



**QUARTERLY REPORT TO THE MUNICIPAL COUNCIL  
IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY  
UMZIMVUBU LOCAL MUNICIPALITY**

**(As per Section 6(1) (3) of the Municipal SCM Regulations)**

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## 1. Introduction

In terms of clause 6(1) (3) of the Municipal Supply Chain Management Regulations, 2005, which deals with the Oversight role of council of municipality or board of directors of municipal entity:

- (1) *The council of a municipality and the board of directors of a municipal entity must maintain oversight over the implementation of its supply chain management policy.*
- (3) *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 of the municipality or the board of directors of the municipal entity, as the case may be.*

## 2. SCM Policy & Procedures

### 2.1 Adoption of Policy by Council

*Date and Resolution May 2020*

### 2.2 SCM Procedures

*List procedures that are in place (indicate i.e. Procedure manual)*

*SCM Policy, Procedure Manual*

### 2.3 Delegations

*Are SCM Process Delegations in place?*

*Yes*

### 2.4 Infrastructure Procurement

*Has Council adopted the Standard for Infrastructure Procurement and Delivery Management?*

## 3. Functioning of the SCM Unit (phrase as questions)

### 3.1 SCM Structure:

*Is there an approved Structure in place? Yes*

### 3.2 Declaration of Interest:

*Have all SCM Personnel declared their interests? Yes*

### 3.3 Code of Conduct for SCM Practitioners:

*Have all SCM Personnel signed the Code of Conduct? Yes*

### 3.4 Training of SCM Personnel:

*Have all SCM Personnel been trained? Yes*

## 4. Functioning of Bid Committees

4.1 Are Bid Committees constituted in line with Regulations 27, 28 &29? Yes

4.2 Are Infrastructure Committees aligned with Infrastructure Delivery Management System (IDMS)?

4.3 Are Bid Committee Terms of Reference in place? Yes

4.4 Number of Bid Committee Meetings held during the reporting period.

## 5. Reporting Items

### 5.1 Deviations

#### 5.1.1 Section 114 (Approval of tenders not recommended)

Date of Award	Bid No.	Description of Goods/Services/Works	Award Value	BEC Recommendation	BAC Recommendation	Reason for Deviation	Notifications & Dates		
							AG	PT	NT
		N/A							

#### 5.1.2 Regulation 32 (Procurement of goods and services under contracts secured by other organs of State)

Date of Award	Contract Description	Award Value	Service Provider	Name of Contract Owner (Department / Municipality)	Consent obtained from Organ of State and Service Provider		Reason for Implementing Reg. 32
					Yes	No	
	NONE						

### 5.1.3 Regulation 36 (Deviation from, and ratification of minor breaches of, procurement processes)

Description of Goods/Services/Works	Date of Award	Awarded To	Award Value	Reason for Deviation	Date reported to Council
Supply and deliver material for Covid 19	06 April 2020	Supply and deliver material for Covid 19 Akonamilla Pty Ltd	R129 540.00	It is impractical to follow SCM processing in terms of requesting quotations or advertising due to the fact that the equipment being surgical masks, latex gloves, spray cans as well hand sanitizer are in high demand as the threat of COVID 19 Worldwide pandemic spreads all over the globe and therefore in short supply. At the time of procuring the sanitizer, spray cans and latex gloves the national number of infections officially reported stands at 1655 and already 11 related deaths in South Africa. The Municipality also received an intention by essential services to down tools as they do not have the necessary tools to protect themselves from infection. In an effort to reduce the spread of infection the Municipality procured the goods from supplier, Akonamilla PTY (Ltd) who had suppliers in stock, to sanitize public spaces and furnish workers with disposable latex gloves,	May 2020
Supply and deliver protective clothing for COVID 19	12/05/2020	SGM Tires and Car wash	R213 989.00	It will be impractical to follow SCM process in terms of requesting quotations or advertising due	June 2020

				to the fact that the equipment are in high demand as the threat of Covid 19 worldwide pandemic spreads all over the globe and therefor in short supply. At the time of procuring, National number of infections officially increases and deaths in Alfred Nzo region. The municipality also received an intention by essential services to down tools as they do not have necessary tools to protect themselves from infection. And the Municipality cannot wait as the frontline workers indicated their unwillingness to work unless safety prevention equipment has been provided. Further, the virus has shown rise in infected numbers posing a risk to the municipality and the community at large.	
Repairs and maintenance	22 June 2020	John Deere Tractors	R36 846.46	Repairs for John Deere Tractors cannot be done anywhere else other than diagnoses needs to be done prior repairs, hence it will not be possible to source for quotations from different suppliers.	June 2020

**5.2 Unauthorized, Irregular, Fruitless & Wasteful Expenditure**

- i) *Template as per MFMA Circular 68 to be utilized*
- ii) *Submission of register to PT*
- iii) *Report on reducing UIF&W and dealing with prior years*

**5.3 Central Suppliers Database (CSD)**

- i) *Access / challenges*  
*The municipality is utilizing CSD when implementing Supply chain Management processes*
- ii) *Uploading payroll information*

