



**SUPPLY CHAIN MANAGEMENT IMPLEMENTATION REPORT:**  
**FEBRUARY 2019**

1. In terms of Chapter 1 – paragraph 6(4) of the Councils Supply Chain Management Policy: “The Accounting Officer must within 10 days of the end of each quarter, submit a report on the implementation of this policy to the Executive Mayor.” Paragraph 6(5) further states that: “The aforesaid reports must be made public in accordance with section 21A of the Municipal Systems Act.”

**2. Statistical Information:**

2.1 **DEMAND MANAGEMENT** – The SCM Unit, with the support of the Chief Financial Officer has submitted a list to all Directorates that requires timely planning and management processes to ensure that all goods and services which are required are quantified, budgeted and delivered in a timely manner at critical delivery dates, so that the budget can be dealt with as per the cash flow statements.

This Demand Management Plan will be used as a strategic tool in order to implement the budget. The Demand Management Plan will assist the SCM Unit and user departments with the planning of the execution and timely completion of projects in alignment with the performance targets in the Service Delivery and Budget Implementation Plan.

Only projects outstanding with huge amounts are:

2019/2020 THREE QUOTATIONS FOR CAPITAL PROJECTS

Departement	Beskywing	Item	Begroting
Human Resources	Furniture and Office Equipment	<b>Furniture &amp; Equipment - Human Resources</b>	30 000
Property Services	Municipal Offices	<b>Air conditioners - offices</b>	30 000
Property Services	Municipal Offices	<b>Security at municipal buildings</b>	125 000

Administrative and Corporate Support	Furniture and Office Equipment	Furniture & Equipment - Corporate Services	30 000
Administrative and Corporate Support	Transport Assets	Sedan Vehicle	190 000
Administrative and Corporate Support	Furniture and Office Equipment	Recording equipment for committee room	160 000
Director: Corporate Services	Furniture and Office Equipment	Furniture and equipment - Director Corporate Services	40 000
Solid Waste Removal	Furniture and Office Equipment	Refuse Bins and stands	30 000
Solid Waste Removal	Waste Processing Facilities	Establish composting facility (VD/PB)	200 000
Libraries and Archives	Furniture and Office Equipment	Replacement of photocopiers	100 000
Libraries and Archives	Furniture and Office Equipment	Shelves/Tables/Office furniture for libraries	100 000
Community Halls and Facilities	Furniture and Office Equipment	Furniture & Equipment Community Hall	50 000
Cemetaries	Cemeteries/Crematoria	Gravel access roads - cemetery	100 000
Cemetaries	Cemeteries/Crematoria	Upgrade entrance and parking	100 000
Cemetaries	Cemeteries/Crematoria	Fence - New cemetery	175 000
Sewerage	Pump Station	Fencing Sewer Pump Stations	150 000
Sewerage	Reticulation	Sewer Renewals	60 000
Sewerage	Pump Station	Telemetry	130 000
Sewerage	Pump Station	Switchgear and pumps	200 000
Sewerage	Pump Station	Telemetry at pump stations	150 000
Sewerage	Pump Station	Sewerage stand by pumps	40 000
Storm Water Management	Storm water Conveyance	Stabilise "Wintervoor" (Flood prevention)	35 000
Traffic Control	Machinery and Equipment	Road marking machines	60 000
Traffic Control	Furniture and Office Equipment	Furniture & Equipment - Traffic Department	30 000
Fire Fighting and Protection	Machinery and Equipment	Fire fighting equipment	65 000
Fire Fighting and Protection	Machinery and Equipment	Radio network for Disaster Management & Traffic Services	40 000
Fire Fighting and Protection	Computer Equipment	Computer Equipment & Printers	70 000
Fire Fighting and Protection	Machinery and Equipment	Air Compressors	150 000
Community Parks	Machinery and Equipment	Lawn mowers	100 000

