

**SUPPLY CHAIN MANAGEMENT: QUARTERLY REPORT FOR THE PERIOD ENDING 31 MARCH 2017**

D Kapot-Witbooi: Acting Head Supply Chain

**PURPOSE**

To report on Supply Chain Management issues and activities in order to comply with the Supply Chain Management Policy of the Council and the Municipal Finance Management Act.

**ATTACHMENT**

- SCM quarterly report period ending 31 March 2017.

**RECOMEMMENDATION**

- 1) That the quarterly report for the period ending 31 March 2017 submitted by the Supply Chain Management unit, be noted.

*D Kapot-Witbooi 11/4/2017*

## **QUARTERLY SUPPLY CHAIN MANAGEMENT REPORT (MARCH 2017)**

### **A. PURPOSE OF REPORT**

The accounting officer must, within 10 days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the mayor. The purpose of this report is to report to the Mayor in terms of section 6(3) of the Supply Chain Management Policy on the implementation of the Supply Chain Management Policy for the quarter ending March 2017.

### **B. COMPLIANCE/PROGRESS**

The SCM unit was established during May 2008 and a Head of SCM was appointed on 1 October 2008. Bid committees have been established and are functioning well. New members have been appointed. Monthly reports have been submitted in respect of procurement of goods and services in terms of each required regulation of the Supply Chain Management Policy of the Council. **(Reports are available on request.)** Bid committee meetings have been minuted and submitted on a monthly basis. Hereunder, please find the schedule containing the final awards made by the adjudication committee for the quarter.

#### **I. T05-2016/17: AERIAL FIREFIGHTING SERVICES FOR THE OVERBERG DISTRICT MUNICIPALITY**

Awarded to: Working on Fire (Pty) Ltd  
Date Awarded: 17 January 2017

#### **II. Q07-2016/17: SUPPLY AND INSTALLATION OF STREET LIGHTING AT UILENKRAALSMOND RESORT**

Awarded to: Simons Electric  
Date Awarded: 05 January 2017  
Amount: R 41 085.67

#### **III. Q08-2016/17: WATER TREATMENT: CHEMICALS**

Awarded to: Tshiamo Chemistry (Pty) Ltd  
Date Awarded: 25 January 2017

**IV. Q10-2016/17: SUPPLY, INSTALLATION, SERVICING AND MAINTENANCE OF MOBILE RADIOS**

Awarded to: Benliekor Communications

Date Awarded: 25 January 2017

**V. Q12-2016/17: CLOSED CIRCUIT TELEVISION SYSTEM FOR THE PONT – MALGAS**

Awarded to: Simons Electric

Date Awarded: 25 January 2017

Amount: R 40 360.00

**VI. T06-2016/17: LEASE OF OFFICE SPACE IN HERMANUS FOR A THREE (3) YEAR PERIOD**

Awarded to: Mr Johannes De Villiers De Kock

Date Awarded: 15 February 2017

Amount: R 454 980.00 for a three (3) year period

**VII. Q13-2016/17: LAPTOPS AND OFFICE LICENCES**

Awarded to: First Technology Western Cape (Pty) Ltd

Date Awarded: 15 February 2017

Amount: R 114 843.60

**VIII. Q14-2016/17: SUPPLY OF AIR – CONDITIONERS**

Awarded to: Louwco Cooling Solutions  
Date Awarded: 15 February 2017  
Amount: R 55 378.00

**IX. Q15-2016/17: SUPPLY AND DELIVERY OF ROAD CONSTRUCTION MATERIAL AT BUFFELJAGSRIVIER**

Awarded to: TVM Konstruksie (Pty) Ltd  
Date Awarded: 01 March 2017  
Amount: R 66 712.80

Performance ratings on service providers have been done and no complaints of bad performances by service providers have been received by the SCM unit. No disputes, appeals, objections or complaints have been received from service providers in this quarter.

