



JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY

REPORT TO IMPLEMENTATION OF THE MUNICIPALITY'S SUPPLY CHAIN MANAGEMENT POLICY FOR OVERSIGHT PURPOSES.

1. **SUBJECT:** Supply Chain Management report for the 3rd Quarter ended 31st March 2018.

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**

Management continue 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) Internal Auditor's Findings on the implementation of the SCM policy

Management has implemented the audit action in ensuring that for each service provider appointed on the quotations below R30 000 comply fully with the following:

- Complete the MBD forms
- CSD Registered
- Quotations vs pro forma invoice on accommodations *

The management would consider reporting the transactions relating to the Pro forma invoice used instead of quotations as **Deviations**. Therefore, the entire population (all transactions) are being reviewed accordingly and will be reported to the Council in the fourth quarter (in preparation for the external audit).

c) Implementation of mSCOA SCM module

The mSCOA SCM module is not yet functional as expected. Sometimes is working, but in most cases is not working. It works well from the requestor to the approval stage i.e. requisition level only.

Sebata Consultants were on site in March 2018 to resolve on the mSCOA SCM issues. In their analysis / assessment, it was reported that the vendor management on the EMS is not responding positively as it supposed to. However, one of the Sebata Consultant is busy with rectifying the errors / capturing of the vendors in the system. The expectation is that after this exercise the system would be fully functional (from Request to Purchase Order).

It is for such reasons that management resolved that municipality continue to transact on the legacy/the old system i.e. FMS for the procurement of goods and services.

d) SCM Unit Functionality

The SCM Unit continues to be fully functional e.g. through providing administrative and committee secretariat to the Bid Committees. 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 bids advertised in the e-Tender portal and municipal website during the 2nd Quarter, were finalised in the 3rd Quarter as indicated in below. The delay in finalizing the bids were mainly due to members of the Committees present for the scheduled meetings, not forming a quorum.

Bids register as at 31st March 2018

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	Bid cancelled	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	14th March 2018	Aried Trading (PTY) Ltd	Rate based Contract	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	14th March 2018	Valotron 46	Rate based Contract	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	14th March 2018	Vysyem Traders	38516.04 per month	Corporate Service
BID NO:08/2017/18	Provision of Banking services for a period of 36 months	16/03/2018 e-Tender portal and Municipal Website	18th May 2018	N/A	N/A	N/A	BTO
RE-ADVERT BID NO:01/2017/18	Proposals for the supply and delivery of Mayoral vehicle by Trade-in of existing vehicle	16/03/2018 e-Tender portal and Municipal Website	06th April 2018 at 12h00	N/A	N/A	N/A	Office of the Municipal Manager

Quotations register as at 31st March 2018

The quotations which were advertised on the Notice board and municipal website for 7 days during the 2nd Quarter and 3rd Quarter will be finalised in the 4th Quarter as indicated in below.

Item No	Quotation No	Quotation Description	Date advertised	Closing Date	Date Evaluated	Awarded to	Bid Price Awarded (R)	Date awarded	Responsible Dept
1)	01/2017/18	Supply and Delivery of Palisades	12/07/2017	20/07/2017	27/07/2017	Re-advertised as a tender	N/A	N/A	BS&I
2)	02/2017/18	Supply and Delivery of Fencing Material	12/07/2017	20/07/2017	27/07/2017	Re-advertised as a tender	N/A	N/A	BS&I
3)	03/2017/18	Supply and Delivery of Building Material	12/07/2017	20/07/2017	27/07/2017	Tlove Construction (Pty)Ltd	R 145 110.03	14/09/2017	BS&I
4)	04/2017/18	Appointment of consultants to conduct animal count at Thwane game farm in Vanzylsrus	18/07/2017	27/07/2017	-	None of the bidders responded	N/A	N/A	EDD

5)	05/2017/18	Supply and Delivery: Renewal of CiBECS version 8.0.5 License	08/09/2017	18/09/2017	20/09/2017	Data Tegra (Pty) Ltd	R 98 440.01	Evaluation report received on 04/01/2018	CS
6)	06/2017/18	Supply and Delivery of Protective Clothing Kit	26/09/2017	03/10/2017	09/10/2017	Bolelang Africa Trading	R 51 430.30	27/10/2017	BS&I
7)	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	N/A	N/A	PMU
8)	08/2017/18	Supply, Delivery and Installation of Air Conditioners	10/11/2017	20/11/2017	21/11/2017	Kazlebz Construction	R 42 800.00	30/11/2017	DMU
9)	09/2017/18	Supply and Delivery of Kerio Connect or "equivalent"	10/11/2017	20/11/2017	21/11/2017	TS Business Solutions	R 48 000.00	30/11/2017	CS
10)	10/2017/18	Supply and delivery of Protective Clothing	14/02/2018	23/02/2018	28/02/2018	Awaiting approval	N/A	N/A	CS
11)	11/2017/2018	Supply and delivery of Blankets	14/02/2018	23/02/2018	28/02/2018	Awaiting approval	N/A	N/A	CS
12)	12/2017/18	Supply, Delivery and Installation of Wireless Radio Link	23/03/2018	05/04/2018	09/04/2018	Awaiting approval	N/A	N/A	CS
13)	13/2017/18	Supply, Delivery of Teammate Server or Equivalent	23/03/2018	05/04/2018	09/04/2018	Awaiting approval	N/A	N/A	CS

TOTAL **R 385 780.34**

NB: The item no:10 and 11 were delayed because of the Provincial Treasury to confirm if all submissions conform to the Local Contents as required by the act.

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 **R35 720.00**

4.4 Section 116 and Irregular Reports

There was no extension of a contract reported during the Quarter. The irregular expenditure incurred amounts to **R 51 430.30** which came as a result of non-compliance to the requirements of local content.

5. RECOMMENDATION

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