



# OVERBERG DISTRICT MUNICIPALITY

TO : MUNICIPAL MANAGER  
FROM : MANAGER SUPPLY CHAIN MANAGEMENT  
DATE : 10 JULY 2023

## SUPPLY CHAIN MANAGEMENT ANNUAL REPORT FOR THE PERIOD ENDING JUNE 2023

**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 2023.

Prepared by	<b>Manager SCM</b> Ms D Kapot-Witbooi .....
Date	10.07.2023
Reviewed by	<b>CFO</b> Ms N Kruger .....
Date	12/7/23
Approved by	<b>Municipal Manager</b> Mr R Bosman .....
Date	12/7/2023

### Final Submission

Submitted to	<b>Executive Mayor</b> Mr A Franken .....
Date	12/7/23

### 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 27 March 2023. 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
Accountant SCM	Crystal Reid
Senior Administrator	Vacant
Administrator SCM (orders)	Brenda Brighton
Administrator SCM (Database)	Jacques Harmse
Accountant Assets and Stores	Jaco Leonard
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 2022/23 financial year and must be included as a note in the financial statements:

<b>First quarter (July to September 2022)</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 0.00
<b>Total for this quarter</b>	<b>R 0.00</b>
<b>Second quarter (October to December 2022)</b>	
36(1) (a) (i): Emergency	R 0.00
36(1) (a) (ii): Sole Provider	R 1 118 820.19
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 184 000.00
<b>Total for this quarter</b>	<b>R 1 302 820.19</b>
<b>Third quarter (January to March 2023)</b>	
36(1) (a) (i): Emergency	R 0.00
36(1) (a) (ii): Sole Provider	R 540 292.60
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 230 100.00
<b>Total for this quarter</b>	<b>R 770 392.60</b>
<b>Fourth quarter (April to June 2023)</b>	
36(1) (a) (i): Emergency	R 196 017.50
36(1) (a) (ii): Sole Provider	R 238562.23
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 166 250.00
<b>Total for this quarter</b>	<b>R 600 829.73</b>
<b>Total amount of deviations approved</b>	<b>R 2 674 042.52</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>
3 186

## 9. CONCLUSION

The performance of the Supply Chain Management Unit has developed into a well functional unit despite the challenges 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.

Bid committees are functioning well. The unit want to thank the senior managers of Cape Agulhas, Overstrand and Swellendam Municipalities for their willingness and availability to assist the municipality on the Bid Adjudication Committee to ensure that we comply with SCM regulation 29(2). 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. 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.