



JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY

REPORT TO THE EXECUTIVE MAYOR

1. **SUBJECT:** SCM 2nd Quarter Report for 2017/18 (01 Oct 2017 until 30 Dec 2017).

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 when implementing the Supply Chain Management policy.

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 revised 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) **Supply Management Reforms**

The management is trying all the efforts to ensure that all the all the procurement of goods and services comply to the revised Regulations, PPPFA, MFMA Circulars (CSD and E-Tender portal) and Practice notes.

b) **Auditor General's Findings on the implementation of the SCM policy (Note 33 of the Final Audit Report for 2016/17).**

During the 2016/17 Audit, management had a challenges of the compliance as it relates to financial disclosure of related parties (officials and Councilors) who do not declare their business interest in the Register of Disclosure (obtainable in BTO).

Furthermore, the service providers employed by the state are still doing business with the municipality. We relied on the CSD and MBD4 to check if the person is not in the employ of the state or shared a company with an official or Councilor somewhere. But still the these does not assist, AG made a recommendation that we need to subscribe to CIPRO and / or other system which provide all records for the tenderers.

c) Implementation of mSCOA SCM module

The mSCOA SCM module is expected to be fully operating, but still giving problems. Several calls / queries were raised with the Sebata to trouble shoot the problems.

Management is appealing to the clients / end-users at large to understand the situation. At times, it appears as if management is not implementing fully when the service delivery is affected by the slow response of this mSCOA.

For the sake of progress and to address the service delivery, management resolved that we should use the old system to do the procurement of goods and services.

Several requests for intervention and discussions on the breach of a Contact as per signed MOU were done.

The Sebata Officials promised the municipality to sort out the problems on the system, but that could not happen until today. The municipality is non-compliance on the implementation of the mSCOA system.

Management plan to have a meeting with Sebata on the 31st January 2018 to find a solution to the mSCOA system failure.

d) SCM Support

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

Management 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.

e) Progress on the implementation of the procurement plan

Implementation of the Procurement Plan

The following bids were advertised in the e-Tender portal and municipal website during the 1st Quarter, some were finalised in the 2nd Quarter 2017 and the other bids will be finalised in the 3rd Quarter of 2017/18 as indicated in below.

The challenges which relate to the delay in finalizing the bids are mainly if the members of the Committees present (for the scheduled meetings) do not form quorum.

Bids register as at December 2017

Bid Number	Bid Description	Date advertised	Closing Date	Date awarded	Awarded to	Bid Price Awarded (R)	Responsible Dept
BID NO: 01/2017/18	Proposals for the supply and delivery of Mayoral vehicle by Trade-in of existing vehicle	15/09/2017 DFA & e-Tender portal	29th Sept 2017 at 12h00	Adjudication Stage	N/A	N/A	Office of the Municipal Manager
BID NO: 02/2017/18	Supply and Delivery of Palisides	19/09/2017 e-Tender portal	06th Oct 2017 at 12h00	27-Oct-17	Botlhakile Trading	R 252 813.93	Basic Services & Infrastructure
BID NO: 03/2017/18	Supply and Delivery of fencing materials	19/09/2017 e-Tender portal	06th Oct 2017 at 12h00	27-Oct-17	Molatelatso Construction and other projects	R 228 594.85	BTO and Basic Services & Infrastructure
BID NO: 05/2017/18	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	15/09/2017 DFA & e-Tender portal	29th Sept 2017 at 12h00	27-Oct-17	Koikanyang Attorneys and Sifumba (TO) Attorneys	Rate based Contract	All departments
BID NO: 04/2017/18	Supply and Delivery of Stationery for the Period of 36 Months (as and when required)	19/10/2017 e-Tender portal and Municipal Website	10th Nov 2017 at 12h00	Evaluation Stage	N/A	N/A	Corporate Service
BID NO: 06/2017/18	Supply and delivery of groceries and cleaning material for a period of 36 months (as and when required)	19/10/2017 e-Tender portal and Municipal Website	10th Nov 2017 at 12h00	Evaluation Stage	N/A	N/A	Corporate Service
BID NO: 07/2017/18	Provision of Photocopying machines for a period of 36 months	19/10/2017 e-Tender portal and Municipal Website	10th Nov 2017 at 12h00	Evaluation Stage	N/A	N/A	Corporate Service

Quotations register as at December 2017

The following quotations were advertised in the Notice board and municipal website for 7 days during 1st Quarter and were finalised in the 2nd Quarter 2017 as indicated in below.

Quotation No	Quotation Description	Date advertised	Closing Date	Date Evaluated	Awarded to	Bid Price Awarded (R)	Responsible Dept
06/2017/18	Supply and Delivery of Protective	26/09/2017	03/10/2017	09/10/2017	Bolelang Africa Trading	51 430.30	BS&I

	Clothing Kit						
07/2017/18	Provision of Conference Facilities, Break- Away Rooms and Catering Services in Kuruman/Kathu for IDP Lekgotla	16/10/2017	24/10/2017	-	None of the bidders responded		PMU
08/2017/18	Supply, Delivery and Installation of Air Conditioners	10/11/2017	20/11/2017	21/11/2017	Kazlebz Construction	42 800.00	DMU
09/2017/18	Supply and Delivery of Kerio Connect or "equivalent"	10/11/2017	20/11/2017	21/11/2017	TS Business Solutions	48 000.00	CS

TOTAL **R 142 230.30**

4.3 Deviations below R200 000

The deviation register is maintained as per Regulation 36 of the MFMA and management is reporting the deviations on a monthly basis to the Acting Municipal Manager and quarterly to the Council with a view to minimize the deviations.

The management has minimized the number of deviations in this financial year. The total deviation for this Quarter is **R14 364.00**

4.4 Section 116 and Irregular Reports

There is no extension of a contract reported and irregular expenditure incurred during the 2nd Quarter of 2017/18 FY.

5. RECOMMENDATION

a) That the contents of the Report be NOTED.