**5.4 Procurement Plan Implementation (Annexure)**

- i) *Format of Procurement Plan*
- ii) *Report on implementation of procurement plans*

**5.5 Bids Awarded >R100K (quotations register and bid registers) (Annexures)**

Schedule for Quotation Register will be attached with this report

Bid No.	Bid Description	Award Value	Award Date	Date Contract Signed	Contract Start Date	Contract Duration

**5.6 Municipal Bid Appeals (if applicable)**

- i) *Bid objections and appeals*  
*Municipality has received 03 Appeals.*
- ii) *Appeal status*  
*One has been resolved and the two are still in progress*

**5.7 Contract Management (Annexure)**

**5.7.1 Contracts Register Statistics**

No. of Current Contracts	No. of contracts awarded to SMMEs within the municipal area (local suppliers)	No. of Contracts about to expire in <6 months	No. of Expired Contracts but still in use
13	07	0	0

**5.7.2 Variations**

- i) Variations within 15% or 20% (this can part of contract register)**

**No variations orders**

Contract No.	Contract Description	Contract Value	Reasons for Variation	Amount



### 5.7.3 Supplier Performance Management

Contract no. & Description	Name of Contractor	Date of Supplier performance assessment	Supplier Performance Assessment Report Compiled		Supplier performance assessment / performance rating
			Yes	No	
Travel Agencies	Swift Travel	30 June 2020	Yes		5
Internal Audit Co-sourced	Bonakude	30 June 2020	Yes		5

### 5.8 Logistics / Inventory Management (where applicable)

- i) Policy
- ii) Cycle counts
- iii) Challenges
- iv) Other activities

### 5.9 Unsolicited Bids (if any) N/A

### 5.10 Bids advertised (Annexure) See Status of advertised and awarded tenders

- i) Website
- ii) E-tender portal
- iii) CIDB
- iv) Other
- v) Cancelled bids

## 6. Preferential Procurement Policy Framework Act (PPPFA), Reg. 2017 (Annexure)

### 6.1 Contracts with Pre-Qualification (Regulation 4)

Name of the contractor	Contract Description	Pre-Qualification Criteria	Award Value	Date of Award
Sivu Investments Pty Ltd	Extension of Umzimvubu Free WIFI	Similar Projects 50 Expertise 30 Network Tower 20	R989 000.00	07 May 2020

Lupicon Trading	Fencing of Botanical Garden Mount Ayliff Phase 2	Experience 100	R1,044,390.90	07 May 2020
Sondlo Consultants, Nyalambisa Financial Services and Pawacons Pty Lt	Provision of Municipal Panel of Accountants and Other related Matters	Qualifications of team 20 Proposed Methodology 10 Traceable reference 15 Company experience 40 Project Plan with cash flows 10	Rates Bases	27 May 2020
Myoza Myoza Trading cc JV Mphilisi Construction cc	Upgrading of EmaXesibeni Cemetry	Company Experience 40 Key Personnel Experience 20 Sound Methodology 40	R 8333 813.39	21 May 2020

## 6.2 Contracts with Objective Criteria (Section 2(1) (f) PPPF Act)

Contract Description	Objective Criteria	Award Value	Date of Award
	N/A		

## 6.3 Contracts above R30 million (Contract Participation Goals) (Regulation 4)

Name of the contractor	Contract Description	Sub-Contracting Criteria	Award Value	Amount Sub-Contracted	Date of Award
	NONE				

## 7. Local Content Procurement (Annexure) None

Contract Description	Designated Sector	% Designated	Award Value	Date of Award	Reporting to DTI

## 8. Risk Management (Annexure)

*Report on the progress of mitigating the risks identified within SCM.*

Risk description as per the risk register	Action to address the risk	Timeframe	Action owner	Progress to date	Comment

### 8.1 Fraud Prevention Plan

Is there a Fraud Prevention Plan in place?

The municipality have developed internal controls in place for Fraud Prevention for Supply Chain management process flow:

- After the Demand Officer has requested and Received Quotations, the quotations are sent to the End-User HOD for approvals and they are later approved by the SCM Manager
- Public Closing and Opening done for each competitive bid
- Bid Evaluation Report above the threshold are signed by different Managers, SCM Manager, HOD, and Chief Financial Officer

## 8.2 Internal Audit Findings

Finding Raised	Action Plan to address the finding	Due Date	Progress with Action Plan Implementation
Procurement Plan not implemented as per proposed dates.	Developed a realistic Procurement plan with Clear time lines and alignment to be done as well.	29 May 2020	A draft Procurement plan has been developed and Implementation have adhered to.

## 8.3 Provincial Treasury Assessment Findings

Finding Raised	Action Plan to address the finding	Due Date	Progress with Action Plan Implementation
NONE			

## 8.4 Auditor General Findings

Finding Raised	Action Plan to address the finding	Due Date	Progress with Action Plan Implementation
During the audit of Procurement, it was noted that the tax clearance certificates and MBD4 forms for declaration of interests were not submitted by the suppliers. The following table provides details	All deviations will have declaration forms and went to the whole entire population from the beginning of the year till to date	31 January 2020	On going

## 9. Conclusion