PURPOSE OF PROCUREMENT

The overall purpose of this procurement policy is to ensure that the South African Veterinary Council [SAVC] gets the highest quality of desired goods and services at the best price possible. Further, the policy is aimed at streamlining the process of procurement while maintaining adequate controls.

These procurement procedures apply to all Councillors and staff members involved in the procurement process and apply to all types of procurement.

PROCUREMENT REPRESENTATIVES

The Finance Committee, the Registrar, Deputy Director Finance and Office Administrator and Debtor clerk.

The Finance Committee meets as per its Terms of Reference [TOR] and makes recommendations to Council.

Recommendations include:

i) Receives quotations/ tenders/ proposals from the Administration for amounts exceeding R 15 000;

ii) Recommendations regarding appointment of expertise to draft proposals on requirements. For example, upgrade of the SAVC’s data base system; procurement of office space;

iii) Recommendations to Council regarding the funds for proposals; and

iv) Recommendations to Council regarding funds available and regarding the best proposals.

SEPARATION OF DUTIES

There shall be proper separation of duties between:

i) The Finance Committee; the Registrar and Deputy Director Finance; the Deputy Director Finance and the Office Administrator; the Office Administrator and the debtor clerk;

ii) The Finance Committee makes recommendations to Council;

iii) Council approves the budget based on quotations and on appointments made by Council. The Executive Committee of Council makes interim decisions based on recommendations by the Finance Committee;

iv) The Office Administrator will ensure that the goods supplied are satisfactory;

v) The Heads of Department will ensure that the service provider claims are satisfactory;

vi) The Debtor clerk will accept goods into the office and will maintain the Asset Register;

vii) The Deputy Director Finance will make payments; and

viii) The Registrar and/or the chairperson of the Finance Committee will authorise payments.

PROCUREMENT PLANNING

Procurement planning is part of the annual budgeting and review of the budget process.

Council committees make recommendations to Council and these Council approved recommendations are factored into the budget. Each departmental head is responsible for planning his/her project’s estimated procurement needs on an annual basis and make proposals to the Deputy Director and Registrar.
PROCUREMENT REQUISITION (PR)

Requisitions include:

Appointment of services/ goods as per Council decisions.

Appointment letters include specifications and Heads of departments ensure claims/ invoices are processed and received as per the decisions of Council. All claims must be signed by the Heads of departments.

A large component of SAVC expenses are incurred and implemented in terms of the Committee system.

Procurement of these services are regulated in terms of the Act as follows:

S 13 of the Act refers. “13. **Allowances of members of council and committees.**—(1) Members of the council or of any committee referred to in section 11 or 12 may be paid out of the funds of the council in respect of their services as such members such travelling and subsistence allowances as the council may determine.

(2) Any such allowance so paid to any member who is an officer shall be in accordance with the laws governing his or her employment by the State.”

“11. **Executive committee.**—(1) There shall be an executive committee of the council consisting of the president and two other members of the council designated by the council.

(2) Subject to the provisions of this Act and the directions of the council, the executive committee may during periods between meetings of the council exercise all the powers and perform all the functions of the council.

(3) The provisions of subsection (2) do not empower the executive committee to set aside or amend any decision of the council.

(4) Any decision taken or act performed by or on the authority of the executive committee shall be of full force and effect, unless it is set aside or amended by the council either of its own accord within one year after such decision or act or at the request, within that year, of a person affected thereby, at any time after such decision or act.

[Sub-s. (4) substituted by s. 1 of Act No. 13 of 1993.]

(5) The provisions of section 10 (3), (5), (6) and (7) shall mutatis mutandis apply to the executive committee.

12. **Other committees.**—(1) The council may establish such other committees as it may deem necessary to exercise such powers and perform such functions as may be conferred or imposed upon or delegated to them by the council.

[Sub-s. (1) substituted by s. 1 (a) of Act No. 16 of 2012.]

