



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

JANUARY –MARCH 2021

(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)

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 |
|-------------------------------------|---------------|------------|-------------|----------------------|--------------------------|
| None | | | | | |

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 - None*
- 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)

| BID NO. | BID DESCRIPTION | AWARD VALUE | AWARD DATE | DATE CONTRACT SIGNED | CONTRACT START DATE | CONTRACT DURATION |
|---------|--|-------------|------------|----------------------|---------------------|-------------------|
| 22829 | Supply and deliver vegetable seedlings for cluster 2 | R164,000.00 | 29/10/2020 | 03 November 2020 | 03 November 2020 | 14 Days |
| 22821 | Supply deliver and distribution of ploughing inputs for ward 01 | R139,150.00 | 28/10/2020 | 03 November 2020 | 03 November 2020 | 14 Days |
| 22820 | Construction of guard room at Emaxesibeni Botanical garden gallery and exhibition centre | R138,924.60 | 27/10/2020 | 03 November 2020 | 03 November 2020 | 14 Days |
| 22819 | Supply deliver furniture for Emaxesibeni Botanical garden gallery and exhibition centre | R197,992.00 | 27/10/2020 | 03 November 2020 | 03 November 2020 | 14 Days |
| 22795 | Supply deliver and distribution of ploughing inputs for 15 hectars. | R139,721.73 | 21/10/2020 | 03 November 2020 | 03 November 2020 | 14 Days |
| 22794 | Supply deliver and distribution of ploughing inputs for ward 25 | R136,624.00 | 20/10/2020 | 28 October 2020 | 28 October 2020 | 14 Days |
| 22793 | Supply deliver and distribution of ploughing inputs for ward 23 | R137,444.75 | 20/10/2020 | 28 October 2020 | 28 October 2020 | 14 Days |
| 22792 | Transportation of IDP transport for all wards | R199,485.00 | 20/10/2020 | 28 October 2020 | 28 October 2020 | 14 Days |
| 22771 | Supply deliver of sanitizer inputs for KwaBhaca | R199,827.04 | 19/10/2020 | 28 October 2020 | 28 October 2020 | 14 Days |
| 22770 | Supply and deliver food parcel for 100 EPWP beneficiaries | R196,000.00 | 19/10/2020 | 28 October 2020 | 28 October 2020 | 14 Days |

| | | | | | | |
|-------|---|-------------|------------|------------------|------------------|---------|
| 22761 | Supply and deliver of IDP grocery vouchers for IDP outreach | R192,019.50 | 16/10/2020 | 27 October 2020 | 27 October 2020 | 14 Days |
| 22759 | Supply deliver and distribution ploughing inputs for ward 11 | R140,000.00 | 16/10/2020 | 27 October 2020 | 27 October 2020 | 14 Days |
| 22757 | Supply deliver and distribution of inputs | R139,236.25 | 16/10/2020 | 27 October 2020 | 27 October 2020 | 14 Days |
| 22756 | Supply and deliver digital skipping rope | R157,182.00 | 16/10/2020 | 27 October 2020 | 27 October 2020 | 14 Days |
| 22755 | Request to Supply & Deliver Animal Feed and Medication. | R149,904.00 | 16/10/2020 | 27 October 2020 | 27 October 2020 | 14 Days |
| 22744 | Removal and installation of emsukeni modular library community hall | R112,700.00 | 12/10/2020 | 21 October 2020 | 21 October 2020 | 14 Days |
| 22730 | Supply deliver and installation of Municipal building signage | R199,440.00 | 08/10/2020 | 15 October 2020 | 15 October 2020 | 14 Days |
| 22728 | Supply deliver diaries for 2021 | R181,757.00 | 08/10/2020 | 15 October 2020 | 15 October 2020 | 14 Days |
| 22716 | Supply deliver and distribution of inputs for ward 07 | R133,970.00 | 08/10/2020 | 15 October 2020 | 15 October 2020 | 14 Days |
| 22711 | Supply deliver and distribution of inputs for ward 09 | R138,150.00 | 08/10/2020 | 15 October 2020 | 15 October 2020 | 14 Days |
| 22710 | Supply deliver and distribution of inputs for ward 10 | R138,000.00 | 08/10/2020 | 15 October 2020 | 15 October 2020 | 14 Days |
| 22709 | Supply deliver and distribution of inputs for ward 21 | R138,589.00 | 08/10/2020 | 15 October 2020 | 15 October 2020 | 14 Days |
| 22708 | Supply deliver and distribution of inputs for ward 05 | R138,200.00 | 08/10/2020 | 15 October 2020 | 15 October 2020 | 14 Days |
| 22917 | Service provider to translate HR Policies | R169,799.96 | 19/11/2020 | 20 November 2020 | 20 November 2020 | 14 Days |
| 22864 | Request to Supply and Deliver of Multi Photocopier. | R199,800.00 | 11/11/2020 | 19 November 2020 | 19 November 2020 | 14 Days |
| 22863 | Request to Supply & Deliver Personal Protective Clothing for Cooperative. Dealing with Free Basic Services. | R125,000.00 | 11/11/2020 | 19 November 2020 | 19 November 2020 | 14 Days |

