

SUPPLY CHAIN MANAGEMENT: QUARTERLY REPORT FOR THE PERIOD ENDING 30 JUNE 2018

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.

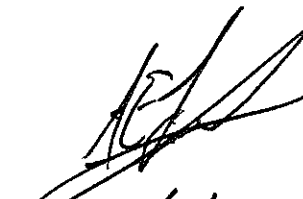
ATTACHMENT

- SCM quarterly report period ending 30 June 2018.

RECOMMENDATION

- 1) That the quarterly report for the period ending 30 June 2018 submitted by the Supply Chain Management unit, be noted.


10/7/18


10/7/2018



OVERBERG DISTRICT MUNICIPALITY



SUPPLY CHAIN MANAGEMENT QUARTERLY REPORT JUNE 2018

PART 1

SUPPLY CHAIN MANAGEMENT REPORT FOR THE QUARTER ENDING JUNE 2018

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 2018.

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. **M1 / 2017: SUPPLY AND DELIVER SPARES, AND SERVICE, REPAIR AND OVERHAUL OF MOTOR VEHICLES, EARTHMOVING AND CONSTRUCTION EQUIPMENT BY ORIGINAL EQUIPMENT MANUFACTURERS (OEM): FRAMEWORK AGREEMENT 2017 – 2020**

Awarded To: BABCOCK AFRICA SERVICES (PTY) LTD
 BARLOWORLD EQUIPMENT.
 ELB EQUIPMENT HOLDINGS LIMITED
 HIGH POWER EQUIPMENT AFRICA PTY LTD
 ITR SOUTH AFRICA
 KEMACH CAPE (PTY) LTD
 KOMATSU SOUTH AFRICA PTY LTD
 ZF SERVICES SOUTH AFRICA

Reason for Award: Section 32 – Department of Transport & Public Works

Date Awarded: 24 April 2018

II. T18:2017/18 - PROVISION OF GROUND FIREFIGHTING RESOURCES

Awarded To: NCC ENVIRONMENTAL SERVICES (PTY) LTD
Amount: Various
Reason for Award: Compliant bidder
BBBEE Level: Level 2
Date Awarded: 10 May 2018

III. Q22-2017/18: CUTTING & REMOVAL OF VEGETATION WITHIN DESIGNATED SITES AT SALMONS DAM NATURE RESERVE

Awarded To: SIKHUMBUZE ABORIST AND GENERAL SERVICE
Amount: R 43 600.00
Reason for Award: Scored the highest preferential points
BBBEE Level: Level 1
Date Awarded: 16 May 2018

III. Q23-2017/18: RETROFITTING OF OVERBERG DISTRICT MUNICIPALITY'S MAIN OFFICE BUILDING: ENERGY EFFICIENT LIGHTING

Awarded To: IMPENDULO – ICT (PTY) LTD
Amount: SUPPLY R26 161.70
HOURLY RATE R340.00
KM RATE PER HOUR R4.50
BBBEE Level: Level 1
Reason for Award: Scored the highest preferential points
Date Awarded: 10 May 2018

IV. UNSOLICITED BID: MINUTES SOLUTION

Awarded to: AllaboutXpert (Paragon)
Date Awarded: 22 May 2018

V. Q25-2017/18: SUPPLY OF A FIREFIGHTING PUMP AND TWO HOSE REELS

Awarded To: FIRE STUFF 365 CC T/A FIRE 24/7
Amount: Low Pressure Hose Reel R15 501.66
High Pressure Hose Reel R17 318.38
Pump R74 463.94
Reason for Award: Scored the highest preferential points
BBBEE Level: Level 4
Date Awarded: 20 June 2018

VI. Q26-2017/18: IT EQUIPMENT

ITEM A – X5 LAPTOPS

Awarded To: IKANDO (PTY) LTD t/a IT MASTER
Amount: R 39 405.47
Reason for Award: Scored the highest preferential points
BBBEE Level: Level 1
Date Awarded: 14 June 2018

ITEM B – X5 DESKTOPS

Awarded To: CANFRED COMPUTERS SWELLENDAM CC t/a PREMIUM COMPUTERS
Amount: R 31 075.00
Reason for Award: Scored the highest preferential points
BBBEE Level: Level 4
Date Awarded: 14 June 2018

ITEM C – X1 LAPTOP

Awarded To: DLK GROUP (PTY) LTD
Amount: R 13 828.00
Reason for Award: Scored the highest preferential points
BBBEE Level: Level 1
Date Awarded: 14 June 2018

ITEM D – X2 MONITORS AND X2 GRAPHIC CARDS (CONTROL ROOM)