Sports Grounds and Stadiums	Machinery and Equipment	Tools	30 000
Swimming Pools	Outdoor Facilities	Swimming Pool Renewals	50 000
Swimming Pools	Outdoor Facilities	Replace pumps at swimmig pools	40 000
Swimming Pools	Outdoor Facilities	Swimming Pool Repairs (PB)	100 000
Holiday Resorts	Indoor Facilities	Recreational Equipment (Games)	50 000
Holiday Resorts	Machinery and Equipment	Tools and Equipment	30 000
Holiday Resorts	Indoor Facilities	Furniture & Equipment - Holiday Resorts	200 000
Holiday Resorts	Indoor Facilities	Replace Cupboards of chalets at Beach Resorts	50 000
Holiday Resorts	Furniture and Office Equipment	Furniture & Equipment - Resort Halls	50 000
Water Distribution	Distribution	Water Renewals	70 000
Water Distribution	Distribution Points	Replace water meters	180 000
Water Distribution	Pump Stations	Pumps (standby)	180 000
Water Treatment	Distribution	Telemetry: Water	100 000
Water Treatment	Boreholes	Purchase new borehole pumps	50 000
Roads	Roads	Construction/Design of roads	200 000
Roads	Roads	Construction/Design of roads	200 000
Roads	Storm water Conveyance	Cement ditches in Aurora	60 000
Roads	Machinery and Equipment	Tools	80 000
Roads	Roads	Harden pavements (Wyk 3 & 4)	200 000
Electricity	Machinery and Equipment	Furniture & Equipment - Electricity	60 000
Electricity	LV Networks	Bulk meter replacement	60 000
Street Lighting	LV Networks	Meter streetlights	30 000
Street Lighting	LV Networks	Replace street lights	140 000
Administrative and Corporate Support	Furniture and Office Equipment	Photocopier machine for new office building	150 000
Human Resources	Transport Assets	Sedan Vehicle	190 000
Human Resources	Furniture and Office Equipment	Portable Meeting Recorder	30 000
Planning and Development	Furniture and Office Equipment	Felt Notice/Info Board + File Cabinets (Planning)	32 000
Planning and Development	Outdoor Facilities	Coastal Protection (By-Law Implementation) (Environmental)	50 000

Community Parks	Transport Assets	<b>4 Ton Tipper (PV)</b>	<b>200 000</b>
Community Parks	Outdoor Facilities	<b>Upgrading of Community Parks</b>	<b>200 000</b>
Community Parks	Machinery and Equipment	<b>Brush Cutter</b>	<b>60 000</b>
Community Parks	Outdoor Facilities	<b>Fencing</b>	<b>200 000</b>
Fire Fighting and Protection	Outdoor Facilities	<b>Upgrade Fire House</b>	<b>150 000</b>
Cemetaries	Outdoor Facilities	<b>Toilet &amp; Store - PV</b>	<b>100 000</b>
Cemetaries	Cemeteries/Crematoria	<b>Expansion of Cemetary - PB</b>	<b>100 000</b>
Community Halls and Facilities	Halls	<b>Upgrading of Community Halls</b>	<b>100 000</b>
Sports Grounds and Stadiums	Outdoor Facilities	<b>Upgrading of Buildings</b>	<b>50 000</b>
Community Parks	Outdoor Facilities	<b>Toilets (PV Dam)</b>	<b>60 000</b>
Traffic Control	Furniture and Office Equipment	<b>Daantjie Kat Costume</b>	<b>30 000</b>
Property Services	Municipal Offices	<b>Generator at municipal office</b>	200 000
Electricity	Machinery and Equipment	<b>Radios</b>	50 000
Solid Waste Removal	Transport Assets	<b>Trailers x2</b>	85 000
Water Treatment	Pump Stations	<b>Security at Reservoir/Pump Stations</b>	150 000

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## CAPITAL PROJECTS

Information Technology	Computer Equipment	<b>Replacement of computers</b>	250 000
Information Technology	Computer Equipment	<b>IT System Upgrade (Enhancement of IT system : Business continuity)</b>	640 000
Municipal Manager	Municipal Offices	<b>Municipal Buildings (including Architectural)</b>	3 000 000
Solid Waste Removal	Waste Separation Facilities	<b>Enlarge recycling building (VD/PB)</b>	400 000
Solid Waste Removal	Waste Transfer Stations	<b>Fence at Transfer Station</b>	250 000
Libraries and Archives	Libraries	<b>Upgrading of Noordhoek Library</b>	1 000 000
Sewerage	Reticulation	<b>PV Pumphline</b>	1 646 201
Waste Water Treatment	Waste Water Treatment Works	<b>Refurbishment and upgrade of WWTW (own funding)</b>	2 500 000
Storm Water Management	Storm water Conveyance	<b>Construction of storm water channels at low cost houses</b>	290 000

