

SUPPLY CHAIN MANAGEMENT: QUARTERLY REPORT FOR THE PERIOD ENDING 30 JUNE 2019

D Kapot-Witbooi: Head: Supply Chain Management

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

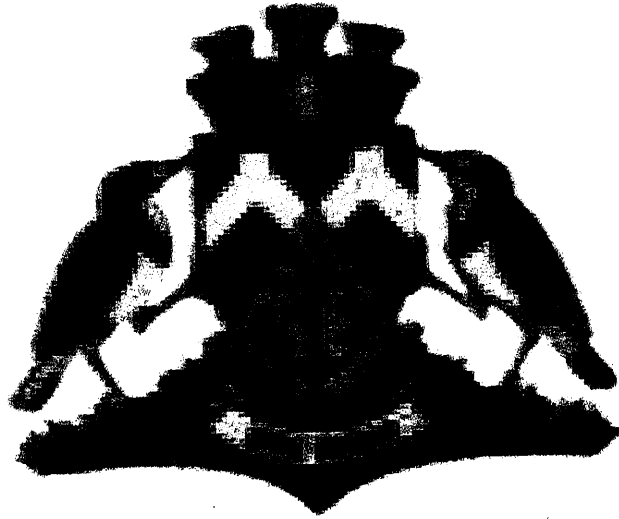
- SCM quarterly report period ending 30 June 2019.

RECOMMENDATION

- 1) That the quarterly report for the period ending 30 June 2019 submitted by the Supply Chain Management unit, be noted.

[Handwritten signatures and dates]
8/7/2019 11/07/2019
4/4/2019

OVERBERG DISTRICT MUNICIPALITY



SUPPLY CHAIN MANAGEMENT QUARTERLY REPORT JUNE 2019

PART 1

SUPPLY CHAIN MANAGEMENT REPORT FOR THE QUARTER ENDING JUNE 2019

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 2019.

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. T24-2018/19: STRUCTURING OF INCIDENT COMMAND VEHICLE

Awarded To: FIRE STUFF 365 CC t/a FIRE 24/7
Amount: R 558 318.45
Reason for Award: Compliant Bidder
BBBEE Level: Level 4,
Date Awarded: 29 April 2019

II. Q17-2018/19: ERADICATION OF INVASIVE ALIEN VEGETATION FROM BREDASDORP TO UILENKRAALSMOND, PEARLY BEACH AND BUFFELJAGSBAAI

Awarded To: FIONA LOURENS
Amount: R 157 000.00
Reason for Award: Scored the highest preferential points
BBBEE Level: Level 1
Date Awarded: 06 May 2019

III. Q19-2018/19: SUPPLY AND INSTALLATION OF CAMERA SYSTEMS

Awarded To: BONA ELECTRONICS SOLUTIONS (PTY) LTD
Amount: R 172 388.50
Reason for Award: Scored the highest preferential points
BBBEE Level: Level 1
Date Awarded: 06 May 2019

IV. Q20-2018/19: SUPPLY AND DELIVERY OF PROTECTIVE CLOTHING FOR THE ROADS DEPARTMENT

SAFETY FOOTWEAR ONLY

Awarded To: PIENAAR BROTHERS (PTY) LTD
Amount: Various Prices
Reason for Award: Compliant Bidder
BBBEE Level: Level 3
Date Awarded: 06 May 2019

V. T27-2018/19: VIRTUAL REALITY AND AUGMENTED REALITY FIREFIGHTER TRAINING SIMULATOR

Awarded To: FIRE STUFF 365 CC t/a FIRE 24/7
Amount: Supply R718 559.10
Annual Licence Fee (Year 1) R33 091.54
Annual Licence Fee (Year 2) R33 091.54
Reason for Award: Scored the highest preferential points
BBBEE Level: Level 4
Date Awarded: 19 June 2019

VI. Q23-2018/19: ERADICATION OF ALIEN INVASIVE VEGETATION ON KARWYDERSKRAAL LANDFILL FACILITY

Awarded To: CA HANEKOM t/a CAL CONSTRUCTION
Amount: R133 500.00
Reason for Award: Compliant Bidder
BBBEE Level: Level 1
Date Awarded: 13 June 2019

VII. Q24-2018/19: COMPUTER EQUIPMENT

ITEM A: X7 DESKTOPS

Awarded To: MADGE COMPUTERS (PTY) LTD
Amount: R 65 440.56
Reason for Award: Scored the highest preferential points
BBBEE Level: Level 2
Date Awarded: 13 June 2019

ITEM B: X7 LAPTOPS

Awarded To: MANTELLA TRADING 634 (PTY) LTD t/a MANTELLA IT
SUPPORT SERVICES
Amount: R 68 962.74
Reason for Award: Scored the highest preferential points
BBBEE Level: Level 1
Date Awarded: 13 June 2019

