



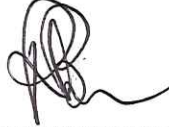


OVERBERG DISTRICT MUNICIPALITY


TO : MUNICIPAL MANAGER
FROM : MANAGER SUPPLY CHAIN MANAGEMENT
DATE : 12 JULY 2024

SUPPLY CHAIN MANAGEMENT ANNUAL REPORT FOR THE PERIOD ENDING JUNE 2024

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 2024.

Prepared by	Manager SCM Ms D Kapot-Witbooi 
Date	12.07.2024
Reviewed by	CFO Ms N Kruger 
Date	15/7/2024
Approved by	Municipal Manager Mr R Bosman  16/07/2024
Date	

Final Submission

Submitted to	Executive Mayor Mr A Franken 
Date	16/07/2024

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.

Amendments, published on 14 December 2023, taking effect on the date of publication in the Gazette, no 49863, to the MFMA SCM Regulations, forced municipalities to amend their SCM policies. The amended, Supply Chain Management Policy was submitted to Council for consideration and approval, on 29 January 2024. Upon review of the budget related policies on 25 March 2024, 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 and Assets.

Manager: SCM & Assets	Daniele Kapot-Witbooi
Supply Chain Management	
Accountant: SCM	Vacant
Administrator SCM	Jacques Harmse
Principal Clerk SCM (orders)	Brenda Brighton
Principal Clerk SCM (Database)	Zizipho Mahangu
Assets and Stores	
Accountant Assets and Stores	Jaco Leonard
Principal Clerk Assets and Stores	Lloyd Tshambu
Stores Assistant – Bredasdorp	Christopher Abrahams
Stores Assistant – Caledon	Vuyolwethu Nkanunu
Stores Assistant – Swellendam	Vacant

The Accountant: SCM, Ms. C Reid, has accepted a new position within the municipality. Ms. Reid has been with SCM since 2014. Thank you for your contributions and hard work during this period.

The following vacancies or positions were advertised during the financial year:

Accountant SCM
Administrator SCM
Principal Clerk SCM (Database)
Principal Clerk Assets and Stores

4. Training of SCM Officials

Competency Levels of Supply Chain Management Unit

The Municipal Regulations on Minimum Competency Levels require 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 & Assets	24
Mahangu Z	Principal Clerk: SCM	20
Harmse J	Administrator	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 annually to update their registration information.

Suppliers are also requested to register on the Central Supplier Database (CSD) before the municipality is 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 is 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 formal quotations (above R30 000) and 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 monthly. 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 2023/24 financial year and must be included as a note in the financial statements:

First quarter (July to September 2023)	
36(1) (a) (i): Emergency	R 45 169.02
36(1) (a) (ii): Sole Provider	R 7 042.49
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 268 058.40
Total for this quarter	R 320 269.91
Second quarter (October to December 2023)	
36(1) (a) (i): Emergency	R 0.00
36(1) (a) (ii): Sole Provider	R 1 557 440.07
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 631 350.45
Total for this quarter	R 2 188 790.52
Third quarter (January to March 2024)	
36(1) (a) (i): Emergency	R 186 307.86
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 207 480.05
Total for this quarter	R 393 787.91
Fourth quarter (April to June 2024)	
36(1) (a) (i): Emergency	R 506 377.95
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 505 887.30
Total for this quarter	R 1 012 265.25
Total amount of deviations approved	R 3 915 113.59

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

Number of orders
4 759

9. CONCLUSION

The performance of the Supply Chain Management Unit has developed into a well functional unit despite the challenges faced since its existence. Continuous training remains essential for all officials involved in supply chain management. These officials are dedicated to enhancing their performance in the upcoming year based on lessons learned during this financial period. We appreciate your dedication and hard work.

Monthly and quarterly reports have been submitted in respect of procurement of goods and services. The SCM and Preferential Procurement policies has been amended, and formal performance evaluations on service providers were done on a bi-annual basis.

Bid committees are operating well. The unit want to thank the bid committee members for their services and their contributions, particularly the Bid Evaluation Committee members and the scribe. The municipality appreciates the senior managers from Cape Agulhas, Overstrand and Swellendam Municipalities for their willingness and availability to assist the municipality on the Bid Adjudication Committee to ensuring compliance 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.

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.

Lastly, a heartfelt acknowledgment to the team. Thank you for your tireless effort, dedication, and commitment to prioritizing the municipality and our community's welfare. Despite encountering challenges, your perseverance and outstanding efforts are truly commendable.