Ms D Kapot - Witbooi attended the following meetings:

- SCM Forum, 10 February 2017 – Stellenbosch Municipality

A deviations register has been implemented and deviations are reported on a monthly basis. Attached is a copy of the schedule containing all the deviations for this quarter.

**SUPPLY CHAIN MANAGEMENT DEVIATIONS ITO THE SCM REGULATIONS & SCM POLICY FOR THE PERIOD JANUARY 2017 - MARCH 2017**

Deviation No	Name of Directorate / Department	Project Title	Name of Supplier	Amount (R)	Incl / Excl	Finding for Deviation	Responsible Official	Reasons for Deviation	Order No
01/01	Roads	Parts PA 56010	High Power Equipment	R 3 562.50	Incl	Sole Supplier	J De Goede	The excavator PA 56010 is a relatively new machine with 136 hours on it and to maintain the warranty of the machine, parts needed and servicing of the machine must be done by the agent.	137 204
02/01	Emergency Services	Aerial Services	Working on Fire	R 97 657.87	Incl	Emergency	R Geldenhuys	Dates of emergency incidents: 03/12/16 and 21/12/16. These were fire incidents which if the helicopter service were not used would have posed a serious risk to life and property. The supplier used is the same one that the tender was awarded to on 23 December 2016.	137 273
03/01	Income, Expenditure & ICT	Repairs to Microphone system	Philisec Systems	R 3 550.00	Incl	Exceptional Case	J Snyman	It is not possible to estimate the cost of repairing the microphone system in the council chambers. The service provider needs to perform tests on the system. Since the nature of the problem is intermittent, it is not known how long it will take to identify the problem, thus a strip and quote needs to be performed.	137 329

04/01	Emergency Services	Repairs to Samil	Supaquick Caledon	R 2 732.85	Incl	Emergency	R Geldenhuys	The vehicle was actively involved in the Hansekop Fire. The vehicle had to come back on run because of limited resources. It was also important for the Emergency Services to move the vehicle from where it broke down. The area was next to the informal settlement which presented a risk to the vehicle and the crew.	137 108
05/01	Emergency Services	Repairs to Samil	De Kock Breakdown Services	R 3 000.00	Incl	Emergency	R Geldenhuys	The Samil CS 9519 Bush Fire tender covers the Overberg area for veld fires. The resources in the Overberg was thinly stretched making this appliance an important piece of machinery. The vehicle broke down on the N2 & could not be moved. The mechanic indicated that he could not carry out the repairs on the N2 because of the problematic engine. The appliance had to be towed to his workshop to try and remedy the situation. The vehicle could not be left parked on the N2 due to the risk of theft. To leave the vehicle on the N2 would be hazardous to the motorists using the roads.	137 375
01/02	Roads	Spares & Parts PA 50202	Bell Equipment	R 4 512.03	Incl	Sole Supplier	J De Goede	The Roller PA 50202 is a relatively new machine with 978 hours on it and to maintain the warranty of the machine, servicing of the machine must be done by the agent.	137 575
02/02	Roads	Spares & Parts PA 135037	ELB Equipment	R 17 015.23	Incl	Sole Supplier	J De Goede	The Grader PA 135037 is a Mitsubishi and the Roads department has done enquiries at four different firms in connection with the parts needed but they cannot help, only the agents can provide the parts needed.	137 576