| | | | | | | |
|-------|--|-------------|------------|------------------|------------------|---------|
| 22846 | Service provider to do fumigation and disinfection of Mount Frere and Mount Ayliff Offices | R199,970.11 | 09/11/2020 | 17 November 2020 | 17 November 2020 | 14 Days |
| 22884 | Service provider to conduct training on Public Participation | R196,680.00 | 13/11/2020 | 23 November 2020 | 23 November 2020 | 14 Days |
| 22903 | Supply deliver and install of Traffic signs | R194,587.68 | 17/11/2020 | 24 November 2020 | 24 November 2020 | 14 Days |
| 22932 | Supply deliver of sewing material | R192,050.00 | 27/11/2020 | 07 December 2020 | 07 December 2020 | 14 Days |
| 22888 | Supply deliver bakery and catering Equipment for local SMME'S | R140,600.00 | 17/11/2020 | 24 November 2020 | 24 November 2020 | 14 Days |
| 22855 | Supply and deliver of Office Furniture | R127,000.00 | 09/11/2020 | 17 November 2020 | 17 November 2020 | 14 Days |
| 22922 | Supply and deliver of Christmas gifts for Elderly | R199,000.00 | 24/11/2020 | | | 14 Days |
| 22886 | Supply deliver camera ,micro SD memory cards and digital camera cables | R128,850.00 | 13/11/2020 | 23 November 2020 | 23 November 2020 | 14 Days |
| 22882 | Supply and deliver Videography Equipment for Special Programs Department. | R139,000.00 | 13/11/2020 | 23 November 2020 | 23 November 2020 | 14 Days |
| 22881 | Supply deliver school uniform for 150 learners in Mount Frere and Mt Ayliff School. | R192,860.00 | 13/11/2020 | 23 November 2020 | 23 November 2020 | 14 Days |
| 23014 | Supply deliver of fodder production inputs for ward 15 and ward 20. | R163,330.00 | 17/12/2020 | 23 November 2020 | 23 November 2020 | 14 Days |
| 23013 | Supply and deliver appreciation for EPWP. | R160,000.00 | 17/12/2020 | 23 November 2020 | 23 November 2020 | 14 Days |
| 22973 | Supply and deliver token of appreciation for Employees staff excellence awards. | R184,950.00 | 03/12/2020 | 10 December 2020 | 10 December 2020 | 14 Days |
| 23048 | Request for 180 tokens of appreciation for EPWP. | R144,000.00 | 18/12/2020 | 23 November 2020 | 23 November 2020 | 14 Days |

5.6 Municipal Bid Appeals (if applicable)

- i) *The municipality has one objection received end of December 2020.*
- ii) *Appeal status: It is 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 |
|--------------------------|---|---|---|
| None | | | |

5.7.2 Variations

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

| Contract No. | Contract Description | Contract Value | Reasons for Variation | Amount |
|--------------|----------------------|----------------|-----------------------|--------|
| None | | | | |

ii) Variations above 15% or 20% (*Comply with MFMA S116(3)*) (this can be part of contracts register)

| Contract No. & Description | Contract Value | Reasons for Variation | Amount | Date Tabled at Council | Date of Notice to Community |
|----------------------------|----------------|-----------------------|--------|------------------------|-----------------------------|
| None | | | | | |

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 | |
| UMZI/2018-19/EXPO/02/BTO Provision of Banking Services | First Rand Bank | 09 December 2020 | Yes | | 4/5 |
| UMZI/2018-19/T&A/004 Provision of Travel Agency | Swift Travel and Tours | 09 December 2020 | Ye | | 4/5 |

5.8 Logistics / Inventory Management (where applicable)

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

| Description of Goods/services | Amount | Date Submitted to Council | Supported | | Date submitted to Provincial Treasury | Supported | |
|-------------------------------|--------|---------------------------|-----------|----|---------------------------------------|-----------|----|
| | | | Yes | No | | Yes | No |
| NONE | | | | | | | |

5.9 Unsolicited Bids (if any)

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 |
|--------------------------------------|--|---|----------------|-----------------|
| Intlangula 86 Trading Enterprise | Phepheni Sport fields | 40= Company Experience, 20=Key personnel experience 40= Sound Methodology | R8,992,343.93 | 02-Nov-20 |
| Somakhala Contractors | Phepheni Community Hall | 70= Experience on similar projects, 30=Personnel | R 1,924,148.84 | 22 October 2020 |
| Vitsha Trading JV Mila Civil Workers | Lusuthu Community Hall | 70= Experience on similar projects, 30=Personnel | R2,197,915.05 | 17-Nov-20 |
| Wahluma Trading Enterprise | Ntsimangweni Community Hall | 70= Experience on similar projects, 30=Personnel | R 1,974,657.35 | 01 October 2020 |
| Mabona Civils and Plant Hire | Surfacing Of MT Frere Internal Streets Phase 7 | 40 =Company experience, 20= Key Personnel, 40=Sound methodology | R16,174,079.49 | 11-Nov-20 |

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

| Contract Description | Objective Criteria | Award Value | Date of Award |
|----------------------|--------------------|-------------|---------------|
| None | | | |

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)

| Contract Description | Designated Sector | % Designated | Award Value | Date of Award | Reporting to DTI |
|----------------------|-------------------|--------------|-------------|---------------|------------------|
| None | | | | | |

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 |
|---|--|-----------|--------------|------------------|---------|
| Fraud and Corruption | Adherence on MFMA and SCM Regulations for All procurement done by the municipality, as well as Implementation of Procurement plan. | On Going | AM SCM | On Going | None |
| Incurring Irregular expenditure | Implementation of SCM Policy and Internal Controls. | On Going | AM SCM | On Going | None |

8.1 Fraud Prevention Plan

Is there a Fraud Prevention Plan in place? Ye

8.2. Internal Audit Findings

| Finding Raised | Action Plan to address the finding | Due Date | Progress with Action Plan Implementation |
|---|---|---------------------|--|
| Fleet Management Inadequate | Draft SOPs for Fleet Management | End of January 2021 | Still in progress |
| Asset Management Findings inaccuracy of FAR on completeness | Physical Verification has been completed and FAR has been updated | Done | 30 August 2020 |

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 |
|----------------|------------------------------------|----------|--|
| | None | | |

9. Conclusion