

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

D Kapot-Witbooi: Head: Supply Chain Management

**PURPOSE**

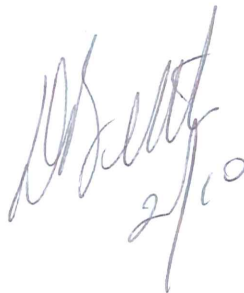
To report on Supply Chain Management issues and activities in order to comply with the Supply Chain Management Policy of the Council and the Municipal Finance Management Act.

**ATTACHMENT**

- SCM quarterly report period ending 30 September 2019.

**RECOMMENDATION**

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

  
2/10

  
10/10/19

# **OVERBERG DISTRICT MUNICIPALITY**



## **SUPPLY CHAIN MANAGEMENT QUARTERLY REPORT SEPTEMBER 2019**

PART 1

SUPPLY CHAIN MANAGEMENT REPORT FOR THE QUARTER ENDING  
SEPTEMBER 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 September 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. T28-2018/19: GUARDING AND SECURITY SERVICES AT THE OVERBERG DISTRICT MUNICIPALITY'S BREDASDORP AND CALEDON PREMISES FOR THE PERIOD ENDING 30 JUNE 2021

Awarded To: METRO CITY PROTECTION SERVICES

Amount:

BREDASDORP	TOTAL Price for the WEEK	R5 363.80
	TOTAL Price for the WEEKEND	R3 230.28
	TOTAL Price for PUBLIC HOLIDAY	R1 615.14
CALEDON	TOTAL Price for the WEEK	R5 363.80
	TOTAL Price for the WEEKEND	R3 230.28
	TOTAL Price for PUBLIC HOLIDAY	R1 615.14

Reason for Award: Compliant Bidder / Scored the highest preferential points

BBBEE Level: Level 1

Date Awarded: 08 July 2019

**II. T30-2018/19: FOOD AND WATER SAMPLE ANALYSES FOR THE PERIOD ENDING JUNE 2022**

Awarded To: SWIFT SILIKER (PTY) LTD t/a MÈRIEUX NUTRISCIENCES  
Amount: Various Amounts  
Reason for Award: Compliant Bidder  
Date Awarded: 08 July 2019

**III. Q30-2018/19: ND: MANAGEMENT OF CIVIL ENGINEERING CONSTRUCTION – LONG DISTANCE LEARNING**

Awarded To: ACS TRAINING (PTY) LTD  
Amount: R 36 800.00  
Reason for Award: Compliant Bidder  
Date Awarded: 30 August 2019

**IV. Q31-2018/19: SUPPLY AND DELIVERY OF NEW SHIPPING / STANDARD STEEL CONTAINER**

Awarded To: GROUP AFRIQUE CONSULTING AND PROJECTS  
Amount: R 61 812.50  
BBBEE Level: Level 2  
Reason for Award: Scored the highest preferential points  
Date Awarded: 30 August 2019

**V. Q32-2018/19: REPAIR AND PAINT OF CONCRETE FLOORS AT THE ROADS WORKSHOP IN BREDASDORP AND CALEDON**

Awarded To: R62 CONSTRUCTION PTY LTD  
Amount: BREDASDORP R81 175.05  
CALEDON R83 793.60  
BBBEE Level: Level 1  
Reason for Award: Scored the highest preferential points  
Date Awarded: 30 August 2019

**VI. Q02-2019/20: DUAL FUNCTION THERMAL CAMERA ENABLED DRONE**

Awarded To: UMFAZI UNITED (PTY) LTD  
Amount: R 51 003.00  
BBBEE Level: Level 1  
Reason for Award: Scored the highest preferential points  
Date Awarded: 30 August 2019

