



# **JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY**

## **REPORT TO THE EXECUTIVE MAYOR**

1. **SUBJECT:** SCM 2<sup>nd</sup> Quarter Report for 2016/17 (01 Oct 2016 until 30 Dec 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 SCM unit is trying all the efforts to register and to ensure that only registered suppliers on the National Central Suppliers Database (NCSD) of National Treasury do businesses with the municipality.

Furthermore, the SCM unit encourage and extend the request to our local service providers to register in National Supplier Database.

The strict consideration of the only registered service providers in the National Supplier Database is a compliance issue and it will address the following most common issues normally raised by the AG:

- (1) Validation of Tax Clearance Certificate, and
- (2) If the Service provider is employed by the state (MBD4) with reference to Note 33 of the Final Audit Report for 2015/16.

#### **b) Vendor Cleansing**

The SCM unit has embarked on checking the incorrect information 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.

#### **d) Challenges faced by the SCM Unit**

There is an improvement on the following challenges indicated in the first quarter:

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

With the support of the CFO and engagement with other directors, we anticipate to completely resolve on the above soon, so as to enhance the performance of the SCM unit.

#### **e) Tenders and Contracts Administration**

The SCM unit has noticed the improvement in the Contract administration during the 2015/16 Audit and encourages further the project managers and directors to monitor the performance of the service providers and to keep the records thereof.

The following bids were advertised during the 1<sup>st</sup> Quarter and finalised during the 2<sup>nd</sup> Quarter of the financial year 2016/17.

As indicated in the SCM 1<sup>st</sup> Quarter Report, some of the bids advertised were finalised in the second quarter.

<b>TENDER REGISTER FOR JULY 2016 TO SEPT 2016</b>							
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	19th Oct 2016	Lateral Unison	R 204 648.81	Budget & Treasury Office
BID NO:02/2016/17	Supply and Delivery of Building Materials	31/08/2015 Kathu Gazette	09th Sept 2015 at 12h00	31st Oct 2016	IB Roof Trusses	R 389 059.20	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  Minimum Requirements: CIDB Grade: 4 GB & NHBRC Certificate, with similar experience	23/09/2016 Kathu Gazette	20th Oct 2016 at 12h00	Adjudication stage	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 (JTGDMD) for a period of two (2) years on as an when required basis	23/09/2016 Kathu Gazette	20th Oct 2016 at 12h00	Evaluation stage	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	14-Dec-16	Royal Haskonging	R 4 101 948.00	Basic Services & Infrastructure
BID NO:07/2016/17	Request for Provision of Cleaning Services	23/09/2016 Kathu Gazette	20th Oct 2016 at 12h00	14-Dec-16	Namekthotha Trading Cc	R79422.50 per month	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	Cancelled, to be re-advertised in 2017/18	N/A	N/A	Community Services

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

<b>TENDER REGISTER FOR OCT 2016 TO DEC 2016</b>							
Bid Number	Bid Description	Date advertised	Closing Date	Date awarded	Awarded to	Bid Price Awarded ( R)	Responsible Dept
BID NO:09/2016/17	Supply and Delivery of Stationery for a period of 36 months	15/10/2016 Kathu gazette	10th Nov 2016 at 12h00	Evaluation stage	N/A	N/A	Corporate Services
BID NO:10/2016/17	Supply and Delivery of groceries and cleaning materials for a period of 36 months	15/10/2016 Kathu gazette	10th Nov 2016 at 12h00	Evaluation stage	N/A	N/A	Corporate Services
BID NO:11/2016/17	Supply, Delivery and Installation of Computer Network Upgrade	15/10/2016 Kathu gazette	10th Nov 2016 at 12h00	14-Dec-16	Trizona IT Systems	R 257 590.00	Corporate Services
BID NO:12/2016/17	Supply, Delivery and Installation of the Server Virtualization Software Back - up	11/11/2016 DFA	09th Dec 2016 at 12h00	14-Dec-16	Sebata Municipal Solutions	R 511 142.63	Corporate Services
BID NO:13/2016/17	Construction of a Strong room	11/11/2016 DFA	09th Dec 2016 at 12h00	Evaluation stage	N/A	N/A	Basic Services & Infrastructure

### **Statistics from 1 Oct 2016 to 30 Dec 2016**

Tenders advertised	5
Contracts awarded	2
Tenders cancelled	0
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 2<sup>nd</sup> 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.

2nd QUARTER (OCT - DEC 2016)								
Quote Number	Bid Description	Advert Date	Closing Date	Awarded to	Bid Price Awarded ( R)	Date awarded	Responsible Dept	Date Evaluated
08/2016/17	Supply and Delivery of Fencing Material	4/10/2016	12/10/2016	Mobogotsinolosi Reconstruction cc	67 062.94	28/10/2016	BS&I	20/10/2016
09/2016/17	Supply and Delivery of Palisades	4/10/2016	12/10/2016	Evaluation stage	N/A	N/A	BS&I	N/A
10/2016/17	Supply and Delivery of Building Material	4/10/2016	12/10/2016	Tlove Construction (Pty)Ltd	114 977.77	28/10/2018	BS&I	12/10/2016

The Quotation no: 09/2016/17 is still at the evaluation stage due to the Computer crashing of the one of the SCM official assigned to do the evaluation of this particular service. However, the service provider will be appointed in the 3<sup>rd</sup> Quarter 2016/17.

### 4.3 Deviations below R200 000

The SCM unit 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. Since the arrival of the CFO, the deviations are drastically been reduced.

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.