

# B-BBEE (PREFERENTIAL PROCUREMENT) POLICY

[PUR005]



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## ANNEXURES

Definitions and abbreviations:

<b>B-BBEE</b>	Broad-Based Black Economic Empowerment
<b>DTI</b>	Department of Trade and Industry
<b>SMME</b>	Small, Medium and Micro-sized Enterprises





## 1. INTRODUCTION

B-BBEE aims to ensure that the economy is structured and transformed to enable meaningful participation of the majority of its citizens. B-BBEE is achieved in Specialised Entities through four pillars which include skills development, employment equity, socio-economic development, preferential procurement and enterprise and supplier development of small and medium enterprises. B-BBEE needs to be implemented in an effective and sustainable manner in order to unleash and harness the full potential of black people and to foster the objectives of a pro-employment developmental growth path.

Government has prioritised entrepreneurship and the advancement of SMMEs as the catalyst to achieving economic growth and development. The DTI take the lead in implementing SMME-related policies with the assistance of other government departments, public entities and institutions to ensure that procurement from SMME's are preferred and financial and non-financial assistance is provided to this sector, for its long-term prosperity and that of the country as a whole.

UCT supports B-BBEE and specifically Government's objective of SMME development. UCT believes that promoting the entry of black entrepreneurs and SMME's into the mainstream of the economic activity will be one of the key drivers for GDP growth and job creation to create an inclusive South African economy. This B-BBEE Procurement policy is aligned with Government's vision with the purpose of changing the procurement practices at UCT to specifically focus on the inclusion of black entrepreneurs and SMME's.

## 2. UCT SUPPLY CHAIN STRATEGIC VISION

The strategic vision of UCT is:

- To instil a culture within UCT that encourages sourcing of goods and services from B-BBEE companies and specifically Black SMME's in order for them to play a role in the economic market from which they were traditionally excluded.
- To provide for fair and equitable treatment of suppliers involved in procurement with UCT within the framework of this policy unless business dictates otherwise.
- To provide guidance to UCT Supply Chain to ensure compliance to DTI codes and to maximize UCT's B-BBEE score for DTI certification.

UCT will aim to achieve the strategic vision by implementing the following actions/objectives:

- Recording a process to support and document procurement decisions to ensure implementation of UCT's preferential procurement programme.
- Enhancing UCT's procurement status by encouraging suppliers to become contributors to B-BBEE and to improve their own contribution levels.
- Increasing the rand value of procurement-spend towards B-BBEE Enterprises.
- Increasing the number of B-BBEE Enterprises participating in UCT's procurement activities.

## 3. GENERAL

UCT's Preferential Procurement Policy is aligned with the following legislative Instruments:

- B-BBEE Act 53 of 2003 as amended.
- DTI's Amended B-BBEE Generic Codes of Good Practice.
- The Preferential Procurement Policy Framework Act, 2000: Preferential Procurement Regulations, 2017.





## 4. GOVERNING PRINCIPLES

- General
  - UCT shall award all contracts and purchase orders on a fair and equitable basis in line with this UCT Preferential Procurement policy, read with the UCT B-BBEE Preferential Procurement Guideline.
  - UCT will give preference to those suppliers that have a valid B-BBEE Certificate or affidavit, but will not exclude non-compliant suppliers of goods and services where it is in the interest of UCT to use such a vendor.
- Tenders
  - The UCT B-BBEE Preferential Procurement Guideline provide guidance to Evaluation Teams on how to include B-BBEE procurement criteria into the Evaluation Criteria of a tender to ensure that the B-BBEE impact of procurement decisions are taken into consideration.
  - The following principles may govern preferential procurement for tenders over R1 million, unless a deviation is required as determined in the Evaluation Criteria of the tender:

Value: R1m – R5m		
Open Tender	B-BBEE Scorecard	90/10
Closed Tender (selected bid list)	B-BBEE Scorecard	80/20
Value: R5m and above		
Open Tender	B-BBEE scorecard	90/10
Closed Tender (selected bid list)	B-BBEE Scorecard	80/20

- The B-BBEE Specialist should be part of the Evaluation Team for all tenders over R1 million.
- Suppliers with higher B-BBEE preference points should enjoy priority over suppliers with lower B-BBEE preference points; unless business dictates otherwise.
- Suppliers who do not submit B-BBEE verification certificates or are non-compliant contributors to B-BBEE, do not qualify for preference points for B-BBEE. However, they should not be disqualified from the bidding process.

## 5. RESPONSIBILITY, MEASUREMENT AND REPORTING

- The responsibility for the implementation of this policy rests with the Executive Management.
- It is the responsibility of all UCT employees who engage directly with suppliers to abide by this policy.
- Each existing supplier and/or potential supplier will be required to submit valid proof of their B-BBEE status, and it is the combined responsibility of the supplier and UCT's procurement research team to ensure that this information is valid and up to date.

## 6. CONTACT

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