



JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY

REPORT TO THE EXECUTIVE MAYOR

1. **SUBJECT:** SCM 1st Quarter Report for 2016/17 (01 July 2016 until 30 Sept 2016).

2. **PURPOSE**

This report briefly analyses the ongoing implementation of the municipality's Supply Chain Management Policy for oversight purposes.

3. **STRATEGIC INTENT**

This report is intended to highlight critical areas within the Supply Chain Management Unit which are aligned to service delivery aspects.

Furthermore, the report gives the political office bearers an opportunity to grasp issues pertinent to the implementation of the Supply Chain Management Policy.

4. **CONTENTS**

4.1 **Legal and Policy Implications**

In accordance with Section 6(3) of the Council's Supply Chain Management Policy, the Municipal Manager must submit a Quarterly Report on the implementation of its Supply Chain Management Policy.

Furthermore, the Supply Chain Management activities are governed by various legislation which *inter alia* included PPPFA, MFMA, BBBEE and CIDB Act. Compliance to the Acts is paramount in order to ensure that the municipality has a procurement system that is fair, transparent, effective and economical.

4.2 **Salient Details of Supply Chain Management Activities**

The municipality remains on course with the implementation of its SCM Policy, and has steadily improved overall service delivery.

A summary of SCM Activities is given below:

a) Vendor Database of Accredited Suppliers

The Provincial Treasury in consultation with the John Taolo Gaetsewe District Municipality has embarked on the National Central Supplier Database road show on the 22nd and 24th June 2016.

The purpose of this provincial roadshow was to register suppliers on the National Central Suppliers Database (NCSD) of National Treasury to ensure they can do business with government after 1 July 2016.

This National Supplier Database will address the most common issues normally raised by the AG, for an Example: Validation of Tax Clearance Certificate, and If the Service provider is employed by the state (MBD4).

b) Vendor Cleansing

The SCM unit has embarked on checking and updating the information of all the active service providers in the Municipal Database and Sebata FMS.

The SCM unit is also assisting the service providers which are struggling to register themselves in the National Central Suppliers Database (NCSD).

c) SCM Support

The SCM Unit maintained its extensive administrative and committee secretariat to the Bid Adjudication Committee. This function ensures compliance in respect of formal committee practice and record.

We furthermore acknowledge with thanks the important inputs made by the provincial treasury and JTGDM management in all SCM activities, all enabling us to strive more resolutely towards excellent corporate governance.

The National Treasury has also encouraged that some of the contract services be procured from Contracted Service Providers by the National Treasury, for an example: Cell phone Contracts, Photocopying machines, Accommodations, etc.

d) Challenges faced by the SCM Unit

The SCM Unit is faced with the following (hidden) challenges:

- i) The late and urgent requests for the procurement of goods and services.
- ii) The needs / requests not disclosed in the Procurement plan.
- iii) The late approval of the requisitions and purchase orders.
- iv) The segregation of duties delays the SCM processes.
- v) The staff and other stakeholders are not honest in disclosing their interests.

With the recent appointment of the CFO we anticipate to resolve on the above as these practically influence the performance of the SCM unit.

e) Tenders and Contracts Administration

The information provided below are for all the bids advertised during the first quarter of the financial year 2016/17.

During the 1st Quarter of the financial year 2016/17 the eight bids were advertised: The three bids were evaluated in September 2016 and will be awarded in the next quarter.

The other five bids were advertised on the 23rd August 2016 and will be closing on the 20th October 2016.

