

U MZIMVUBU LOCAL MUNICIPALITY



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

(As per Section 6() (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
- 2.2 SCM Procedures
List procedures that are in place (indicate ie. 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
NO SECTION 114 TRANSACTIONS FOR THE QUARTER									

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	
NO REGULATION 32 FOR THE QUARTER							

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
Gazetting of Building plan fees for extra	25/09/2019	Government Printing works	R6 052.63	This serves as a request for the approval of a quotation on the basis of it being impractical to follow normal SCM processes for the gazetting of rates tariffs and building fees.	28 September 2019
Gazetting of rates tariffs 2019-2020	25/09/2019	Government printing works	R3 026.32	This serves as a request for the approval of a quotation on the basis of it being impractical to follow normal SCM processes for the gazetting of rates tariffs and building fees.	28 September 2019

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)

SUCCESSFUL TENDERS	TENDER NO	DESCRIPTION	AWARDE AMOUNT	AWARDE DATE	DEPARTMENT
Odior Trading Enterprise JV Fuel Serve Petroleum	UMZ/2018-19/FUEL/003/SUPPLY AND DELIVERY OF FUEL	Supply and Delivery of Fuel for Fuel	Rates	31-Jul-19	Budget and Treasury
Mzontsundu Construction JV Bright Idea Projects 2044 cc	UMZ/2018-19/INFRA/MIG/001	Gabeni Access Road	R2 904 899,65	31-Jul-19	Infrastructure and Planning
Litto Trading Enterprise	UMZ/2018-19/SPU/001	Refurbishment of Welcome Sign	R296 324,00	31-Jul-19	Special Programme
Cumbrae Computers And It	20989	Printing an Stationery	R242 869,69	23-Jul-19	Budget and Treasury
Yandani Trading Enterprise	20984	Printing an Stationery	R156 700,00	23-Jul-19	Budget and Treasury
Dinosa Trading	0018	Supply & Deliver Cold Mix Asphalt	R125 670,00	28-Jul-19	Infrastructure and Planning
Mataya Specialist Engineer	UMZ/INFRA/MIG/006	Panel of Engineering Services Consultants	Rates	12-Aug-19	Infrastructure and Planning
Tshawe Infrastructure and Planning Technologies	UMZ/INFRA/MIG/006	Panel of Engineering Services Consultants	Rates	12-Aug-19	Infrastructure and Planning
First Rand Bank	UMZ/2018-19/EXPO/02/BTO	Provision of Banking Services	Rates	13-Aug-19	Budget and Treasury
Glenhope Trading Enterprise JV Qumbiso Construction	UMZ/2019-20/INFRA/MIG/002	Tholeni Community Hall	R1 755 437,54	13-Aug-19	Infrastructure and Planning
Vitsha Trading	UMZ/2019-20/INFRA/MIG/003	Dungu Community Hall	R1 981 030,54	12-Aug-19	Infrastructure and Planning
AM Engineering Consulting Pty Ltd	ELECTRIFICATION OF VARIOUS VILLAGES 2019/20-2021/22	Electrification of various villages through turnkey approach	R24 005 297,80	23-Aug-19	Infrastructure and Planning
Access Technologies Consultants	UMZ/2018-19/INFRA/01	Resource Mobilisation Plan	R345 000,00	27-Aug-19	Infrastructure and Planning
Bonakude Consulting	UMZ/2018-19/MM/IA/001	Internal Audit Services	Rates	27-Aug-19	Municipal Managers Office
Sizakancane Construction	UMZ/2019-20/INFRA/MIG/003	Ntlabeni Community Hall	R1 936 684,63	27-Aug-19	Infrastructure and Planning
Truvelo Manufacturing	UMZ/2018-19/2018-19/C&PS/001	Law-enforcement specialised vehicle	R1 100 000,00	27-Aug-19	Community Services
90 Lol Trading Pty Ltd		Supply Deliver And Distribute	R142 350,00	08/08/2019	Local Economic Development

