spend Targets for 2020 to 2027 are as follows:

| Year | B-BBEE Spend Targets on Discretionary Spend at levels 1 - 4 |
|-------------|---|
| 2020 – 2021 | 50% |
| 2022 – 2024 | 80% |
| 2025 – 2027 | 80% |
| | 10% on non-compliant suppliers where there is a niche or specialised market |

ANNEXURE 3 – SPECIAL NOTE FOR CAPITAL BUILDING PROJECTS

1. Membership of the Planning and Development (P&D) Committee is determined by the Constitution of the College.
2. The roles and responsibilities of the P&D Committee are determined by the Constitution of the College.
3. All major projects will be part of the College Facilities and Capex Plans, which are reviewed and updated at regular intervals by the Finance Committee (FinCom) of Council, with input from the College Executive and the P&D Committee. This process is determined by the Constitution of the College. All projects will be approved by the College Trust as part of the annual budget process. The amount will be reviewed by the Trust on a biennial basis and recorded in the minutes of the first P&D meeting following the change in amount.
4. The College Council will appoint a professional team, based on the recommendation of the Head of Operations and the P&D Committee. The professional team will be appointed for five (5) years and this appointment may be renewed every five (5) years.
5. All appointments will be in line with BBBEE targets as set out in the Procurement Policy.
6. The professional team will consist of the College Architect, Quantity Surveyor, Electrical Engineer, Structural Engineer and any other professionals considered necessary from time to time.
7. The College representatives will include the Rector, the Head of Finance and the Head of Operations, an independent expert and member of P&D and any elected senior staff member from the College if required for tenders or quotations.
8. The appointed professional team will be reimbursed in terms of their respective professional service agreements for all preliminary drawings, sketch plans etc., that may be required to establish the viability of any reasonably appointed project. Therefore, the members of the professional team may only be approached to render a service through the P&D Committee, after the Head of Operations and the P&D Committee have first approve the potential project.
9. The professional team may not be approached or appointed to work “at risk” without a valid Contract or Purchase Order.

College Architects

10. All proposed buildings on the campus (however funded) will be designed by the appointed College Architects, unless exceptional circumstances pertain. The Head of Operations and the P&D Chairman or the P&D Committee, P&D Chair of St Stithians College Endowment Fund Trust, Chair of the St Stithians College Council, Chair of the P&D Committee and the Rector shall be the sole arbiters as to whether exceptional circumstances do apply.
11. The appointed College Architects will be reimbursed in terms of the conditions of their professional service agreements for all preliminary drawings, sketch plans, etc., that may be required to establish the viability of any project. Therefore, the College Architects may only be approached to render such service through the P&D Committee, after the Head of Operations and P&D Committee have first approved the potential project. Architects other than the appointed College Architects may not be approached or appointed to undertake work "on risk".

Managing a project

12. Once the Annual Budget (including the Capex Budget) has been approved by the St Stithians College Endowment Fund Trust, the Rector, the Head of Operations and the P&D Chairman will establish the dates for completion of the different projects at least annually.
13. Key Role Definitions and Functions within the Procurement and Project Process include:
 - 13.1. Planning and Development (P&D) Committee roles:
 - 13.2. Prepares a programme and detailed brief with input from the Rector and any other relevant party (any member of College Executive, donor, OSA, etc).
 - 13.3. Appoints a Principal Agent. The Principal Agent may be a professional appointment (Architect, QS or Project Manager, or a volunteer of the P&D Committee or an independent expert).
 - 13.4. Approves the Project and project specific requirements;
 - 13.5. Approves the award of the Contract to the selected supplier/contractor.
14. The Role Players:
 - 14.1. The College and the P&D Committee will instruct the Principal Agent to instruct the professional team to proceed with the initial design and baseline documents, which must consist of the final brief, initial design, budget and programme;
 - 14.2. Where required, the Principal Agent is to ensure that the Architect obtain plan approval from the City Council of Johannesburg's Development Planning & Urban Management Department prior to any work commencing on the project.
 - 14.3. The Quantity Surveyor shall, based on the Scope of Work, establish the Cost Estimate, produce the tender Bill of quantities and administer the project financially to completion.;
 - 14.4. The College issues an RFI for Pre-Qualification purposes, as required;
 - 14.5. The College and P&D Committee select eligible contractors and draw up a tender list to be issued an RFP.
 - 14.6. The Procurement Process shall be implemented as per the Procurement Procedure.
 - 14.7. The Principal Agent and/or SPR shall ensure that all the required TEAR Recommendation approvals are obtained from the Tender and P&D Committee;
 - 14.8. The Principal Agent shall recommend to the tender committee the appointment of the successful tenderer.
 - 14.9. The Principal Agent with SPR shall prepare Contract documentation for signature by the Rector;
 - 14.10. The Principal Agent shall ensure that the Contract documentation is signed by the Contractor and in doing so appoint the successful supplier/s on behalf of the College
 - 14.11. The principal Agent must hand over the site to the contractor.
 - 14.12. The Principal Agent must hand over the completed building project back to the College, with a Maintenance Manual and all documents related to the project, i.e. plan approval, occupancy certificates, contracts, tenders, etc.
 - 14.13. The Principal Agent shall hold regular design and site meetings with minutes, which are circulated. Reports at regular intervals to the P&D Committee or the Chair of the Committee.

- 14.14. The Principal Agent, where applicable, must ensure that the Architect obtain an Occupancy Certificate from the City Council of Johannesburg's Development Planning & Urban Management
- 14.15. Department on completion of the project and prior to occupation.
- 15. Once the Project has commenced, members of the professional team may only communicate with the College through the Head of Operations and the Principal Agent on Contractual requirements. The Head of Operations is the nominated representative on all aspects of the Project, unless otherwise decided. Other staff members may not brief any member of the professional team.