Awarded To: LEZRYN SOLUTIONS (PTY) LTD
Amount: R 5 101.40
Reason for Award: Scored the highest preferential points
BBBEE Level: Level 1
Date Awarded: 14 June 2018

ITEM E – VIDEO CONFERENCING

Awarded To: THE COMPLIED SUPPLIES SERVICES (PTY) LTD
Amount: R 9 360.00
Reason for Award: Scored the highest preferential points
BBBEE Level: Level 1
Date Awarded: 18 June 2018

VII. Q27-2017/18: TRANSCRIPTIONS

Awarded To: ARINA WILSON
Amount: R 55.00 per page
Reason for Award: Compliant bidder
BBBEE Level: Level 4
Date Awarded: 14 June 2018

VIII. Q29-2017/18: NETWORK EQUIPMENT

Awarded To: GEONOPLIS TRADING (PTY) LTD
Amount: R 71 872.13
Reason for Award: Scored the highest preferential points
BBBEE Level: Level 1
Date Awarded: 20 June 2018

IX. UNSOLICITED BID: ICLEI MEMBERSHIP

Awarded to: ICLEI AFRICA
Date Awarded: 04 April 2018

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.

The Overberg District Municipality in conjunction with Cape Agulhas and Theewaterskloof Municipalities hosted an SCM and LED supplier open day on the following dates:

- **Cape Agulhas Municipal Area:**
- **Date:** 03 May 2018
- **Venue:** Bredasdorp, Thusong Centre, corner of Long & Ou Meule Streets

- **Theewaterskloof Municipal Area:**
- **Date:** 09 May 2018
- **Venue:** Caledon, The City Hall, 22 Plein Street, Caledon

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 2018 - JUNE 2018

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	Resorts	Security Services	Secma International Security	R 410 625.00	Incl.	Emergency	J Botha	Withdrawal of security services at Uitenkraalsmond and Die Dam Resorts pending an outcome of legal action instituted. No security at the resorts, loss of income due to unauthorised access, theft and vandalism of buildings and equipment. Risk can be mitigated by appointing an alternative security company to provide immediate security services pending tender procedure. Local security companies in place to render services.	Various
02/04	Minutes Paperless Tool	Support Services	Allabout Minutes	R 13 252.50	Incl.	Sole Supplier	A Thompson	Allabout Minutes is the sole supplier for the paperless tool, currently used by the municipality. There is no competition and is the only supplier that exist (sole distribution rights).	143 600
03/04	Emergency Services	Canopies	B & M Ford Bredasdorp	R 99 216.60	Incl.	Exceptional Case	R Geldenhuys	The canopies purchased were on tender on 22 September 2017, but no suppliers quoted. The items quoted by the local supplier include all costs such as supplies, labour and warranty. B & M Ford is the only supplier on the ODM's database and their service is excellent.	114 087

01/05	Emergency Services	Tyres	AJ Bandediens	R 58 459.20		Exceptional Case	R Geldenhuys	Emergency Vehicle that needs to be on the road. Vehicle cannot be taken off run as this is the only vehicle that the emergency services have to fulfil fire fighting functions. Tyres are part of the Annual Tender that served on the bid specification committee for the new financial year. Tyres are very scares and AJ bandediens had the tyres in stock.	143 441
02/05	Emergency Services	Upholstery	Murtz Upholsters	R 2 500.00	Incl.	Exceptional Case	R Geldenhuys	Murtz Upholsters were the only supplier on the ODM database that quoted on the repair work. SCM had contacted a few other suppliers to obtain quotations but with no success. Not economically viable to drive vehicle to another destination for quotes – for the amount of R2500	144 495
03/05	Human Resources	Legal Services	Linda Potgieter	R23 566.00	Incl.	Exceptional Case	G Spangenberg	Disciplinary Hearing of ODM Official. Ongoing process	144 155 144 158
04/05	Human Resources	Legal Services	TB Vorster & Associates	R 24 050.00	Incl.	Exceptional Case	G Spangenberg	Disciplinary Hearing of ODM Official. Ongoing process	144 159