**VII. Q03-2019/20: SUPPLY AND DELIVERY OF NEW 5TH WHEEL FOR LOWBED**

Awarded To: AAD TRUCK & BUS (PTY) LTD  
Amount: R 76 978.46  
BBBEE Level: Level 4  
Reason for Award: Scored the highest preferential points  
Date Awarded: 30 August 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 INTO THE SCM REGULATIONS & SCM POLICY FOR THE PERIOD APRIL 2019 – SEPTEMBER 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
01/07	Support Services	Security Services	Mafoko Security	R 34 347.74	Incl.	Exceptional Case	A Thompson	<p>The advertisement for the Security Services was advertised for tenders with closing date on 20 May 2019. The new tender was awarded at an adjudication meeting held on 12 June 2019, where after the final letter for the new service provider has been submitted on 14 June 2019. The appeal period is now in process which ends on 5 July 2019. The current tender of Mafoko Security will come to an end on 30 June 2019. Due to burglary / theft at the Caledon premises, security is needed. This is an exceptional case because Mafoko Security already delivers the services at the premises. If no security at the premises, it could result in a lack of service delivery and delay of project completion. This will also amount to additional cost for loss of property. Plant and equipment. The impact is on various departments at the Caledon premises which includes, Health Department, Roads, Fire &amp; Disaster, SCM stores and Workshop stores (Administration).</p>	151 003

02/07	Support Services	Security Services	Mafoko Security	R 37 817.18	Incl.	Exceptional Case	A Thompson	<p>The advertisement for the Security Services was advertised for tenders with closing date on 20 May 2019. The new tender was awarded at an adjudication meeting held on 12 June 2019. However, an objection was received but has been resolved on 16 July 2019. The new service provider indicated that services can only be rendered from 01 August 2019. The current tender of Mafoko Security came to an end on 30 June 2019. Due to burglary / theft at the Caledon premises, security is needed. This is an exceptional case because Mafoko Security already delivers the services at the premises. If no security at the premises, it could result in a lack of service delivery and delay of project completion. This will also amount to additional cost for loss of property. Plant and equipment. The impact is on various departments at the Caledon premises which includes, Health Department, Roads, Fire &amp; Disaster, SCM stores and Workshop stores (Administration).</p>	151 002
03/07	Roads Workshop	Parts PA 187049	AAD Nissan	R 7 862.72	Incl.	Sole Supplier	J De Goede	<p>The truck PA 187049 is a relatively new machine with 525 hours on it. According to the Provincial office, the agent must be used to service the truck to maintain the warranty.</p>	151 020

04/07	Roads Workshop	Parts PA 87010	AAD Nissan	R 4 359.71	Incl.	Sole Supplier	J De Goede	The truck PA 87010 is a relatively new machine with 6560 hours on it. The handbrake valve is broken and must be replaced. According to written instruction received from the Provincial office, the agent must be used to purchase the needed parts for the truck to maintain the warranty.	151 021
05/07	Support Services	Printer Cartridge	Office Technology Brokers	R 4 117.00	Incl.	Sole Supplier	A Thompson	The current cartridge was empty, the ink is needed to place stamps on the envelopes for the ODM's accounts (external post). Office Technology Brokers is the provider of the ink cartridge.	151 045
01/08	Emergency Services	Rental of Containers	Topshell (Pty) Ltd	R 38 640.00	Incl. / Excl.	Exceptional Case	R Geldenhuys	The containers from Topshell needs to be rented till the end of September 2019 based on the original deviation. The containers are needed for storage and accommodation while the new station is fully completed, and storage space created. The containers are in place and getting other quotes will be impractical and delivery charges will be a wasteful expenditure.	151 428
02/08	Emergency Services	Batteries for Generator	BP Kwik & Go	R 3 448.00	Incl.	Emergency	R Geldenhuys	On the 10th of July 2019, Bredasdorp and the surrounding areas were affected by planned load shedding from 06h00 to 18h00. The morning just after 06h00 it was found that the generator that supplies the station with power did not start as to normal. Upon investigation one of the batteries was damaged beyond repair, probable power surge / overload from the changeover of power supply.	151 554



