



**SUPPLY CHAIN MANAGEMENT IMPLEMENTATION REPORT:**  
**1<sup>st</sup> QUARTER (01 JULY TO 30 SEPTEMBER 2018)**

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.

**2.2 BIDS / FORMAL WRITTEN QUOTATIONS AWARDED**

The table below are bids greater than R200 000.00 awarded on the first quarter of the 2018/2019 financial year.

TENDER NO	DESCRIPTION	COMPANY AWARDED CONTRACT	LOCALITY (L/D/P/N)	TENDER AMOUNT	APPOINTMENT DATE	BEE POINTS
8/3/21-2018 (MN86-2018)	Supply & Delivery of Computers	Infinetix Connect	Province	R386 882.24	2 August 2018	
		<b>TOTAL OF QUARTER AWARDS:</b>			R386 882.24	

LOCAL	DISTRICT	PROVINCIAL	NATIONAL
R -	R -	R386 882.24	R -

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

### 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

CONTRACT DESCRIPTION	GOVERNMENT ENTITY NAME	SERVICE PROVIDER	CONTRACT VALUE
SCM2018/184/FIN	BITOU MUNICIPALITY	ICT	

### 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.

SCM REG 33	TENDER NUMBER	PERIOD MORE THAN 3 YEARS	DEPARTMENT	OFFICIAL BERGMUN	SERVICES	COUNCIL APPROVAL	TOTAL YEARS
MFMA33/1	T8/3/28-2017	1.7.2018 TILL 30.6.2018	Finance	G Goliath	Banking Services	Yes	5 years
MFMA33/2	T8/3/3/2018	1/10/2018-30/9/2021	Traffic	C Cornellisen	Speed		3 years

### 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.

Business Name	Date	Amount	Related to	Declaration made?	Influence on Decision?	Description of Goods / Services
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 Services		R197 175	Wife – Beulah Du Plessis employed at Cape Nature	Yes	No	Porterville Cemetery EIA (Basic) Process

#### 4. PRICE QUARTELY REPORT ON DEVIATIONS AND MINOR BREACHES -

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”.

As per Annexure “B”

## 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.

For quarter one under review, no immovable assets were disposed.

## 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.

## 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 system (IMIS) will be in full operation as from 1 December 2018.

## 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 was done – attached find as Annexure “C” the evidence.

## 9. ASSET AND INSURANCE REPORTING

The verification of the annual assets has started in Velddrif for the 2018/2019 financial year. All insurance claims are reported to the Insurance Company as per the listing below:-

Claim number	Amount Claimed - Gross	Type Risk	Description	Date registered
LAUM/CPT/P9000	R1294076.00	Buildings combined	Storeroom caught fire	20 September 2018
09758/65	R2246.00	Fleet replace	Stone Damage	10 September 2018
09758/62	R322505.00	Stated Benefits	Employee has passed away	2 August 2018

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

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 quarter under review, two objections were lodged, whose particulars are as follows:-

Date of Objection	Bid Number	Company complained	Date sent to independent person	Response from Independent person	Opinion
28/6/2018	8/3/10/2018	TIP Trans	9/7/2018	4/9/2018	Dismissed
15/08/2018	8/3/20/2018	Sinergy Circle			

**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 December 2018.

**13. RECOMMENDATION**

The Executive Mayor consider 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.

**REPORT ATTACHED AS ANNEXURE**

Attached as Annexure “B” are deviations  
Attached as Annexure “C” the Service Level Agreements published on the website.  
Quotations for the 1 Quarter report as Annexure A