



**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)

Contents

1. Introduction	4
2. SCM Policy & Procedures	4
2.1 Adoption of Policy by Council	4
2.2 SCM Procedures	4
2.3 Delegations.....	4
2.4 Infrastructure Procurement.....	4
3. Functioning of the SCM Unit (phrase as questions)	4
3.1 SCM Structure:.....	4
3.2 Declaration of Interest:	4
3.3 Code of Conduct for SCM Practitioners:	4
3.4 Training of SCM Personnel:	4
4. Functioning of Bid Committees	4
5. Reporting Items	5
5.1 Deviations	5
5.1.1 Section 114 (Approval of tenders not recommended)	5
5.1.2 Regulation 32 (Procurement of goods and services under contracts secured by other organs of State)	5
5.1.3 Regulation 36 (Deviation from, and ratification of minor breaches of, procurement processes)	6
5.2 Unauthorised, Irregular, Fruitless & Wasteful Expenditure	7
5.3 Central Suppliers Database (CSD)	7
5.4 Procurement Plan Implementation	7
5.5 Bids Awarded >R100K	7
5.6 Municipal Bid Appeals (if applicable)	7
5.7 Contract Management	7
5.7.1 Contracts Register Statistics	7
5.7.2 Variations	7
5.7.3 Supplier Performance Management	8
5.8 Logistics / Inventory Management (where applicable)	8
5.9 Unsolicited Bids (if any)	8
5.10 E-Tender Portal	9
6. Preferential Procurement Policy Framework Act (PPPFA), Regs2017	9
6.1 Contracts with Pre-Qualification (Regulation 4)	9
6.2 Contracts with Objective Criteria (Section 2(1)(f) PPPF Act)	10
6.3 Contracts above R30 million (Contract Participation Goals) (Regulation 4)	10
7. Local Content Procurement	10
8. Risk Management	10
8.1 Fraud Prevention Plan	11

8.2	Internal Audit Findings	11
8.3	Provincial Treasury Assessment Findings	11
8.4	Auditor General Findings	11
9.	Conclusion	11

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

2.2 SCM Procedures

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

2.3 Delegations

Are SCM Process Delegations in place?

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?

3.2 Declaration of Interest:

Have all SCM Personnel declared their interests?

3.3 Code of Conduct for SCM Practitioners:

Have all SCM Personnel signed the Code of Conduct?

3.4 Training of SCM Personnel:

Have all SCM Personnel been trained?

4. Functioning of Bid Committees

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

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

4.3 Are Bid Committee Terms of Reference in place?

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
Repairs for MT Frere Volvo TLB	13 December 2019	Babcock Africa Services PTY Ltd	R224 209.18	Repairs and maintenance of Volvo cannot be done anywhere else other than Babcock International Group as the municipality does not know what needs to be repaired as such a diagnoses needs to be done prior repairs, hence it will not be possible to source for 3 quotations from different suppliers and that will also have cost implications for doing a diagnosis.	Not yet reported
Repairs for MT Ayliff Cat TLB	17 December 2019	Barloworld Equipment	R78 796.32	Repairs and maintenance of CAT TLB cannot be done anywhere else other than Barloworld as the municipality does not know what needs to be repaired as such a diagnoses needs to be done prior repairs, hence it will not be possible to source for quotations from different suppliers	Not yet reported

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*
- 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

5.6 Municipal Bid Appeals (if applicable)

- i) *Bid objections and appeals*
- ii) *Appeal status*

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

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
UMZ/2018-19/DRPW/EPWP/001	Construction of Rhode Brick Paving	R4 577 744.69	The original Scope of works as indicated on the tender left out critical structural and hydraulic design elements to render the a sustainable infrastructure,i.e mass earthworks and drainage	R518 539.26

Description of Goods/services	Amount	Date Submitted to Council	Supported		Date submitted to Provincial Treasury	Supported	
			Yes	No		Yes	No
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
UMZ/2018-19/DRPW/EPWP/001 Construction of Rhode Brick Paving	R4 577 744.69	The original Scope of works as indicated on the tender left out critical structural and hydraulic design elements to render the a sustainable infrastructure,i.e mass earthworks and drainage	R518 539.26		

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	
UMZ/2018-19/EXPO/02/BTO Provision of Banking Services	First Rand Bank	09 December 2019	Yes		4/5
UMZ/2018-19/T&A/004 Provision of Travel Agency	Swift Travel and Tours	09 December 2019	Ye		3.8/5

5.8 Logistics / Inventory Management (where applicable)

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

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
Madstof	Completion of Tyinirha Bridge	Experience=40 points Key Personnel Experience=20 points Sound Methodology=40	R3 341 295.10	23 December 2019
Mozi Auctioneers	Estate Agent to dispose Sites	Company Experience=20 Expertise=20 Methodology=60	4.5%	23 December 2019
Nkamangana Construction	Supply and Delivery of 550 (240) Black Wheelie Bins	Experience=50 Methodology=50	R687 500.00	02 December 2019
Bragging Rights Trading JV Nkwali AM	Fencing and Maintenance of SWMDEPO	Experience=50 Methodology=50	R646 261.35	02 December 2019
Ikamva Enterprise T/A LSG Surveyors	Traffic Signs at Mount Frere	Company Experience=20 Expertise=20 Methodology=60	R260 729.25	02 December 2019
Alfred Ndzo Technologies	Supply ,Delivery and Installation of 20 Swing Waste Litter bins and 6 Skip bins	Experience=50 Methodology=50	R324 600.00	02 December 2019

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

Contract Description	Objective Criteria	Award Value	Date of Award

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
Nkamangana Construction	Supply and Delivery of 550 (240) Black Wheelie Bins	100%	R687 500.00	02 December 2019	Not yet reported
Bragging Rights Trading JV Nkwali AM	Fencing and Maintenance of SWMDEPO	100%	R646 261.35	02 December 2019	Not Yet Reported
Ikamva Enterprise T/A LSG Surveyors	Traffic Signs at Mount Frere	100%	R260 729.25	02 December 2019	Not yet Reported
Alfred Ndzo Technologies	Supply ,Delivery and Installation of 20 Swing Waste Litter bins and 6 Skip bins	100%	R324 600.00	02 December 2019	Not yet Reported

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?

- 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

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