Traffic Control	Testing Stations	Driver's Licence Test Yard for Piketberg	600 000
Traffic Control	Transport Assets	New Traffic Vehicles	450 000
Sports Grounds and Stadiums	Outdoor Facilities	Borehole for irrigation	300 000
Holiday Resorts	Indoor Facilities	Upgrading of ablution blocks at resorts	400 000
Holiday Resorts	Transport Assets	Vehicles (LDV)	300 000
Water Distribution	Distribution Points	Replace redundant meters	220 000
Traffic Control	Roads	Traffic calming measures (Speed bumps) Bring Traffic	250 000
Roads	Roads	Construction of roads: RDP Houses	300 000
Roads	Roads	Pave sidewalks (PV - 150 & VD - 200)	400 000
Roads	Transport Assets	Voertuigvervanging	1 750 000
Roads	Roads	Reseal/Construction of streets	2 000 000
Roads	Transport Assets	Aankoop van Veeldoelige Waterrok	900 000
Electricity	Transport Assets	Voertuigvervanging/Cherry Picker	1 400 000
Electricity	LV Networks	Replace O/H feeder to Monte Bertha	600 000
Electricity	LV Networks	VD Bulk Upgrading switching station and feeders	5 217 391
Electricity	LV Networks	Mid block lines	340 000
Electricity	LV Networks	Replacing conventional electricity meters with prepaid	750 000
Electricity	MV Networks	Network Renewals	750 000
Planning and Development	Centres	Regional Socio Projects (Porterville)	2 500 000
Planning and Development	Centres	Regional Socio Projects (Piketberg)	2 000 000
Sports Grounds and Stadiums	Transport Assets	Vehicles (PV & VD)	600 000
Sports Grounds and Stadiums	Outdoor Facilities	Upgrade of New Buildings (Goldsmid Sportveld)	300 000
Sports Grounds and Stadiums	Computer Software and Applications	Security Measures	600 000
Housing (Core)	Transport Assets	Vehicles	250 000
Community Parks	Transport Assets	Tractor (PB & PV)	600 000
Traffic Control	Transport Assets	Vehicle Law Enforcement	300 000
Fire Fighting and Protection	Transport Assets	Service vehicle	220 000

Fire Fighting and Protection	Transport Assets	4x4 Fire Fighting Vehicle (grant funded)	830 000
Holiday Resorts	Outdoor Facilities	Replace of Fencing	500 000
Holiday Resorts	Outdoor Facilities	Lapa (Stywelyne)	270 000
Sports Grounds and Stadiums	Outdoor Facilities	Opgradering van krekietveld	250 000
Electricity	LV Networks	Replace Dwarskerbos O/H lines with Cable	600 000
Electricity	MV Substations	Replace Switchgear C/O Lang and Kloofstreet P{/B	400 000
Sewerage	Waste Water Treatment Works	VD Pumpline and Pumpstation	4 427 562
Storm Water Management	Storm water Conveyance	Upgrading of existing stormwater network at low cost housing	2 639 183
Roads	Roads	Upgrade of roads and stormwater	1 130 435
Roads	Roads	Upgrade of roads and stormwater	1 304 348
Roads	Roads	Upgrade of roads and stormwater	869 271
			48 146 565

## 2.2 BIDS / FORMAL WRITTEN QUOTATIONS AWARDED

The table below are bids greater than R200 000.00 awarded for February 2019.

