

Umnga Farmers Training Group Contracting Policy

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1. Introduction

The Umnga Farmers Training Group (UFTG) is dedicated to promoting sustainable agricultural practices, enhancing farmers' skills, and improving livelihoods in the South African agricultural sector. This Contracting Policy establishes the principles and procedures for entering into contracts and agreements with various stakeholders, ensuring transparency, fairness, and compliance with legal standards.

2. Objectives

Standardisation: To standardise the process of contract creation, negotiation, approval, and management.

Compliance: To ensure all contracts comply with South African laws and regulations.

Transparency: To promote transparency and accountability in all contractual engagements.

Risk Management: To identify and mitigate potential risks associated with contractual agreements.

Efficiency: To streamline the contracting process to enhance operational efficiency.

3. Scope

This policy applies to all contracts entered into by UFTG, including but not limited to:

- Supplier contracts.
- Service agreements.
- Partnership agreements.
- Employment contracts.
- Lease agreements.
- Training and consultancy agreements.

4. Contracting Principles

- **Fair Competition:** Umnga Farmers Training Group is committed to promoting fair and open competition in its contracting processes. All potential vendors, suppliers, and service providers will be given equal opportunity to participate in bidding processes.
- **Transparency:** All contracting activities will be conducted transparently, with clear guidelines, criteria, and evaluation methods communicated to all stakeholders involved in the procurement process.
- **Value for Money:** Contracts will be awarded based on the principles of best value for money, considering factors such as quality, cost-effectiveness, reliability, and compliance with project requirements.

- **Ethical Conduct:** Umnga Farmers Training Group expects all parties involved in the contracting process to adhere to high ethical standards, including integrity, honesty, and professionalism, in their interactions and dealings.
- **Compliance:** Contracting activities will comply with relevant legal and regulatory requirements, as well as organizational policies and procedures, to ensure accountability and mitigate risks.
- **Sustainability:** Contracts should promote sustainable practices, particularly in environmental and social terms.

5. Contract Management Process

5.1. Contract Creation

- **Needs Assessment:** Identify the need for a contract and define objectives.
- **Drafting:** Prepare a draft contract using standard templates where applicable.
- **Review:** Internal review by the relevant department and legal counsel to ensure compliance and risk mitigation.

5.2. Negotiation

- **Stakeholder Engagement:** Engage all relevant stakeholders in the negotiation process.
- **Term Negotiation:** Negotiate terms and conditions to ensure they are fair and beneficial.
- **Documentation:** Document all changes and agreements made during negotiations.

5.3. Approval

- **Internal Approval:** Obtain approval from the appropriate authority within Umnga Farmers Training Group such as Board of Directors and/or Executive Committee.
- **Legal Review:** Final review by legal counsel to ensure all legal requirements are met.
- **Signatures:** Obtain signatures from authorised representatives of all parties involved.

5.4. Implementation

- **Communication:** Distribute the signed contract to all relevant parties.
- **Obligations Tracking:** Monitor and track the fulfilment of contractual obligations.
- **Compliance Monitoring:** Ensure ongoing compliance with contract terms and conditions.

5.5. Amendments and Modifications

- **Request for Amendment:** Any party seeking to amend the contract must submit a formal request.
- **Review and Approval:** Review the proposed amendments and obtain necessary approvals.
- **Documentation:** Document and sign the amendments as per the original contract procedures.

5.6. Renewal and Termination

- **Renewal:** Assess contracts nearing expiration and decide on renewal based on performance and strategic needs.
- **Termination:** Follow the agreed procedure for contract termination, ensuring compliance with termination clauses and legal requirements.

6. Roles and Responsibilities

- **Contract Owner:** Responsible for the day-to-day management and monitoring of the contract.
- **Legal Counsel:** Provides legal advice, reviews contracts, and ensures compliance with laws.
- **Executive Committee:** Approves high-value or high-risk contracts and amendments.
- **Finance Department:** Manages financial aspects related to contracts, including payments and budget compliance.
- **Human Resource Department:** Facilitates the sourcing of goods and services and manages supplier relationships.

7. Compliance and Auditing

- **Internal Audits:** Conduct regular internal audits to ensure compliance with this policy.
- **Training:** Provide training to staff on contracting procedures and legal requirements.
- **Reporting:** Regularly report on contract performance and compliance to the Executive Committee.

8. Dispute Resolution

- **Negotiation:** Attempt to resolve disputes through negotiation and mutual agreement.
- **Mediation:** If negotiation fails, seek mediation from an impartial third party.
- **Arbitration/Litigation:** As a last resort, resolve disputes through arbitration or litigation, in accordance with South African law.

9. Vendor Relations

- Umnga Farmers Training Group will strive to build positive and collaborative relationships with its vendors, suppliers, and service providers based on mutual respect, trust, and professionalism.
- Vendors will be treated fairly and respectfully throughout the contracting process, with clear communication, timely feedback, and prompt payment for services rendered.
- The performance of vendors and contractors will be periodically evaluated based on predefined key performance indicators (KPIs), including quality of service, timeliness, responsiveness, and compliance with contractual obligations.

10. Policy Review and Updates

This policy will be reviewed annually or as needed to ensure it remains relevant and compliant with any changes in laws or organizational needs. Updates and revisions will be approved by the Executive Committee.

11. Conclusion


The Umnga Farmers Training Group is committed to conducting its contractual dealings with integrity, transparency, and in compliance with all applicable laws. This policy provides a structured approach to contracting, ensuring all agreements are managed effectively to support the group's mission and objectives.

12. Contact Information

For any questions or further information about this policy, please contact:

- **Executive Director:** Johann Stassen
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Approval details of the policy

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| Approved by | Board of Umnga Farmers Training Group NPC |
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| Signature: Name: Johann Stassen Position: Executive Director |  |