05/05	Support Services	Security Services	LRV Security	R 54 300.00	Excl.	Exceptional Case	A Thompson	Due to burglary / theft at the Caledon premises, extra security is needed. This is an exceptional case because LRV security already delivers the services at the premises. The above could result in a lack of service delivery, delay of project completion. This will also amount to additional costs for loss of property, plant and equipment. The impact are on various departments at the Caledon premises which includes Municipal Health, Roads, Emergency Services, SCM stores and Workshop (Administration).	144 582
06/05	Human Resources	Legal Services	Linda Potgieter	R100 000.00	Incl.	Exceptional Case	G Spangenberg	Disciplinary Hearing of ODM Official. Ongoing process	This is not the final amount. The final amount will be reported on at the end of the financial year. 144 603
07/05	Roads Workshop	Servicing of Vehicles	WearcheckSA	R 14 922.40	Incl.	Sole Supplier	J De Goede	The trucks and heavy machinery must be serviced every 250 hours and according to Provincial Offices Wearcheck SA must be used as a service provider for the oil analysis programme on all provincial machines. Wearcheck SA is the only supplier who can provide the specific bottles needed.	144 624
08/05	Roads Workshop	Parts PA 187036	AAD Nissan	R 8 890.28	Incl.	Sole Supplier	J De Goede	The truck PA 187036 is a relatively new machine with 1050 hours on it. According to the Provincial office, the agent must be used to service the truck to maintain the warranty.	144 624

09/05	Human Resources	Legal Services	TB Vorster & Associates	R200 000.00	Incl.	Exceptional Case	G Spangenberg	Disciplinary Hearing of ODM Official. Ongoing process	This is not the final amount. The final amount will be reported on at the end of the financial year.
11/05	Internal Audit	Membership fees	IIA (SA)	R 4 485.00	Incl.	Sole Supplier	F Coetzee	Institute of Internal Auditors (SA). Annual renewal of membership: F Coetzee & S Cupido	144 713
01/06	Support Services	Minutes Paperless Tool	Allabout Minutes	R 27 816.00	Incl.	Sole Supplier	A Thompson	Allabout Minutes is the sole supplier for the paperless tool, currently used by the municipality. There is no competition and is the only supplier that exist (sole distribution rights).	144 735
02/06	Support Services	Printer Cartridge	Mailing & Mechanisation Cape CC	R 4 117.00	Incl.	Sole Supplier	A Thompson	The current cartridge is almost empty and it is needed for franking purposes for the circulating of external post. The franking machine is a product of Mailing and Mechanisation Cape CC Hasler Business Systems. Sole provider of IJ40 cartridge.	144 750
03/06	Roads	Power Supply	Simons Electric	R 4 800.00	Incl.	Emergency	M Van Eeden	Power supply to part of mechanic workshop cut off (welding & sandblast shop) needs to be repaired urgently – negative impact on workshop program / productivity.	144 765
04/06	Roads Workshop	Parts PA 187041	AAD Nissan	R 13 551.46	Incl.	Sole Supplier	J De Goede	The truck PA 187041 is a relatively new machine with 176 hours on it. According to the Provincial office, the agent must be used to service the truck to maintain the warranty.	144 840

05/06	Roads Workshop	Parts PA 187044	AAD Nissan	R 4 305.74	Incl.	Sole Supplier	J De Goede	The truck PA 187044 is a relatively new machine with 200 hours on it. According to the Provincial office, the agent must be used to service the truck to maintain the warranty.	144 841
06/06	Roads Workshop	Parts PA 187045	AAD Nissan	R 5 105.16	Incl.	Sole Supplier	J De Goede	The truck PA 187045 is a relatively new machine with 158 hours on it. According to the Provincial office, the agent must be used to service the truck to maintain the warranty.	144 842
07/06	Roads Workshop	Strip and Quote PA 156010	Dosco Hydraulic	R 22 729.42	Incl.	Exceptional Case	J De Goede	The hydraulic bucket cylinder of the excavator was broken and this unit has to be dismantled to determine what the error is and to estimate a cost. Dosco Hydraulic was approached to do the strip and quote and provided a quote. It will not be cost effective to send it to another supplier as it has to be stripped again and weighing extra costs.	144 843
08/06	ICT	Website database damage repairs	Tano'vero	R 3 737.50	Incl.	Emergency	J Snyman	The ODM website was hacked and the database was damaged. The database serves as a link between the content on the site and the backend. The damage to the database caused that this link was broken, the result being that the general public cannot access ODM content. The reason for using a deviation is that the municipality is lawfully obligated to have a working website with the relevant content available at all times. The website must be repaired as soon as possible to comply with this. Tano'vero was recommended to Mr P Britz by both the IT Managers of Cape Agulhas and Theewaterskloof municipalities.	144 933

