



SUPPLY CHAIN MANAGEMENT IMPLEMENTATION REPORT:
JANUARY 2019

1. In terms of Chapter 1 – paragraph 6(4) of the Councils Supply Chain Management Policy: “The Accounting Officer must within 10 days of the end of each quarter, submit a report on the implementation of this policy to the Executive Mayor.” Paragraph 6(5) further states that: “The aforesaid reports must be made public in accordance with section 21A of the Municipal Systems Act.”

2. Statistical Information:

2.1 **DEMAND MANAGEMENT** – The SCM Unit, with the support of the Chief Financial Officer has submitted a list to all Directorates that requires timely planning and management processes to ensure that all goods and services which are required are quantified, budgeted and delivered in a timely manner at critical delivery dates, so that the budget can be dealt with as per the cash flow statements.

This Demand Management Plan will be used as a strategic tool in order to implement the budget. The Demand Management Plan will assist the SCM Unit and user departments with the planning of the execution and timely completion of projects in alignment with the performance targets in the Service Delivery and Budget Implementation Plan.

Only projects outstanding with huge amounts are:

COST CENTRE	COST CENTRE DESCRIPTION	FINANCE SOURCE	mSCOA CONFIG	DESCRIPTION	FULL YEAR BUDGET

2.2 BIDS / FORMAL WRITTEN QUOTATIONS AWARDED

The table below are bids greater than R200 000.00 awarded for January 2019.

***Yearly tenders are volume driven and a tender amount is therefore not specified.**

Attached as Annexure "A" are bids awarded

2.3 ACQUISITION MANAGEMENT

The system of acquisition management must ensure the following:-

- That goods and services are procured in accordance with authorized processes only;
- That expenditure on goods and services is incurred in terms of an approved budget in terms of section 15 of the Municipal Finance Management Act (Act 56 of 2003)
- That the threshold values for different procurement processes are complied with;
- That any Treasury guidelines on acquisition management are properly taken into account.

Attached as Annexure "A" are formal written quotations (R30 001 up to R200 000) awarded.

2.4 SECTION 32 APPOINTMENTS

No Section 32 contracts consent was given to West Coast College to procure services from City of Choice Travel and Tours in terms of Bid 8/3/25=2018.

2.5 SECTION 33 CONTRACTS

The bid documentation, evaluation and adjudication criteria and general conditions of a contract must be in accordance with applicable legislation.

No Section 33 contracts were entered into for January 2019.

2.6 SECTION 36 CONTRACTS

In terms of regulation 36(1) of the Supply Chain Regulations, the Supply Chain Policy of a Municipality may allow the accounting officer to ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which purely technical in nature:

As per Annexure "E"

3. AWARDS TO CLOSE FAMILY MEMBERS OF PERSONS IN THE SERVICE OF THE STATE

In terms of the Municipal Supply Chain Regulation, Paragraph 45, awards given to close family members of persons in the service of the state, above R2 000.00 should be disclosed in the notes to Annual Financial Statements.

All SCM Staff were required to disclose benefits and interest.

Business Name	Date	Amount	Related to	Declaration made?	Influence on Decision?	Description of Goods / Services
Siphenkosi Protection Service		R47 762 R17 900	Husband – Meter reader at Bergrivier Municipality	Yes	No	Security Services at Dwarskersbos Stywelyne & Pelican Beach resorts
Cederberg Conservation Services		R197 175	Wife – Beulah Du Plessis employed at Cape Nature	Yes	No	Porterville Cemetery EIA (Basic) Process

4. PRICE QUARTERLY/MONTHLY REPORT ON DEVIATIONS AND MINOR BREACHES – *ATTACHMENT B*

The Municipal Supply Chain Management Regulations – Gazette 27636 Of 30 May 2005, states in Section 36 “

(1) A supply chain management policy may allow the accounting officer-

- a) To dispense with the official procurement process established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only-
 - i. In an emergency
 - ii. If such goods or services are produced or available from a single provider only;
 - iii. for acquisition of special works of art or historical objects where specifications are difficult to compile;
 - iv. acquisition of animals for zoos ; or
 - v. in any other exceptional case where it is impractical or impossible to follow the official procurement process; and
- (b) to ratify minor breaches of the procurement process by an official or committee acting in terms of delegated powers or duties which are purely of technical nature.

(2) The accounting officer must record the reasons for any deviations in terms of sub regulation (1)(a) and (b) and report them to the next meeting of the council, or board of directors in the case of a municipal entity, and include as a note to the annual financial statements”.

5. DISPOSAL

The system of disposal management must ensure the following:-

- Immovable property is sold only at market related prices except when the public interest or the plight of a poor demand otherwise,
- Movable assets are sold either by way of written quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous,
- Immovable property is let at a market related rate except when the public interest or the plight of the poor demand otherwise,
- All fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed,
- Where assets are traded in for other assets, the highest possible trade-in price is negotiated.

For January 2019 under review, no immovable assets were disposed.