		Inputs For Ward 07			
I pin Technologies		Conditions Assessment For Immovable Assets.	R199 525,00	17/08/2019	Budget and Treasury
Payday Software Systems		Service Provider To Do Time And Attendance Machines Repairs And Installation	R144 140,59	27/08/2019	Budget and Treasury
Conquer Business Enterprise	UMZ/2019-20/INFRA/CAP/007	Ntshakeni to Skhemane Access Road Maintenance	R943 000,00	19-Sep-19	Infrastructure and Planning
Maphozana Trading	UMZ/2019-20/INFRA/CAP/020	Mahamane Access Road Maintenance	R890 588,70	19-Sep-19	Infrastructure and Planning
Ngcombela Civils and Plant Hire	UMZ/2019-20/INFRA/MIG/010	Madlangeni Access Road and Bridge	R3 065 191,90	19-Sep-19	Infrastructure and Planning
Sasalicious Trading Pty Ltd	UMZ/2019-20/INFRA/CAP/022	Good-hope Access Road Maintenance	R1 143 116,10	19-Sep-19	Infrastructure and Planning
Ambrose Civils	UMZ/2019-20/INFRA/CAP/027	Bhibha Access Road Maintenance	R882 527,25	19-Sep-19	Infrastructure and Planning
Gamedze Trading and Projects	UMZ/2019-20/INFRA/CAP/005	Lower Dambeni Access road maintenance	R1 065 100,00	19-Sep-19	Infrastructure and Planning
Mazonono Civils & Building Construction	UMZ/2019-20/INFRA/CAP/011	Gudlintaba Access Road Maintenance	R773 083,19	19-Sep-19	Infrastructure and Planning
Today's Hope Events		Supply Deliver Furniture for DCFO ,Chairs for BTO Staff	R115 700,00	05/09/2019	Budget and Treasury
Within Reach Technology		Training for 64 People On Advanced Computer As Per Terms of Reference	R199 776,00	27/09/2019	Corporate Services
Workshop Electronics Pty Ltd		Upgrade Of VTS For Mt Frere Equipment	R155 238,50	05/09/2019	Community Services
M Projects		Supply Deliver of Community Safety Park Home As Per Attachment	R191 072,50	05/09/2019	Local Economic Development
Ikamva Multi Projects (Pty)Ltd		Supply Deliver And Distribution	R146 500,00	13/09/2019	Local Economic Development

		Of Yellow Maize At Ward 02			
Lihlume Ilizwe Trading		Supply Deliver Distribution Of Ploughing Inputs Yellow Maize For Ward 24 As Per Attachment	R149 823,00	13/09/2019	Local Economic Development
Kwantsele Trading Enterprise		Supply Deliver Distribution of Yellow Maize For Ward 10 As Per Specification	R143 000,00	12/09/2019	Local Economic Development
Odior Trading Enterprise JV Fuel Serve Petroleum	UMZ/2018-19/Fuel/003/Supply and Delivery of Fuel	Supply and Delivery of Fuel for Fuel	Rates	31-Jul-19	Budget and Treasury

5.6 Municipal Bid Appeals (if applicable)

The municipality does not have any appeals on the awarded tenders for the quarter under review.

- 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
19	11	None	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
UMZ/2017-18/INFRA/DRPW/EPWP/001	Rode Paving Brick paving Access Road	R4 577 744.69	The budget for the project was limited as such the scope of works and drainage for heavy rains did not consider critical parts on earthworks	R915 548.94

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

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	

5.8 Logistics / Inventory Management (where applicable)

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

Annexure attached for Inventory reconciliation done on a monthly bases and the policy as the stock counts are done twice a year mid-year -December and at year end in June.

5.9 Unsolicited Bids (if any)

Description of Goods/services	Amount	Date Submitted to Council	Supported		Date submitted to Provincial Treasury	Supported	
			Yes	No		Yes	No
No Unsolicited Bids for the Quarter							

5.10 Bids advertised (Annexure)

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

Annexure for adverts will be attached

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

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

7. Local Content Procurement (Annexure)

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?

8.2 Internal Audit Findings

Finding Raised	Action Plan to address the finding	Due Date	Progress with Action Plan Implementation
No findings issued as yet on the financial year under review as their plan start in December 2019			

8.3 Provincial Treasury Assessment Findings

Finding Raised	Action Plan to address the finding	Due Date	Progress with Action Plan Implementation

8.4 Auditor General Findings

Finding Raised	Action Plan to address the finding	Due Date	Progress with Action Plan Implementation
Comparative amounts of Deviations were not properly disclosed on the AFS	To have a check list		
S116 of MFAM was not fully implemented on contracts management	Review all contracts in place and revise those that have unlimited contracts.		

MBD 4 Declaration for spouse was not disclosed on AFS	Maintain a register of declaration forms		
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9. Conclusion