

**SUPPLY CHAIN MANAGEMENT: QUARTERLY REPORT FOR THE PERIOD ENDING 30 JUNE 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 30 June 2017.

**RECOMEMMENDATION**

1. That the quarterly report for the period ending 30 June 2017 submitted by the Supply Chain Management function be noted.

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**QUARTERLY SUPPLY CHAIN MANAGEMENT REPORT  
(JUNE 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 June 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. T08-2016/17: BREATHING APPARATUS**

Awarded to: Fremtac Fire & Rescue  
Date Awarded: 21 April 2017  
Amount: R 9 916.58 per set

**II. T10-2016/17: PANEL VAN HAZMAT VEHICLE**

Awarded to: FIRE RAIDERS (PTY) LTD  
Date Awarded: 16 May 2017  
Amount: R 272 745.00

**III. T13-2016/17: STRUCTURAL FIREFIGHTING VEHICLE**

Awarded to: FIRE RAIDERS (PTY) LTD  
Date Awarded: 16 May 2017  
Amount: R 541 113.07

**IV. Q17-2016/17: SUPPLY OF TWO SERVERS**

Awarded to: DLK GROUP (PTY) LTD  
Date Awarded: 25 May 2017  
Amount: R 136 532.51

**V. Q18-2016/17: MISCELLANEOUS ICT EQUIPMENT – ITEM A: X4 DEEP CYCLE BATTERIES AND INVERTER**

Awarded to: KALIPHA TRADINGS CC  
Date Awarded: 25 May 2017  
Amount: R 9 790.35

**VI. Q18-2016/17: MISCELLANEOUS ICT EQUIPMENT – ITEM B: X1 EPSON EB - X31 PROJECTOR**

Awarded to: BLUE COMPUTER TECHNOLOGIES  
Date Awarded: 25 May 2017  
Amount: R 7 010.79

**VII. Q18-2016/17: MISCELLANEOUS ICT EQUIPMENT – ITEM D: 1X RACK 1 (SERVER)**

Awarded to: PREMIUM COMPUTERS  
Date Awarded: 25 May 2017  
Amount: R 4 750.00

**VIII. Q18-2016/17: MISCELLANEOUS ICT EQUIPMENT – ITEM E: X20 RACK 2 (SWITCHES)**

Awarded to: BOX DROPPERS  
Date Awarded: 25 May 2017  
Amount: R 41 086.80

**IX. Q18-2016/17: MISCELLANEOUS ICT EQUIPMENT – ITEM F: 5X SYNOLOGY DISKSTATION DS115J 1 BAY NAS (OR SIMILAR)**

Awarded to: BLUE COMPUTER TECHNOLOGIES  
Date Awarded: 25 May 2017  
Amount: R 10 120.10

**X. Q18-2016/17: MISCELLANEOUS ICT EQUIPMENT – ITEM G: X5  
2TB WD RED DRIVE**

Awarded to: FIRST TECHNOLOGY WESTERN CAPE (PTY) LTD

Date Awarded: 25 May 2017

Amount: R 7 028.10

**XI. Q18-2016/17: MISCELLANEOUS ICT EQUIPMENT – ITEM H: X5  
6TB WD RED DRIVE**

Awarded to: BLUE COMPUTER TECHNOLOGIES

Date Awarded: 25 May 2017

Amount: R 17 065.35

**XII. Q19-2016/17: COMPUTER HARDWARE & SOFTWARE – ITEM 1:  
X10 LAPTOPS**

Awarded to: BLUE COMPUTER TECHNOLOGIES

Date Awarded: 25 May 2017

Amount: R 67 165.60

**XIII. Q19-2016/17: COMPUTER HARDWARE & SOFTWARE – ITEM 2:  
X1 LAPTOP**

Awarded to: MANTELLA TRADING 634 (PTY) LTD

Date Awarded: 25 May 2017

Amount: R 10 957.51

**XIV. Q19-2016/17: COMPUTER HARDWARE & SOFTWARE – ITEM 4:  
13X OFFICE LICENSES**

Awarded to: VICECAM CC

Date Awarded: 25 May 2017

Amount: R 44 399.55

**XV. TRANSVERSAL CONTRACT – RT 57 – 2016: SUPPLY AND DELIVERY OF SEDAN VEHICLES, LIGHT AND HEAVY COMMERCIAL VEHICLES, BUSES AND MOTOR CYCLES TO THE STATE FOR THE PERIOD 1 APRIL 2016 TO 31 MARCH 2018**