(2) Each such committee shall consist of such number of persons, appointed by the council, as may be determined by the council.

(3) The council shall designate a member of a committee, who shall also be a member of the council, as the chairperson of that committee.

[Sub-s. (3) substituted by s. 1 (b) of Act No. 16 of 2012.]

(3A) Unless an appeal is lodged in terms of section 33A in the prescribed manner, a decision of a committee established in terms of subsection (1) to institute an inquiry in terms of section 31 or 31A into the conduct of any registered person shall be of force and effect from the date determined by that committee.

[Sub-s. (3A) inserted by s. 1 (c) of Act No. 16 of 2012.]

(4) The provisions of sections 10 (3), (5), (6) and (7) and 11 (4) shall mutatis mutandis apply to a committee established in terms of subsection (1).

[Sub-s. (4) substituted by s. 1 (d) of Act No. 16 of 2012.]

12A **Ad hoc appeal committees** - (1) The council shall establish an ad hoc appeal committee to consider any appeal lodged in terms of section 33A against a decision of an inquiry instituted in terms of section 31 or 31A, in the prescribed manner.

(2) An ad hoc appeal committee shall consist of—

(a) a chairperson, with knowledge in the practice of law, for a cumulative period of at least 10 years; and
(b) not more than two registered persons drawn from the profession similar to that of the registered person in respect of whose conduct an inquiry was instituted.
(3) An ad hoc appeal committee shall have the power to consider any appeal contemplated in subsection (1) and may, in the prescribed manner—
(a) confirm the decision;
(b) amend, vary or set aside the decision;
(c) remit the matter back to the council or a committee with such instructions as it may consider necessary; or
(d) make such other order, including an order for cost, as it considers appropriate.
(4) A decision of an ad hoc appeal committee in terms of this Act shall be final and of force and effect from the date determined by that appeal committee, subject to review by a court of law with competent jurisdiction.

The Deputy Director Finance is responsible to ensure requisition is exercised in terms of best quotations as per requirements for the item(s) as per Council decisions.

CONTROLS ON PROCUREMENT

Goods and services will only be procured within approved budgets except in case of emergencies- and/or unforeseen expenditure, which expenditure must be approved by Council, and/or the Executive Committee and based on a recommendation from the relevant committee and/or on recommendation of the Finance Committee and/or the Registrar.

The Deputy Director Finance in liaison with the Heads of departments should ensure that actual procurement throughout the year remains within the budget.

The Deputy Director Finance must assist the Heads of departments and the Office Administrator to conduct periodic checks on procurement activities to ensure that they conform to the budgetary requirements.

All Councillors and staff members sign a declaration on interests and must declare an interest in any service providing entity.

THE PROCUREMENT PROCESS REPORT

An audit trail by the external auditor will reflect all monthly expenditure and a schedule of expenses [report] should be included.

The Finance Committee [internal auditors] will ensure that expenditure complies with the procurement policy.

VENDOR SELECTION

Careful selection of vendors should be done to ensure that best possible price, quality and delivery time available within the markets are obtained.

Vendor selection will take place from time to time and will be done in liaison with the Finance Committee.

VENDOR SELECTION CRITERIA

The following set of criteria is essential for deciding on choice of vendors:

i) Price [not necessarily the determining factor]

ii) Quality of goods/services. Such a justification must be verifiable or justifiable.

iii) Availability of goods/services within the required delivery time.

iv) After sale services, including availability of parts/supplies.

v) Service providers’ previous records of performance and service.

vi) Ability of service providers to render satisfactory service in this instance.

vii) Financial stability of the vendor.

viii) Availability of service providers’ representatives to call upon and consult with the responsible representatives.
ix) Payment terms, if applicable.
x) Warranty offered, where applicable.
xi) Ability to provide samples, where required.

USE OF DEALERS AND SOLE SUPPLIERS

In the interest of ensuring quality, reliability and timeliness, the Deputy Director Finance may facilitate purchase agreements or contracts with main dealers of regularly purchased goods.