ITEM C: X1 MONITOR

Awarded To: MANTELLA TRADING 634 (PTY) LTD t/a MANTELLA IT
SUPPORT SERVICES
Amount: R 2 275.73
Reason for Award: Scored the highest preferential points
BBBEE Level: Level 1
Date Awarded: 13 June 2019

ITEM D: X1 NETWORK SWITCH

Awarded To: MANTELLA TRADING 634 (PTY) LTD t/a MANTELLA IT
SUPPORT SERVICES
Amount: R 5 011.93
Reason for Award: Scored the highest preferential points
BBBEE Level: Level 1
Date Awarded: 13 June 2019

VIII. Q25-2018/19: UPGRADING OF TOILET FACILITIES AT THE MUNICIPAL HEALTH SERVICES OFFICES IN SWELLENDAM

Awarded To: BRIGHT IDEA PROJECTS 322 CC
Amount: R36 282.50
Reason for Award: Scored the highest preferential points
BBBEE Level: Level 1
Date Awarded: 13 June 2019

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.

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 2019 – JUNE 2019

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	Emergency Services	Repairs to Emergency Vehicle	Groenland Boeredienste	R 29 630.19	Incl.	Emergency	Mr R Geldenhuys	Kaap Agri has the tender for all mechanical repairs for the tender period. Unfortunately, Kaap Agri does not provide after-hours service. During the massive fire at Franskraal on January 11, 2019 at about half past five, the fire brigade's vehicle broke down and urgently needed to have it repaired in order to provide service delivery to the Franskraal community. Groenland Boeredienste was the only supplier available that could help during this emergency. Lastly, frequent contact with Kaap Agri was made for assistance for after-hour repairs but with no success.	149 646
02/04	Roads	Parts PA 87044	AAD Truck & Bus	R 10 148.86	Incl.	Sole Supplier	J De Goede	The Truck PA 87044 is a new machine with 648 hours on it and must be serviced. According to the provincial office the agents must be used to maintain the warranty.	149 625
03/04	Roads	Parts PA 87045	AAD Truck & Bus	R 9 678.10	Incl.	Sole Supplier	J De Goede	The Truck PA 87045 is a new machine with 830 hours on it and must be serviced. According to the provincial office the agents must be used to maintain the warranty.	149 626

04/04	Roads	Parts PA 87041	AAD Truck & Bus	R 9 857.89	Incl.	Sole Supplier	J De Goede	The Truck PA 87041 is a new machine with 852 hours on it and must be serviced. According to the provincial office the agents must be used to maintain the warranty.	149 627
05/04	Support Services	Staples for Printer	Nashua Breede Vallei	R 8 106.35	Incl.	Sole Supplier	Ms A Thompson	Purchasing of staples for the Nashua printer in the registry department. Nashua, however, confirmed that they are the sole provider for the staples needed.	149 905
06/04	Environmental Management	Weighbridge Software	Trade Scales	R 3 956.00	Incl.	Sole Supplier	Mr F Kotze	The transfer of the weighbridge software needs to be done by someone familiar with the setup in use at Karwyderskraal. Trade Scale supplied the software and made the necessary modifications to the program to suit the needs of the site, so Trade Scale is the only company fully aware of what needs to be done and thus the only company that can supply the correct software with the modifications currently in use. Since the software license was bought, Trade Scale can supply the software to a 3 rd party, but that is software only, the actual transfer of database files and setting up of the scale on the newly installed software will still need to be done by Trade Scale.	149 836

01/05	Municipal Manager's Office	Conference Telephone	TWK Communications	R 10 121.80	Incl.	Exceptional Case	W Crafford	150 108
								Acquiring a conference telephone for the boardroom in the office of the MM for teleconference sessions. TWK Communications is currently the successful tenderer rendering & supplying the communication system / network and telephones. It is recommended that the conference telephone be procured from the current service provider to ensure the compatibility of the phone on the communication system separately for the conference phone. This will minimise the financial cost to implement & maintain the conference phone.
02/05	Internal Auditing	Membership Fees	IIA (Institute of Internal Auditors)	R 5 060.00	Incl.	Sole Supplier	F Coetzee	150 459
								The Institute of Internal Auditors (SA) is the only professional body for internal auditors in SA. Internal Auditors may not practise as internal auditors unless they are members of the institute.
03/05	Roads	PA 180266	AAD Nissan	R 9 752.73	Incl.	Sole Supplier	J De Goede	150 378
								The Truck PA 180266 is a new machine with 805 hours on it and must be serviced. According to the provincial office the agents must be used to maintain the warranty.
04/05	Roads	Parts PA 180265	AAD Truck & Bus	R 9 752.73	Incl.	Sole Supplier	J De Goede	150 377
								The Truck PA 180265 is a new machine with 752 hours on it and must be serviced. According to the provincial office the agents must be used to maintain the warranty.