**\*Yearly tenders are volume driven and a tender amount is therefore not specified.**

*Attached as Annexure "A" are bids awarded*

## 2.3 ACQUISITION MANAGEMENT

The system of acquisition management must ensure the following:-

- That goods and services are procured in accordance with authorized processes only;
- That expenditure on goods and services is incurred in terms of an approved budget in terms of section 15 of the Municipal Finance Management Act (Act 56 of 2003)
- That the threshold values for different procurement processes are complied with;
- That any Treasury guidelines on acquisition management are properly taken into account.

*Attached as Annexure "A" are formal written quotations (R30 001 up to R200 000) awarded.*

**2.4 SECTION 32 APPOINTMENTS**

No Section 32 contracts consent was given to West Coast College to procure services from City of Choice Travel and Tours in terms of Bid 8/3/25=2018.

**2.5 SECTION 33 CONTRACTS**

The bid documentation, evaluation and adjudication criteria and general conditions of a contract must be in accordance with applicable legislation.

No Section 33 contracts were entered into for February 2019.

**2.6 SECTION 36 CONTRACTS**

In terms of regulation 36(1) of the Supply Chain Regulations, the Supply Chain Policy of a Municipality may allow the accounting officer to ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which purely technical in nature:

Item to be submitted by ICT.

**3. AWARDS TO CLOSE FAMILY MEMBERS OF PERSONS IN THE SERVICE OF THE STATE**

In terms of the Municipal Supply Chain Regulation, Paragraph 45, awards given to close family members of persons in the service of the state, above R2 000.00 should be disclosed in the notes to Annual Financial Statements.

All SCM Staff were required to disclose benefits and interest.

<b>Business Name</b>	<b>Date</b>	<b>Amount</b>	<b>Related to</b>	<b>Declaration made?</b>	<b>Influence on Decision?</b>	<b>Description of Goods / Services</b>
Siphenkosi Protection Service		R47 762 R17 900	Husband – Meter reader at Bergrivier Municipality	Yes	No	Security Services at Dwarskersbos Stywelyne & Pelican Beach resorts
Cederberg Conservation		R197 175	Wife – Beulah Du Plessis employed at Cape Nature	Yes	No	Porterville Cemetery EIA (Basic) Process

Services						
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#### 4. PRICE QUARTERLY/MONTHLY REPORT ON DEVIATIONS AND MINOR BREACHES – ATTACHMENT B

The Municipal Supply Chain Management Regulations – Gazette 27636 Of 30 May 2005, states in Section 36 “

(1) A supply chain management policy may allow the accounting officer-

- a) To dispense with the official procurement process established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only-
  - i. In an emergency
  - ii. If such goods or services are produced or available from a single provider only;
  - iii. for acquisition of special works of art or historical objects where specifications are difficult to compile;
  - iv. acquisition of animals for zoos ; or
  - v. in any other exceptional case where it is impractical or impossible to follow the official procurement process; and

(b) to ratify minor breaches of the procurement process by an official or committee acting in terms of delegated powers or duties which are purely of technical nature.

(2) The accounting officer must record the reasons for any deviations in terms of sub regulation (1)(a) and (b) and report them to the next meeting of the council, or board of directors in the case of a municipal entity, and include as a note to the annual financial statements”.

#### 5. DISPOSAL

The system of disposal management must ensure the following:-

- Immovable property is sold only at market related prices except when the public interest or the plight of a poor demand otherwise,
- Movable assets are sold either by way of written quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous,
- Immovable property is let at a market related rate except when the public interest or the plight of the poor demand otherwise,
- All fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed,



- Where assets are traded in for other assets, the highest possible trade-in price is negotiated.

Items for Disposal are identified – the action date will be on 12 April 2019.

## **6. BID COMMITTEE SYSTEM**

A Bid Committee system for competitive bids are fully operational. It comprises of the Bid Specifications, Bid Evaluation and Bid Adjudication Committees. The Committees meet regularly. The Accounting Officer appoints members of each committee taking into account Section 117 of the MFMA. All tenders that have been approved by the Bid Adjudication Committee are reported monthly.

*Attached please find the Bid Adjudication Minutes for the months of January 2019 as Annexure C*

## **7. VENDOR PERFORMANCE**

Regular monitoring and review of the supply vendor performance must be done to ensure compliance with specifications and contract conditions for particular goods and services, is conducted. Reports are received quarterly from the Directors on the performance of Vendors. However, the contract management and project management we started on the Phoenix Vesta System.