03/02	Emergency Services	Repairs to GMC Fire Vehicle	Supaquick Caledon	R 2 445.85	Incl	Emergency	R Geldenhuys	<p>On the evening of 30/12/2016 the GMC fire vehicle's exhaust broke off and had to be repaired. The next day being new year's eve and a high risk of fires due to fireworks the fire department had to get the vehicle repaired as soon as possible. The only supplier that could help us at such short notice and also because they are registered on the ODM's database was Supaquick in Caledon. Failure to repair the vehicle could have resulted in one of the following criteria occurring:</p> <ol style="list-style-type: none"> <li>1) The possibility of damage to property or suffering and death of livestock &amp; animals.</li> <li>2) The interruption of essential services including transportation and communication facilities or support services critical to the effective functioning of the municipality as a whole.</li> <li>3) The possibility of serious damage occurring to the natural environment.</li> <li>4) The possibility that failure to take necessary action may result in the municipality not being able to render an essential community service.</li> </ol>	137 592
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04/02	Income, Expenditure & IT	Repairs to Server	Axiom Systems Africa	R 6 498.00	Incl	Exceptional case	J Snyman	<p>A strip &amp; quote was performed, since it was not possible to determine the extent of the repairs required beforehand. There was a problem on the Active Directory Server's DNS that caused the SCM &amp; HR modules not to work properly. The user would randomly get blank screens while working on the module, which caused them to be unable to continue. When working on the modules mentioned above, the user inputs information to the server via its hostname. The problem is that the hostname was resolved (by the DNS) to the internal IP addresses only used for replication between servers. This internal IP address is not accessible to users (it is on a different IP range), which is why they got a blank screen. Axiom fixed this by optimizing the DNS records. DNS records are responsible for converting a hostname to an IP address. After optimization, the DNS records were converting the hostname to the correct IP, which resulted in the users being able to work properly with no blank screen interruptions.</p>	137 684
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01/03	Roads	Spares and Parts PA 140041	High Power Equipment	R 10 911.28	Incl	Sole Supplier	J De Goede	The loader PA 140041 is a relatively new machine with 1251 hours and according to the provincial office the agents must be used to maintain the warranty. Three quotations were obtained from different branches (Cape Town, Durban & East London), but with further investigation it was discovered that these branches all have the same VAT registration numbers hence falling under the same management. According to the AG it is not permissible to use these quotations in this case.	137 871
02/03	Roads	Spares and Parts PA 180245	AAD Truck & Bus	R 6 598.89	Incl	Sole Supplier	J de Goede	The loader PA 180245 is a relatively new machine with 500 hours and according to the provincial office the agents must be used to maintain the warranty. Three quotations were obtained from different branches (Cape Town, Durban & East London), but with further investigation it was dis-covered that these branches all have the same VAT registration numbers hence falling under the same management. According to the AG it is not permissible to use these quotations in this case.	137 875

03/03	Roads	Spares and Parts PA 180246	AAD Truck & Bus	R 6 598.89	Incl	Sole Supplier	J de Goede	<p>The loader PA 180246 is a relatively new machine with 514 hours and according to the provincial office the agents must be used to maintain the warranty. Three quotations were obtained from different branches (Cape Town, Durban &amp; East London), but with further investigation it was discovered that these branches all have the same VAT registration numbers hence falling under the same management. According to the AG it is not permissible to use these quotations in this case.</p>	137 876
04/03	Risk Management	Conference	CIGFARO (IMFO)	R 5 499.00	Incl	Exceptional Case	A Riddles	<p>CIGFARO – Chartered Institute of Government Finance, Audit &amp; Risk Officers is the official organisation that facilitates / sponsors the event. This conference will serve as a platform for CRO's and related stakeholders to engage on topics and challenges faced in their daily operations &amp; guidelines to meet your monthly objectives.</p>	138 120

05/03	Resorts	Geyser Repairs	R & S Le Roux Group (Pty) Ltd	R 3 009.60	Incl	Exceptional Case	M Apollis	<p>A GAP geyser at Dennehof Resort House no 25 burst on 12/12/2016. The geyser was under guarantee and the plumbers at RCL Construction was instructed by GAP to replace it with a new geyser. Due to the condition of the previous polycarb pipes, RCL Construction fitted new pipes and valves to comply with the SABS standards and COC certificate, rules and regulations. The request was to replace the geyser. The replacement of the valves and pipes was not included in the request. The additional expenditure had to be done in order to comply with regulations.</p>	138 131
06/03	Emergency Services	Tyres	Supaquick Swellendam	R 4 296.00	Incl	Emergency	M Arends	<p>On Sunday 5 March 2017 while fighting a fire in Suurbrak, the Ford Ranger bakkies' right front tyres got punctured and could not be repaired. Because the tyres that was on the Tender from the supplier was a different make and was not suitable for the area of operations, Mr Arends telephonically requested from the Chief Mr R Geldenhuis to put two new on the bakkie. The reason for this is so that the bakkie has the same make of tyres on to prevent wheel alignment failure and as a precaution to getting stuck in front of a fire. The Ford Ranger is being used as a Response Vehicle for any type of incident and therefore the deviation was necessary.</p>	138 127