Awarded to: Various Suppliers

Date Awarded: 24 April 2017

**XVI. TRANSVERSAL CONTRACT – RT 15 – 2016: SUPPLY AND DELIVERY OF MOBILE COMMUNICATION SERVICES TO THE STATE FOR THE PERIOD 15 SEPTEMBER 2016 TO 31 AUGUST 2020**

Awarded to: Vodacom

Date Awarded: 25 May 2017

**XVII. Q19-2016/17: COMPUTER HARDWARE & SOFTWARE – ITEM 3: X2 DESKTOPS**

Awarded to: BLUE COMPUTER TECHNOLOGIES

Date Awarded: 14 June 2017

Amount: R 15 436.86

**XVIII. Q20-2016/17: SERVER SUPPORT**

Awarded to: INNOVO NETWORKS

Date Awarded: 14 June 2017

Rate per KM: R 760.00

Tariff per hour (RS) R 550.00

Tariff per hour (OS) R 480.00

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 C Reid attended the following meetings:

- Provincial Treasury Strategic Session, 19 May 20172017 – Drakenstein 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 APRIL 2017 - JUNE 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	
01/04	Municipal Manager's Office	Organogram Review	Pricewaterhouse Coopers	R 65 000.00	Excl.	Exceptional Case	J Tesselaaar	The previous Council approved the org review subject to further consultation with unions. Due to the municipal elections resulting in a new council it was necessary to workshop the org structure with the newly elected council. This resulted in that the consultants (PWC) who were appointed for the project needed to perform a continuation of previous work conducted until the newly elected council approved the final org structure on 05 December 2016. Due to the nature of the project it would be in Council's benefit not to have appointed another service provider to ensure cost effective / saving to conclude the final stage of the project.	Direct Payment	
02/04	Emergency Services	Tyres	Supaquick Swellendam	R 4 304.80	Incl.	Emergency	C Pieterse	This vehicle is used to transport Personnel who is on bystand to and from emergency sites. The circumstances at that stage where the vehicle got the punctured tyres was at a fire scene at Tesselaaarsdal (weekend) and a fire inspection for a controlled fire at Napkysmond (after hours) and these tyres were the only tyres available for the vehicle. The tyres that are on tender was not available and the vehicle would have stood too long waiting for this tyres. Supaquick is on tender but not the tyre that was available.	138 613	

01/05	Roads	Parts PA 180245	AAD Truck & Bus	R 6 598.89	Incl.	Sole Supplier	J De Goede	The Truck PA 180245 is a relatively new truck with 694 hours and according to the provincial office the agents must be used to maintain the warranty. Three quotations were obtained from different branches (Epping, Parow & Worcester), 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.	139 006
02/05	Roads	Parts PA 180246	AAD Truck & Bus	R 6 598.89	Incl.	Sole Supplier	J De Goede	The Truck PA 180246 is a relatively new truck with 670 hours and according to the provincial office the agents must be used to maintain the warranty. Three quotations were obtained from different branches (Epping, Parow & Worcester), 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.	139 005