Where possible due to other factors, the Office Administrator in liaison with the Deputy Director Finance will negotiate rates and discounts with the supplier or a method to determine price for invoice justification. These agreements and prices should be reviewed annually to ensure that they are competitive.

LOCAL PURCHASE ORDERS (LPO) WITH VENDORS

The LPO is a contract with vendors and should include all information regarding the goods and services being procured as well as standard terms of delivery, payment and arbitration in case of dispute.

If contracts are precise and clear, possibilities of disputes will be reduced and the SAVC will stand a far greater chance of receiving the goods and services as expected.

Upon selection of a vendor, a legally binding contract or work order should be drawn-up for the goods and services in question and signed by both parties prior to procurement.

Detailed specifications; quantities, unit prices, delivery deadlines, locations, and payment schedules must be specified in such contracts.

LEGAL SERVICES were exceptional and could not be dealt with in a similar way as other services or goods, bearing in mind the following:

1. That not all attorneys had the same level of expertise;
2. When appointments were made, Council had to look at it on merit as failed litigation was costly;
3. The funds utilised for external legal services were procured from the registrees of Council and should therefore be used with the utmost circumspection to avoid fruitless expenditure;
4. It was important to build relationships and have options for negotiation on service and price;
5. Not all legal firms were strong in all aspects. If the Council needed a particular service, then Council had to look at specialist services in that particular field of law;
6. A panel of three to five attorney’s firms was optimum, provided that Council may choose to work with a preferred appointee;
7. Attorneys should not be sourced on an annual basis, as there were benefits implicit in a longer relationship such as the ability to negotiate price and continuity in the handling of litigation matters;
8. The service record and experience in a field of expertise of service of all service providers on the panel had to be taken into consideration with each allocation of a matter; and
9. Black Employment Equity [BEE] compliance of the supplier must be taken into consideration, but was not the overriding factor,

external legal services must be procured on the basis that the best firm in a particular field of law had to be appointed, having regard to the above, based on the advice of the Director Legal Services and in conjunction with the Executive Committee.
Concerns and objections regarding appointments had to be raised by way of a substantiated motion to Council, for deliberation by the full Council.

ORDER FOR RECURRING REQUISITION

Procurement of a recurrent nature, i.e. where the same goods and services may be issued several times a year, one vendor may be selected for a period of up to one year or as the required by the Finance Committee above the R 15 000 discretionary fund.

In some cases, particularly for services, contracts for the goods or services can be drawn up once, which may then be referenced every time those goods or services are required without requiring separate quotations and contracts on each occasion.

CERTIFYING DELIVERY OF GOODS AND SERVICES

The procurement process cannot be completed without approval that the goods and services procured have been received entirely to the SAVC’s satisfaction.

In all cases, the certification of receipts of goods and services is pre-requisite to and the following guidelines are essential for that purpose.

i. The Office Administrator ensures that goods and services are checked against contracts, waybills, invoices, or delivery notes.

ii. The Office Administrator must sign the delivery notes or any other documents during delivery.

iii. Physical checking should be done by the Office Administrator and the debtor clerk.

iv. In some cases, receiving of goods and physical checking of goods or services may be delegated to other SAVC staff members who are so authorised by the Registrar. Such might include cases where goods of services are delivered directly to a project field location; or where technical approval [for example Director Legal Affairs] is required.

v. Any differences between documents done physical checks should be noted and reported to the Deputy Director Finance for action.

PAYMENT-PROCESSING PROCEDURE

The recipient department is responsible for preparing payment requisition [claims] which is forwarded to the debtor clerk in liaison with the Office Administrator for checking and approval.

The document is then sent to the Deputy Director Finance for further checking and necessary approval and authority to pay.

All payments must be made in accordance to the contractual terms between the vendor and the SAVC and in reference to the financial policies.