## **C. CHALLENGES AND CONSTRAINTS**

The database of accredited service providers have been updated and captured on the SAMRAS system and the SCM unit is busy on a daily basis to register new service providers on the ODM database; assist suppliers to register on the CSD and obtain new tax clearance certificates and municipal accounts.

A checklist has been implemented before placing of orders as a control mechanism in order to comply with the SCM policy and regulations. The SCM policy and range of SCM processes with delegations has been forwarded to all relevant officials dealing with procurement of goods and services for the current financial year. All officials who have delegated powers received all relevant documents and signed a declaration form.

Reports of all awards made above R100 000 have been submitted to Provincial Treasury on a monthly basis in terms of the supply chain management circular no 19 of 2008.

The supply chain management unit consists of the following officials working at the roads depot:

- |                       |                                |
|-----------------------|--------------------------------|
| - Ms. D Kapot-Witbooi | Practitioner/Head SCM (Acting) |
| - Ms H Eksteen        | Head Clerk Procurement         |
| - Ms C Reid           | Senior Clerk                   |
| - Ms B Brighton       | Clerk Procurement              |
| - Mr. C Abrahams      | Store Keeper Bredasdorp        |
| - Ms A Esau           | Store Keeper Caledon           |

Two EPWP workers; Mr J Harmse and Ms N Marais are currently employed in the SCM unit.

Ms D Kapot-Witbooi complies with the competency requirements as prescribed by legislation. Ms H Eksteen and Ms C Reid have completed fifteen (15) unit standards of the MMC training. Staff members need to be trained internally on supply chain management.

## **D. WAY FORWARD**

The following needs attention in the following quarter:-

- Provide training to EPWP workers (ongoing).
- Performance ratings of service providers for this quarter.

## **E. FINANCIAL IMPLICATIONS**

Secure budget for vacancy.

## **F. STAFF IMPLICATIONS**

Filling of vacancy.

**RECOMMENDATION**

That the report be submitted to the Mayor in terms of section 6(3) of the Supply Chain Management Policy on the implementation of the Supply Chain Management Policy for the quarter ending March 2017 be approved.

**MANAGER (ACTING): SUPPLY CHAIN MANAGEMENT  
MRS D KAPOT-WITBOOI**

**DATE**

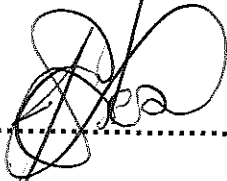


03.04.2017

**RECOMMENDED BY DIRECTOR MANAGEMENT SERVICES/CFO**

**MR J TESSELAAR**

**DATE**

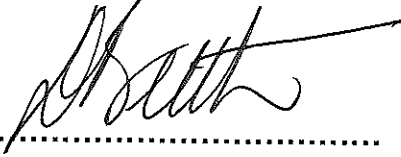


4/4/2017

**APPROVED BY MUNICIPAL MANAGER**

**MR D BERETTI**

**DATE**

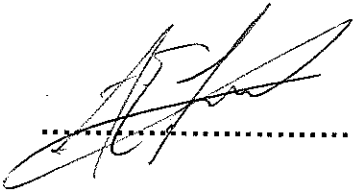


11.4.2017

**SUBMITTED TO EXECUTIVE MAYOR**

**ALDERMAN ANDRIES FRANKEN**

**DATE**



13/4/2017