03/05	Roads	Parts PA 187036	AAD Truck & Bus	R 7 021.69	Incl.	Sole Supplier	J De Goede	The Truck PA 187036 is a relatively new truck with 195 hours and according to the provincial office the agents must be used to maintain the warrant-ty. Three quotations were obtained from different branches (Epping, Parow & Worcester), 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.	139 007
04/05	Roads	Parts PA 170026	AAD Truck & Bus	R 6 545.65	Incl.	Sole Supplier	J De Goede	The Truck PA 170026 is a relatively new truck with 21178 hours and according to the provincial office the agents must be used to maintain the warrant-ty. Three quotations were obtained from different branches (Epping, Parow & Worcester), 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.	139 008

05/05	Roads	Parts PA 140043	AAD Truck & Bus	R 10 327.60	Incl.	Sole Supplier	J De Goede	The Truck PA 140043 is a relatively new truck with 149 hours and according to the provincial office the agents must be used to maintain the warranty. Three quotations were obtained from different branches (Epping, Parow & Worcester), 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.	139 009
06/05	Corporate Services	Franking Machine	Mailing and Mechanisation Cape CC	R 3 853.20	Incl.	Sole Supplier	A Thompson	The current cartridges is almost empty and we need it for franking purposes for the circulating of external post. The franking machine is a product of Mailing and Mechanisation Cape CC Hasler Business Systems. They are the Sole Provider of the LJ40 cartridge. Mailing and Mechanisation (HBS) – Western Cape are one of the branches.	139 091
07/05	Emergency Services	Punctured Tyres	SupaQuick	R 3 110.72	Incl.	Emergency	R Geldenhuys	This incident occurred after hours. The vehicle had punctures to two wheels and was stuck in a high risk area and could not be left there overnight in order to obtain further quotes. Furthermore it was needed to get the vehicle on line again as soon as possible.	139 146

01/06	Corporate Services	Supply and installation of geyser	RB Services	R 7 500.00	Incl.	Emergency	A Thompson	The geyser at erf 162, burst late Friday afternoon after 14:00. There was no supplier available that could supply and install the geyser. RB Services was the only supplier to render the services at that specific time. This replacement was needed because the possibility of further damage to the property could occur.	139 319
02/06	Roads/ Workshop	Service of Grader (PA 135079)	Barloworld Equipment	R 9 723.75	Incl.	Sole Supplier	J De Goede	The Grader PA 180245 is a relatively new machine with 1250 hours and according to the provincial office the agents must be used to maintain the warranty. This machine's is on its 1257 <sup>th</sup> hour	139 452
03/06	Roads/ Workshop	Service of Grader (PA 135103)	Barloworld Equipment	R 4 681.35	Incl.	Sole Supplier	J De Goede	The Grader (PA 135103) is a relatively new machine with 250 hours and according to the provincial office the agents must be used to maintain the warranty. This machine's is on its 233 <sup>rd</sup> hour	139 453

### **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        |

Mrs A Kroukamp was the store keeper at the Caledon depot but has since resigned. Mr H Dramat is currently fulfilling the duties of the store keeper in Caledon on a contract basis. Three EPWP workers; Mr J Harmse, Ms N Marais and Mr B Mokotwana 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 June 2017 be approved.

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

**DATE**

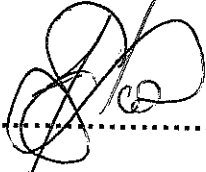


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**RECOMMENDED BY DIRECTOR MANAGEMENT SERVICES/CFO**

**MR J TESSELAAR**

**DATE**

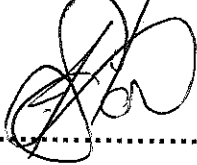


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**APPROVED BY MUNICIPAL MANAGER**

**MR D BERETTI**

**DATE**

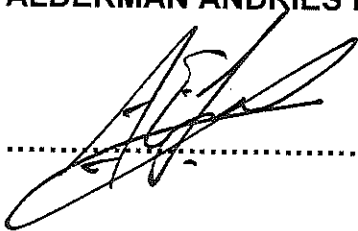


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**SUBMITTED TO EXECUTIVE MAYOR**

**ALDERMAN ANDRIES FRANKEN**

**DATE**



..... 25/07/2017 .....