BIDS REGISTER FOR 1ST QUARTER 2016/17

Bid Number	Bid Description	Date advertised	Closing Date	Date awarded	Awarded to	Bid Price Awarded (R)	Responsible Dept
BID NO: 01/2016/17	Request for submission of Proposals to Provide Insurance service of Property and Liabilities for the John Taolo Gaetsewe District Municipality for a period of 36 months	31/08/2015 Kathu Gazette	09th Sept 2015 at 12h00	Bid Adjudicati on Stage	N/A	N/A	Budget & Treasury Office
BID NO: 02/2016/17	Supply and Delivery of Building Materials	31/08/2015 Kathu Gazette	09th Sept 2015 at 12h00	Bid Adjudicati on Stage	N/A	N/A	Basic Services & Infrastructure
BID NO: 03/2016/17	Appointment of a Conveyancer for transferring of Properties	31/08/2015 Kathu Gazette	09th Sept 2015 at 12h00	Cancelled , no bids received	N/A	N/A	Budget & Treasury Office
BID NO: 04/2016/17	Request for Bids: Alterations And Additions To Roof Structure And Installation Of Palisade Fencing <u>Minimum Requirements:</u> CIDB Grade: 4 GB & NHBC Certificate, with similar experience	23/09/2016 Kathu Gazette	20th Oct 2016 at 12h00	Advert still new	N/A	N/A	Basic Services & Infrastructure and Corporate Services
BID NO: 05/2016/17	Appointment of a Panel of Attorneys for the John Taolo Gaetsewe District Municipality (JTGDM) for a period of two (2) years on as an when required basis	23/09/2016 Kathu Gazette	20th Oct 2016 at 12h00	Advert still new	N/A	N/A	BTO and Basic Services & Infrastructure
BID NO: 06/2016/17	Invitation Of Proposal For Provision Of Professional Services For RRAMS And ISDG	23/09/2016 Kathu Gazette	20th Oct 2016 at 12h00	Advert still new	N/A	N/A	Basic Services & Infrastructure
BID NO: 07/2016/17	Request for Provision of Cleaning Services	23/09/2016 Kathu Gazette	20th Oct 2016 at 12h00	Advert still new	N/A	N/A	Corporate Services
BID NO: 08/2016/17	Invitation Of Proposal For Development Of Integrated Environmental Management Plan	23/09/2016 Kathu Gazette	20th Oct 2016 at 12h00	Advert still new	N/A	N/A	Community Services

Statistics from 1 July 2016 to 30 September 2016

Tenders advertised	8
Contracts awarded	0
Tenders cancelled	1
Appeals received	Nil

The statistics still tend to indicate once more that there remains a high degree of accuracy in the general output and a reasonable level of public satisfaction with the municipality's tender processes.

QUOTATION REGISTER FOR 1ST QUARTER 2016/17

The information provided below are for all the awarded quotations advertised for 7 days in the notice board and the municipal website during the financial year 2016/17.

Quote Number	Bid Description	Advert Date	Closing Date	Awarded to	Bid Price Awarded (R)	Date awarded	Responsible Dept	Date Evaluated
01/2016/17	Supply and Delivery of Building Material	04/07/2016	12/07/2016	Tlove Construction	R 100 408.87	22/07/2016	Basic Services & Infrastructure	15/07/2016
02/2016/17	Supply and Delivery of Fencing Material	18/07/2016	26/07/2016	Leshomo construction and projects	R 142 500.00	26/07/2016	Basic Services & Infrastructure	17/08/2016
03/2016/17	Supply and Delivery of Palisades	18/07/2016	26/07/2016	Lesedi Ko Pele	R 174 564.50	19/08/2016	Corporate Services	01/09/2015
04/2016/17	Supply and Delivery of Stones, Crusher Dust and Cement	18/07/2016	26/07/2016	Itusyba Trading and Project (PTY)Ltd	R 84 900.00	19/08/2016	Disaster Management Unit	21/09/2015
05/2016/17	Valuation of properties owned by the John Taolo Gaetsewe District Municipality	27/07/2016	04/08/2016	Panprop CCT/A Valudata	R 98 724.00	17/08/2016	Budget and Treasury Office	16/08/2016
06/2016/17a	Supply and Delivery: Renewal of ESET Endpoint antivirus version 5.0 License	23/08/2016	31/08/2016	National Internet Tech	R 21 546.00	13/09/2016	IT Unit	09/09/2016
06/2016/17b	Supply and Delivery: Renewal of CiBECS version 7.1 License	23/08/2016	31/08/2016	Leishan IT Consultancy cc	R 77 748.00	13/09/2016	IT Unit	02/09/2016
07/2016/17	Supply and Delivery of Blankets	23/08/2016	31/08/2016	Mojamatso Trading	R 28 690.00	13/09/2016	Disaster Management Unit	01/09/2016
TOTAL					R 700 391.37			

4.3 Deviations below R200 000

The SCM unit is reporting the deviations on a monthly basis to the Municipal Manager and quarterly to the Council with a view to minimize the deviations. Since the arrival of the CFO, the deviations are being avoided at all costs. The SCM unit appreciates the assistance of the CFO to enforce the strict applications of the Deviations. We anticipate to minimize the number of deviations in this financial year.

4.4 Section 116 and Irregular Reports

The SCM unit remains responsible jointly with the management of John Taolo Gaetsewe District in ensuring that there is a full compliance in line with Section 116 for the extension of the Contracts or Scope of work for the procurement of goods and services. Therefore, all the requests must be send to the SCM unit to register and compile an item to Council for approval prior to the appointment of the service provider(s).

5. RECOMMENDATION

- a) That the contents of the Report be NOTED.