

# OVERBERG DISTRICT MUNICIPALITY



## SUPPLY CHAIN MANAGEMENT QUARTERLY REPORT JUNE 2020

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## PART 1

### SUPPLY CHAIN MANAGEMENT REPORT FOR THE QUARTER ENDING JUNE 2020

#### 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 2020.

#### 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. Q13-2019/20: SUPPLY AND DELIVERY OF A MODULAR POD CONTAINER

Awarded To:	BFECT (PTY) LTD
Amount:	R 85 000.00
BBBEE Level:	Level 1
Reason for Award:	Scored the highest preferential points
Date Awarded:	30 June 2020

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 2020 – JUNE 2020**

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	Community Services / Emergency Services	Electronic Communications	Lovegreen	R60 000		Exceptional Case	P Oliver / R Geldenhuys	<p>The President declared a State of Disaster due to the Covid-19 Virus.</p> <p><b>BACKGROUND</b>                      The success or failure in the fight against this virus is going to depend to a large degree on how well we can inform, communicate and educate all levels of our society. This can only be done if we know who to talk to, how to talk to them and to correctly package the message to them.</p> <p>At the DCF the District was requested to lead the communication effort in the Overberg ensuring that we adhere to the above. Further to that is the risk of false info/news creating panic, fear and uncertainty, and if we leave a gap, someone will take it.</p> <p>We do not have a disaster manager at the moment, that position is vacant, and I am already using seconded resources from the FPA. In order to effectively execute the communication task, I would like to make use of a company used by the Fire Protection Association as well. They understand the world that we work in and how we operate.</p>	TBC

02/04	Community Services / Emergency Services	Electronic Communications	Lovegreen	R40 000			Exceptional Case	P Oliver / R Geldenhuys	<p>My proposal is that they work together with Kendall and Louise in the Communications cluster for the next three weeks to assist us in getting the communication lines to the communities on Facebook, website and direct where required set up.</p> <p><b>FINANCIAL IMPLICATIONS</b> This is a local company; cost will be to a maximum of R30 000 for a three-week period, and we need to extend it to a six-week period till after the lockdown to then a maximum of R60000.</p> <p>We have created a vote for Covid -19 into which we have placed R150 000 for these contingencies.</p> <p>The primary reason for the deviation is the urgency of getting the messages out yesterday already. By the time we go through a formal quotation process we will already be in Phase III and would have lost round one and two!</p> <p>The President declared a State of Disaster due to the Covid-19 Virus.</p> <p><b>BACKGROUND</b> The success or failure in the fight against this virus is going to depend to a large degree on how well we can inform, communicate, and educate all levels of our society. This can only be done if we know who to talk to, how to talk to them and to correctly package the message to them.</p>	TBC
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01/05	Community Services / Roads	Software Subscription	MMS Design	R 6 416.82	Incl.	Exceptional Case	M Van Eeden	<p>Lovegreen is that we do not have a dedicated communications person or team. Kendall is assisting with the actions together with Vanessa, but this type of communication over a spread of topics is best done by communication experts that can be on the job 24/7 to deal with any arising emergency communication.</p> <p>It was our intention to go out on RTQ to extend the services of a communications company based on quotations received through the formal process. However, the extension of the lockdown has made this impossible to do. We foresee that post – lockdown a lot of information will need to be generated and shared with our municipalities and the public on new rules and regulation pertaining to the combating of the virus. We therefore request that we extend the deviation, or do a new deviation based on the set of facts above for an additional four weeks period to the value of R40 000. This will enable us to go out on a RTQ process and at the same time facilitate a skills transfer with Kendal and the team as well as evaluating the need for a further service provider to assist, or scaling down the services of such a service provider.</p> <p>Tender for Installation / Program or Survey Software was awarded to MMS Design for a three (3) Year period. Being the original service provider, it is recommended that the support subscription is also done by them.</p>	TBC
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02/05	Corporate Services	Security Services	Metro City Protection Services	R70 921,78	Incl.	Exceptional Case	L Potgieter	<p>The President of South Africa has announced that we are going into a national lockdown from midnight on Thursday, 26 March until 16 April 2020 (3 weeks). This meant that all the depots and offices of the ODM, would be closed and no staff members would be present at these offices during working hours for 3 weeks. In the past, and as a result of the many incidents of theft at our Roads depots in Caledon and Bredasdorp after hours and weekends, the services of a private security company were obtained to provide a security service for weekends and after hours. In order to ensure that the property of the ODM is safeguarded for the period of lockdown, security services had been employed for these depots for the period of the lockdown which was supposed to come to an end at midnight on 16 April 2020. However, the period of lockdown has now been extended to midnight on 30 April 2020 and it is therefore necessary to extend the security services at the depots. Both depots hold council property which would be at risk of damage and/or theft if there is no security at the depots. Therefore 24-hour security shifts are needed at the Caledon and Bredasdorp premises for the period of lockdown from 17 April 2020 to 30 April 2020.</p> <p><b>METRO CITY PROTECTION SERVICES</b> already deliver the services at the premises and it only makes sense to obtain their services for the entire period. If no security services are rendered at the premises, it</p>
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03/05	Corporate Services	Security Services	Metro City Protection Services	R156 886.12	Incl.	Exceptional Case	L Potgieter	<p>could result in theft and damages to Council property. The impact is on various departments at the Caledon and Bredasdorp premises, which includes the following: Health Department, Roads, Fire and Disaster, SCM Stores and Workshop (Administration)</p> <p>Due to the lockdown, all depots, and offices of the ODM, will be closed and no staff members will be at these offices during working hours. In the past, and as a result of the many incidents of theft at our Roads depots in Caledon and Bredasdorp after hours and over weekends, the services of a private security company were obtained to provide a security service at the aforementioned depots after hours and over weekends. Both depots hold council property which would be at risk of damage and/or theft if there is no security at the depots. Therefor 24-hour security shifts are needed at the Caledon and Bredasdorp premises for the period of lockdown (level 4) from 01 May 2020 to 31 May 2020.</p> <p><b>METRO CITY PROTECTION SERVICES</b></p> <p>already delivers the services at the premises and it only makes sense to obtain their services for the entire period if no security services are rendered at the premises, it could result in theft and damages to Council property. The impact is on various departments at the Caledon and Bredasdorp premises, which includes the following Health, Roads, Fire &amp; Disaster, SCM Stores and Workshop (Administration)</p>	TBC
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01/06	Community Services / Roads	Sanitation Equipment – Covid 19 Control Measures	Agri Mark Bredasdorp	R 6 797.29	Incl.	Emergency	M Van Eeden	Equipment was urgently needed to sanitize offices, workshops, vehicles, plant and premises before employees return to work. Agri Mark Bredasdorp was the only local supplier who has stock of the equipment at that stage. The above is compulsory in terms of the ODM Roads Operational and Covid 19 workplace plan.	TBC
02/06	Community Services / Emergency Services	Electronic Communications	Lovegreen	R45 000	Excl.	Exceptional Case	P Oliver / R Geldenhuys	<p>The President declared a State of Disaster due to the Covid-19 Virus.</p> <p><b>BACKGROUND</b></p> <p>The success or failure in the fight against this virus is going to depend to a large degree on how well we can inform, communicate, and educate all levels of our society. This can only be done if we know who to talk to, how to talk to them and to correctly package the message to them.</p> <p>At the DCF the District was requested to lead the communication effort in the Overberg ensuring that we adhere to the above. Further to that is the risk of false info/news creating panic, fear and uncertainty, and if we leave a gap, someone will take it.</p> <p>Under Government Gazette 43147 Disaster Management Act (57/2002): Directions made in terms of Section 27(2) by the Minister of Cooperative Governance and Traditional Affairs Section 6.3.2 Municipalities are directed to:</p> <p>a) Prepare and roll out awareness campaigns on Covid -19, using available media platforms (print, radio and social media), to the public within their area of jurisdiction.</p> <p>b) Ensure that communication materials include details on prevention methods, identification, infection control, local reporting</p>	TBC