01/06	Resorts	Hiring of a Cherry Picker	Adenco Construction (Pty) Ltd	R 4 040.53	Incl.	Emergency	J Botha	<p>Die Dam Resort experienced a main line power failure on Saturday 18/05/2019 at about 09H00. There was no electricity in the entire resort. Resulting in the electricity and water supply to the resort being cut off. The electrician was called out, he established where the fault was but was unable to reach the top of the pole to repair the fault and restore the electricity supply to the resort as his ladders were too short. A "cherry picker" was required to reach the faulty part at the top of the pole. The Overstrand and Cape Agulhas Municipalities were unable to assist in the sourcing of a "cherry picker". ODM was then compelled to source a "cherry picker" from a company ADENCO Construction in Stanford. After obtaining the "cherry picker" the electrician was able to repair the fault and restore electricity supply to the resort on Sunday at 10H00. The risk can be mitigated by making provision under Mechanical Equipment in the tender for the hiring of a "cherry picker".</p>	150 395
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02/06	Performance Management	SLA for Web based Tool	Ignite Advisory Services (Pty) Ltd	R 180 000	Excl.	Exceptional Case	M Dunn	<p>The existing service level agreement with Ignite Advisory Services expires on 30 June 2019. The municipality bought a web-based tool to manage the organisational (SDBIP), individual performance, Compliance and Risk Management, which is hosted by Ignite Advisory Services. It is not cost effective to buy another electronic programme. The municipality is currently investigating the possibility to use the organisational and individual performance tool of SAMRAS, which is new developments and is in the process of being finalised. It is requested to sign an SLA with Ignite Advisory Services for 1 year. Period: 1 July 2019 – 30 June 2020.</p>	Direct Payment
03/06	Emergency Services	Establishment of a Fire Break	Overberg Siviel	R 25 000.00	Incl. / Excl.	Emergency	R Geldenhuys	<p>This is an emergency due to the urgency of establishing a fire break during the veldfire in Napier on 28 February 2019. Other operators were not available at that stage and the ODM had to revert to Overberg Siviel to do this emergency work.</p>	150 545

04/06	Roads	Rural Roads Asset Management Program	SMEC	R 595 043.48	Incl.	Exceptional Case	M Van Eeden	150 547
								<p>SMEC consultants were appointed to execute the Rural Roads Asset Management Program for the ODM for the previous 3 financial years. The tender expired on 8 April 2019. It is impractical to use another service provider to execute work for the remainder of the financial year and they have also completed (and supplied) the business plan for the 2019/2020 financial year. The business plan was accepted and approved by Council at the end of May 2019.</p>
05/06	Emergency Services	Repairs to Vehicles	Groenland Boeredienste	R 50 449.64	Incl.	Emergency	R Geldenhuys	150 549
								<p>During the course of fires, we experienced breakages and mechanical failures on our vehicles. In a lot of these cases this occurred after hours and during the night. The mechanical repair tenders we currently have in the Grabouw and Caledon areas does not cater or provide afterhours service. In these cases, we could not let the vehicle stand where it is till the next day, or the Monday due to the fact that we needed the vehicle to fight the fire, or it would have been physically at risk due to fire spread. Due to the above we had to on four occasions make use of services by Groenland Boeredienste (Elinter Trading) for emergency repairs.</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 road's depot:

- | | |
|-------------------------|---------------------------|
| - Ms. D Kapot-Witbooi | Head SCM |
| - Mr. C Abrahams | Storekeeper Bredasdorp |
| - Ms B Brighton | Clerk Procurement |
| - Ms C Reid | Senior Clerk |
| - Mr J Harmse | Clerk Database Management |
| - Mr Vuyolwethu Nkanunu | Storekeeper Caledon |

Ms D Kapot- Witbooi was appointed as the SCM Manager effective from 01 March 2019. Mr D Africa is currently employed on a contract basis and one finance intern; Mr Lloyd Tshambu is employed in the SCM unit as well.

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 2019

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 2019.

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 2019 be approved.

**MANAGER: SUPPLY CHAIN MANAGEMENT
MRS D KAPOT-WITBOOI**

DATE



04 . 07 . 2019

RECOMMENDED BY CHIEF FINANCIAL OFFICER

MR CF HOFFMANN

DATE



4/1/2019

APPROVED BY MUNICIPAL MANAGER

MR D BERETTI

DATE

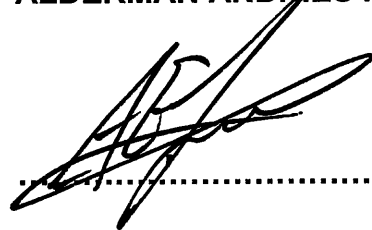


8/2/2019

SUBMITTED TO EXECUTIVE MAYOR

ALDERMAN ANDRIES FRANKEN

DATE



11/01/2019