



## OVERBERG DISTRICT MUNICIPALITY

TO : MUNICIPAL MANAGER  
FROM : MANAGER SUPPLY CHAIN MANAGEMENT  
DATE : 13 JULY 2022

### SUPPLY CHAIN MANAGEMENT ANNUAL REPORT FOR THE PERIOD ENDING JUNE 2022

**PURPOSE OF REPORT** To report to the Mayor and the Council in terms of section 6(2) and 6(3) of the Supply Chain Management Regulations on the implementation of the Supply Chain Management Policy for the year ending June 2022.

Prepared by	<b>Manager SCM</b> Ms D Kapot-Witbooi .....
Date	13.07.2022
Reviewed by	<b>CFO</b> Ms N Kruger .....
Date	13/7/22
Approved by	<b>Municipal Manager</b> Mr R Bosman .....
Date	10/7/2022

#### Final Submission

Submitted to	<b>Executive Mayor</b> Mr A Franken .....
Date	18/07/22

### 1. Oversight Role of Council

The council must maintain oversight over the implementation of the supply chain management policy and for the purposes of such oversight the accounting officer must within 30 days of the end of each financial year, submit a report on the implementation of the supply chain management policy to the council of the municipality in terms of paragraph 6(2) of the policy.

### 2. Amendment of the Supply Chain Management Policy

In terms of SCM Regulation 3(1)(b), the Accounting Officer must, when considered necessary, submit proposals for the amendment of the Supply Chain Management Policy.

The amended, Supply Chain Management Policy was submitted to Council for consideration and approval, on 28 March 2022. Upon review of the budget related policies, no further changes were made to the SCM Policy.

### 3. Supply Chain Management Unit (SCMU)

The SCMU operates under the direct supervision of the Chief Financial Officer and is led by the Manager: Supply Chain Management.

Manager: SCM	Daniele Kapot-Witbooi
Senior Administrator	Crystal Reid
Senior Clerk: SCM	Vacant
Senior Buyer (orders)	Brenda Brighton
SCM Database Clerk	Jacques Harmse
Administrator: Stores	Vacant
Stores Assistant – Bredasdorp	Christopher Abrahams
Stores Assistant – Caledon	Vuyolwethu Nkanunu
Stores Assistant – Swellendam	Vacant

### 4. Training of SCM Officials

#### Competency Levels of Supply Chain Management Unit

The Municipal Regulations on Minimum Competency Levels requires certain general competency levels for officials involved in the implementation of the Supply Chain Management Policy.

Name	Designation	Unit Standards Completed
Kapot-Witbooi D	Manager: SCM	24
Reid C	Senior Administrator	15
Harmse J	SCM Database Clerk	13

## **5. Database administration**

In terms of paragraph 14(1)(a) of the Supply Chain Management Policy, the Accounting Officer is required to keep a list of accredited prospective providers of goods and services (supplier database). In terms of the municipality's legislative requirement, interested suppliers were requested to register on the database. Current suppliers are requested on a yearly basis to update their registration information.

Suppliers are also requested to register on the Central Supplier Database (CSD) before the municipality are allowed to do business with them.

## **6. Awards to persons in service of the state**

Awards to persons in service of the state remain a challenge as long as municipalities do not have direct access to the PERSAL system and other public institutions. Provincial Treasury has included the ID numbers of officials and councilors in their system. HR information are submitted monthly to Provincial Treasury to do the necessary verifications in terms of related parties.

The Central supplier Database is still utilized to perform verifications of persons in service of the state before an award is made. Suppliers also submit Declarations of interest with their quotes or tenders to verify persons in service of the state as well as related parties.

## **7. Vendor Performance**

Spreadsheets for the evaluation of vendor performance are distributed on a monthly basis. Formal vendor performance forms are distributed bi-annually to evaluate the suppliers. Bi-annual reports are submitted to Council.

## 8. Deviations

The following table provides a summary of deviations approved for the 2021/22 financial year and must be included as a note in the financial statements:

<b>First quarter (July to September 2021)</b>	
36(1) (a) (i): Emergency	R 0.00
36(1) (a) (ii): Sole Provider	R 8 680.66
36(1) (a) (iii): Special Works of art	R 0.00
36(1) (a) (iv): Animals for zoos	R 0.00
36(1) (a) (v): Impractical or impossible	R 167 160.00
<b>Total for this quarter</b>	<b>R 175 840.66</b>
<b>Second quarter (October to December 2021)</b>	
36(1) (a) (i): Emergency	R 6 762.00
36(1) (a) (ii): Sole Provider	R 33 766.94
36(1) (a) (iii): Special Works of art	R 0.00
36(1) (a) (iv): Animals for zoos	R 0.00
36(1) (a) (v): Impractical or impossible	R 507 562.00
<b>Total for this quarter</b>	<b>R 548 090.94</b>
<b>Third quarter (January to March 2021)</b>	
36(1) (a) (i): Emergency	R 0.00
36(1) (a) (ii): Sole Provider	R 0.00
36(1) (a) (iii): Special Works of art	R 0.00
36(1) (a) (iv): Animals for zoos	R 0.00
36(1) (a) (v): Impractical or impossible	R 148 120.00
<b>Total for this quarter</b>	<b>R 148 120.00</b>
<b>Fourth quarter (April to June 2021)</b>	
36(1) (a) (i): Emergency	R 0.00
36(1) (a) (ii): Sole Provider	R 26 366.00
36(1) (a) (iii): Special Works of art	R 0.00
36(1) (a) (iv): Animals for zoos	R 0.00
36(1) (a) (v): Impractical or impossible	R 0.00
<b>Total for this quarter</b>	<b>R 26 366.00</b>
<b>Total amount of deviations approved</b>	<b>R 898 417.60</b>

The following table illustrates the number of orders being managed (issued) by the SCMU for the financial year ended.

<b>Number of orders</b>
3 258

## **9. CONCLUSION**

The performance of the Supply Chain Management Unit has developed into a well functional unit despite the challenges that were faced since its existence. Ongoing training is still necessary for all officials who deal with supply chain management issues. The officials are committed to better their performance in the coming year from lessons learned during this financial year especially during the pandemic.

Bid committees are functioning well. Documents have been developed in respect of SCM processes for compliance in terms of the SCM policy for the procurement of goods and services.

Monthly and quarterly 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. The SCM policy has been reviewed and formal performance evaluations on service providers were done on a bi-annual basis.

The SCMU continuously strives to not only ensure compliance to legislative frameworks, but also to improve administrative and procedural efficiency, thereby giving effect to its Constitutional mandate in terms of Section 152 of the Constitution.

## **SUPPLY CHAIN MANAGEMENT: ANNUAL REPORT FOR THE PERIOD ENDING 30 JUNE 2022**

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D Kapot-Witbooi: Manager Supply Chain Management

### **PURPOSE**

To report in terms of Section 6(2) and 6(3) of the Supply Chain Management Regulations on the implementation of the Supply Chain Management policy for the period ending 30 June 2022.

### **ATTACHMENT**

SCM Annual Report for the period ending 30 June 2022.

### **RECOMMENDATION**

- 1) That the annual report for the period ending 30 June 2022 submitted by the Supply Chain Management unit, be noted.