01/09	Emergency Services	Repairs to Repeater	Bernards Electronics and Communications	R18 140.00	Incl.	Exceptional Case	R Geldenhuys	<p>The generator was previously test run before the scheduled load shedding to ensure full operating capability, thus no faults were detected up until the morning of the 10th July 2019 as the generator had functioned as per normal when tested. Because all the equipment and the incident reporting system in the control centre runs from the computers, new batteries were needed immediately to ensure that the control centre could function as per normal. BP Kwik &amp; Go was the only supplier open at 06h00 on that morning that could assist the ODM with the problem with regards to supplying the equipment needed.</p> <p>Damages to the repeater at Salmondsdam and Grabouw was caused by the unexpected weather conditions and strong winds that blew the sun panels off and caused it to short – circuit which in fact damaged the repeater. The repairs to the repeater were urgent since the Fire and Roads departments' lines of communication is through the radio system. This was a strip &amp; quote. If more quotations were to be obtained, the repeaters needed to be stripped by at least 2 more suppliers which would involve more costs.</p>	151 632
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02/09	Roads	Calibration Facility	CLE	R5 370.50	Incl.	Sole Supplier	M Van Eeden	<p>In the whole of the Western Cape there are but only three sets of CSIR approved blocks on which Nuclear Density Apparatus (NDA) can be calibrated. Each of the following three facilities own a set of blocks; the Western Cape Government pavement technology materials testing laboratory, VI Instruments and Cape Laboratory Equipment (CLE). The Western Cape Government pavement technology materials testing laboratory is accredited by the South African National Accreditation System (SANAS) as a testing facility, and not a calibration facility, and thus prevented from carrying out calibration. VI Instruments (VI) were found by the Western Cape Government pavement technology materials testing laboratory not to be competent in carrying out calibration of NDA, this resulting in the laboratory manager at the time withdrawing consent allowing VI to issue, on behalf of the Western Cape Government pavement technology materials testing laboratory, the CPA/PAWC Certificate of Compliance for NDA that pass calibration.</p> <p>CLE are currently the only SANAS accredited calibration facility in the Western Cape that has consent to issue the CPA (PAWC) Certificate of Compliance for NDA. The service provider carrying out the calibration must be SANAS accredited to do calibration on the Troxler.</p>	151 759
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03/09	Office of the MM	Recruitment & Selection Services	Riel Hugo & Associates	R32 468.10	-	Exceptional Case	CF Hoffmann	<p>CLE is the only SANAS accredited facility in the Western Cape that is able to carry out calibration on Troxler's' and issue a CPAPAWC Certificate.</p> <p>Troxler's are radioactive sources used in soil density and moisture gauges and are subject to regulatory control in terms of the South African Hazardous Substances Act, 1973 (Act. No. 15 of 1973). The Troxler is needed to check compaction densities during road construction. The Department of Health sets a number of conditions that must be adhered to for troxler's to be used, two of these are annual 'calibration' and 'leak test'. Without which, a troxler must be withdrawn for service. Without the Troxler in use there is no way of measuring the compactive effort given during road construction.</p> <p>Just before finalising the advert for the vacant position of Senior Manager: Corporate Services at the ODM, it became evident that the HR person would also like to apply for the vacant position. To ensure that the process was conducted fair and equal, without benefitting any staff of the ODM; it was decided to outsource the recruitment &amp; selection process to an external service provider. Due to the urgency to fill the position as instructed by Council, Dr Hugo was appointed since his previous competence and track record in rendering these services for the ODM was of excellence.</p>	151 839
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## 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 Administrator (Acting)
- Mr J Harmse                    Clerk Database Management
- Mr Vuyolwethu Nkanunu      Storekeeper Caledon

Ms C Reid is currently acting in the Senior Administrator position until 30 November 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 SEPTEMBER 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 September 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 September 2019 be approved.

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

**DATE**



02.10.2019

**RECOMMENDED BY CHIEF FINANCIAL OFFICER**

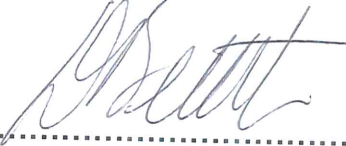
**MR CF HOFFMANN**

**DATE**

**APPROVED BY MUNICIPAL MANAGER**

**MR D BERETTI**

**DATE**

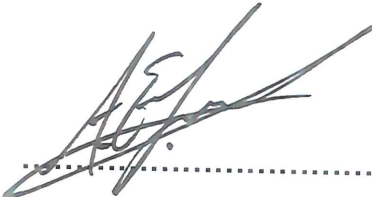


2/10/2019

**SUBMITTED TO EXECUTIVE MAYOR**

**ALDERMAN ANDRIES FRANKEN**

**DATE**



10/10/2019