## **8. SERVICE LEVEL AGREEMENTS**

According to Section 21A of the Municipal Systems Act the Accounting Officer of a Municipality must place all service level agreements on the Municipal website. This is done by ICT.

## **9. ASSET AND INSURANCE REPORTING**

The verification of the annual assets has started in Velddrif for the 2018/2019 financial year.

The asset verification has been completed for the following venues as per the program:

As per program all loose assets were verified – we are engaging with departments for few items left.

The technical and community services department was issued with a list to verify the useful lives of Infrastructure Assets.

All insurance claims are reported to the Insurance Company as per the listing below and are still outstanding:-

The claim for the Rhino Stadium was finalised at an amount of R217 000.00. (Previously reported incorrectly by Lion of Africa – and estimated amount of R1 200 000.00)

## **10. APPEALS/OBJECTIONS BY AGGRIEVED**

Paragraph 49 of the Municipal Supply Chain Management Regulations allows the aggrieved bidders the opportunity to lodge objections (with proper motivation) against the decision(s) taken by the Bid Adjudication Committee, within 14 days from the date of notification thereof.

Alternatively, should they wish to lodge an appeal in terms of Section 62 of the Local Government: Municipal Systems Act 2000 (Act 32 of 2000) against the award of the tender, such appeal is to be lodged within 21 days from date of this notification?  
 For the month under review, no objections were lodged.

BERGRIVIER MUNICIPALITY <b>SUPPLY CHAIN MANAGEMENT</b> <b>OBJECTIONS 2017/2018 + 2018/2019</b>						
Qty	Date Objection received	Bid number	Company complained	Date sent to Independent Person	Response date from Independent Person	Opinion
1	23/03/2017	8/3/35/2016	WEST COAST BUILDERS NCC	29/03/2017	01/09/2017	DISMISSED
2	14/08/2017	8/3/21/2017	VERSO	01/09/2017	02/10/2017	DISMISSED
3	24/08/2017	8/3/24/2017	AURECON	20/09/2017	17/10/2017	DISMISSED
	25/08/2017	8/3/24-2017	URBAN DYNAMIC	25/08/2017	31/10/2017	DISMISSED
4	28/06/2018	8/3/3-2018	UTS	28,06,2018	04,09,2018	DISMISSED
5	28/06/2018	8/3/10/2018	TIP TRANS	09/07/2018	2018-04-09	DISMISSED
6	15/08/2018	8/3/20/2018	SINERGY CIRCLE	19.10.2018	29/11/2018	Dismissed

7	22.10.2018	8/3/17/2018	TRF	30.10.2018	31/01/2019	Dismissed
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**11. LEGISLATIVE COMPLIANCE**

Local government: Municipal Finance Management Act (Act 56 of 2003)  
 Supply Chain Management Regulations  
 Supply Chain Management Policy: Bergrivier Municipality  
 Preferential Procurement Regulation, 2017; and  
 All other relevant legislation, National Treasury Guidelines and circulars.

**12. SDBIP AND OTHER REPORTABLE MATTERS**

Reports are submitted to the Bergrivier Council by the CFO on a monthly basis. The Supply Chain Management personnel are still continuing attending the mandatory Minimum Competency training as prescribed by National Treasury. The filling of vacant positions is a “Work in progress”, which is aimed to be finalized by the end of March 2019. The Unit has currently three vacant positions, due to staff that accepted other positions in Bergrivier Municipality.

**13. RECOMMENDATION**

The Executive Mayor considered and approved the report on the implementation of the Supply Chain Management Policy, and that Should the contents of the report be acceptable, they be made public in accordance with Section 21A of the Municipal Systems Act.

**ATTACHMENTS**

- A. BIDS / FORMAL WRITTEN QUOTATIONS AWARDED**
- B. DEVIATIONS AND MINOR BREACHES**
- C. BID COMMITTEE SYSTEM MINUTES**
- D. VERIMENTS REPORT**
- E. MINOR BREACH REPORT**