09/06	Internal Audit	Training	CIGFARO	R 6000.00	Incl.	Sole Supplier	F Coetzee	CIGFARO (Chartered Institute of Government Finance, Audit & Risk Officers). CIGFARO is the official organisation that facilitates / sponsors the event. This workshop will serve as a platform for interns and related stakeholders to engage on topics and challenges faced in their daily operations & guidelines to meet set municipal objectives.	144 955
10/06	Support Services	Security Services	LRV Security	R 31 500.00	Excl.	Exceptional Case	A Thompson	Due to burglary / theft at the Caledon premises, extra security is needed. This is an exceptional case because LRV security already delivers the services at the premises. The above could result in a lack of service delivery, delay of project completion. This will also amount to additional costs for loss of property, plant and equipment. The impact are on various departments at the Caledon premises which includes Municipal Health, Roads, Emergency Services, SCM stores and Workshop (Administration).	144 964
11/06	Human Resource	MMC	University of Stellenbosch	R 438 751.70	Incl.	Exceptional Case	G Spangenberg	The University of Stellenbosch is the best accredited institution to offer the training – MMC Training. Legislatively required – No other institution appointed.	144 989

12/06	LED, Tourism, Resorts & EPWP	RED Strategy	The Caledon Spa Hotel	R 49 830.00	Exceptional Case	E Johnson	144 975
<p>The ODM RED & Tourism strategy workshops would have been held at five (5) different venues across the district in each local municipality and at ODM Head Office from 11 – 15 / 06 / 2018. The respective facilitators and presenters requested their travelling and accommodation to be paid by ODM. On 04 / 06 / 2018 an urgent RED strategy meeting was held during which it has been decided to host the RED strategy workshops at a central venue and to reduce the number of days from five (5) to three (3) days, 11 – 13 / 06 / 2018. This to reduce cost and ease the arrangements. To this end it was decided on Caledon Spa Hotel which was the only facility that could cater for the need at such short notice. It was catered for forty (40) attendees per day to each workshop to the amount of Thirty nine thousand six hundred rand (R39 600), However on 12 / 06 / 2018 about seventy one (71) attendees attended the workshop. This had a direct cost implication to the total value of Forty nine thousand eight hundred and thirty rand (R49830) for the three workshop days.</p>							

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 Senior Administrator/Head SCM (Acting)
- Ms C Reid Senior Clerk
- Ms B Brighton Clerk Procurement
- Mr. C Abrahams Store Keeper Bredasdorp

Mr H Dramat is currently fulfilling the duties of the store keeper in Caledon on a contract basis. One finance intern; Miss Zimasa Tsengwa and two EPWP workers; Mr J Harmse and Mr B Mokotwana are currently employed in the SCM unit.

Ms D Kapot-Witbooi complies with the competency requirements as prescribed by legislation. Miss C Reid has 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.

PART 2

SUPPLY CHAIN MANAGEMENT REPORT ON INFRASTRUCTURE PROCUREMENT AND DELIVERY MANAGEMENT FOR THE QUARTER ENDING JUNE 2018

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 infrastructure procurement and delivery management policy to the mayor. The purpose of this report is to report to the Mayor in terms of section 6.1.3(d) of the Infrastructure Procurement and Delivery Management policy on the implementation of the infrastructure procurement and delivery management Policy for the quarter ending June 2018.

B. COMPLIANCE/PROGRESS

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.**) The Infrastructure Procurement and Delivery Management policy was approved by Council on 15 May 2017 with effect from 01 July 2017.

No disputes, appeals, objections or complaints have been received from service providers in this quarter.

No incidents of serious and material problems in the implementation of the Infrastructure Procurement and Delivery Management Policy occurred during this quarter.

No incidents of any deviations to the provisions of the Infrastructure Procurement and Delivery Management Policy occurred during this quarter.

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 and in terms of section 6.1.3(d) of the Infrastructure Procurement and Delivery Management policy on the implementation of the infrastructure procurement and delivery management Policy for the quarter ending June 2018 be approved.

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

DATE



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06.07.2018
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RECOMMENDED BY CHIEF FINANCIAL OFFICER (ACTING)

MR CF HOFFMANN

DATE

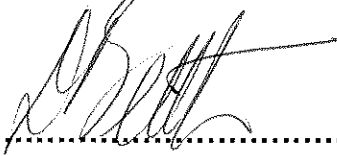


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APPROVED BY MUNICIPAL MANAGER

MR D BERETTI

DATE

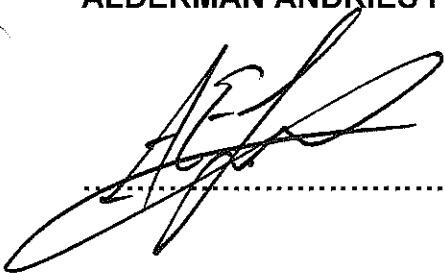


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10.7.2018
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SUBMITTED TO EXECUTIVE MAYOR

ALDERMAN ANDRIES FRANKEN

DATE



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10-7-2018
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