channels and emergency contacts in order to raise public awareness and encourage appropriate preventative behaviours and practices.	c) Conduct advocacy and awareness programs on the prevention and control of Covid – 19 and establish communication protocols for the reporting of cases relating to employees and councillors	The actions we have undertaken up to now with the assistance of Lovegreen have satisfied the requirement set by the above regulation. To reiterate the reason for Lovegreen is that we do not have a dedicated communications person or team.	Kendall is assisting with the actions together with Vanessa, but this type of communication over a spread of topics is best done by communication experts that can be on the job 24/7 to deal with any arising emergency communication. A formal RTQ process was followed to procure the services of a communications company. Subsequent to the advertising and closing of the RTQ, the Overberg was designated as a "hot spot area" requiring an enhanced plan with	communications as one of the primary legs of the plan. This required the process to be started over and the original process cancelled. Based on the urgency on commencing the "hot spot" plan, communication services are needed to continue, pending final article completion. It is therefore requested that a deviation based on the facts above for an additional four weeks period to the value of R45,000.00. This will enable the RTQ to be completed.																																																																																																																																											

### **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

Miss C Reid is currently acting in the Senior Administrator position. One finance intern; Miss Lukho Magadla 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 2020

#### 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 2020.

#### 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 2020 be approved.

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

**DATE**



16.07.2020

**RECOMMENDED BY CHIEF FINANCIAL OFFICER**

**MR CF HOFFMANN**

**DATE**



16/7/2020

**APPROVED BY MUNICIPAL MANAGER**

**MR D BERETTI**

**DATE**



23.7.2020

**SUBMITTED TO EXECUTIVE MAYOR**

**ALDERMAN ANDRIES FRANKEN**

**DATE**



04/08/2020