6. BID COMMITTEE SYSTEM

A Bid Committee system for competitive bids are fully operational. It comprises of the Bid Specifications, Bid Evaluation and Bid Adjudication Committees. The Committees meet regularly. The Accounting Officer appoints members of each committee taking into account Section 117 of the MFMA. All tenders that have been approved by the Bid Adjudication Committee are reported monthly.

Attached please find the Bid Adjudication Minutes for the months of January 2019 as Annexure C

7. VENDOR PERFORMANCE

Regular monitoring and review of the supply vendor performance must be done to ensure compliance with specifications and contract conditions for particular goods and services, is conducted. Reports are received quarterly from the Directors on the performance of Vendors. However, the contract management and project management we started on the Phoenix Vesta System.

8. SERVICE LEVEL AGREEMENTS

According to Section 21A of the Municipal Systems Act the Accounting Officer of a Municipality must place all service level agreements on the Municipal website. This was done

9. ASSET AND INSURANCE REPORTING

The verification of the annual assets has started in Velddrif for the 2018/2019 financial year.

The asset verification has been completed for the following venues as per the program:

Redelinghuis – Library, Finance Office, Community Hall, Sport grounds, Waterworks/yard.

Eendekuil – Library, Finance Office, Community Hall, Sport grounds, Waterworks/yard.

Aurora - Library, Finance Office, Community Hall, Sport grounds and transfer station, Waterworks/yard.

Goedverwacht – Library

Witewater – Library

Berghof (PV) – Library

Dwarskersbos – 100% and Stywelyne 100%

Porterville – Done

Velddrif – 80% completed.

As per the program Piketberg will be done during February 2019.

All insurance claims are reported to the Insurance Company as per the listing below and are still outstanding:-

Date Notified	Policy Type Description	Risk Description	Risk Category	Details of Incident	Status Description	Response
2018-11-16	MOTOR FLEET	OWN DAMAGE - OTHER PARTIES INVOLVED	Motor	CBY9797TOYOTA HILUXINSURED DROVE INTO THIRD PARTY'S VEHICLE.	AWAITING DOCUMENTATION/INFORMATION	AON still waiting from the TP to send documentation.
2018-08-02	STATED BENEFITS	DEATH		AN EMPLOYEE HAS PASSED AWAY.	AWAITING DOCUMENTATION/INFORMATION	Sent documentation to AON – 17/01/2019
2018-08-20	MOTOR FLEET	MOTOR GLASS	Motor	WINDSCREEN - CBY1597	PAYMENT REQUESTED	AON to sort payment out
2018-09-10	MOTOR FLEET	OWN DAMAGE - OTHER PARTIES INVOLVED	Motor	COUNCIL VEHICLE CBY 2557 REVERSED INTO A TP CBY 9867	THIRD PARTY CLAIM	AON to sort TP claim out
2018-09-04	MOTOR FLEET	REPLACE	Motor	STONE DAMAGE _ CA252459	AWAITING SUPPLIER INVOICE	AON must follow up on invoice from supplier
2018-11-19	MOTOR FLEET	REPAIRABLE	Motor	INSURED'S VEHICLE DAMAGED WHILST PARKED	AWAITING DOCUMENTATION/INFORMATION	Sent quotations to AON on 05/02/2019.

2018-09-10	BUILDINGS COMBINED	FIRE		CLIENT HAD A FIRE AT THE STADIUM.	AWAITING DOCUMENTATION/INFORMATION	Received proof of payment 11/12/2018
2018-11-22	THEFT	THEFT FROM VEHICLE	Non motor	THEFT OF DIESEL FROM THE VEHICLE	AWAITING DOCUMENTATION/INFORMATION	All documentation was sent to AON 23/09/2018. Received claim number from AON on 28/11/2018

The claim for the Rhino Stadium was finalised at an amount of R217 000.00. (Previously reported incorrectly by Lion of Africa – and estimated amount of R1 200 000.00)

10. APPEALS/OBJECTIONS BY AGGRIEVED

Paragraph 49 of the Municipal Supply Chain Management Regulations allows the aggrieved bidders the opportunity to lodge objections (with proper motivation) against the decision(s) taken by the Bid Adjudication Committee, within 14 days from the date of notification thereof.

Alternatively, should they wish to lodge an appeal in terms of Section 62 of the Local Government: Municipal Systems Act 2000 (Act 32 of 2000) against the award of the tender, such appeal is to be lodged within 21 days from date of this notification?

For the month under review, no objections were lodged.

BERGRIVIER MUNICIPALITY SUPPLY CHAIN MANAGEMENT OBJECTIONS 2017/2018 + 2018/2019						
Qty	Date Objection received	Bid number	Company complained	Date sent to Independent Person	Response date from Independent Person	Opinion
1	23/03/2017	8/3/35/2016	WEST COAST BUILDERS NCC	29/03/2017	01/09/2017	DISMISSED
2	14/08/2017	8/3/21/2017	VERSO	01/09/2017	02/10/2017	DISMISSED

3	24/08/2017	8/3/24/2017	AURECON	20/09/2017	17/10/2017	DISMISSED
	25/08/2017	8/3/24-2017	URBAN DYNAMIC	25/08/2017	31/10/2017	DISMISSED
4	28/06/2018	8/3/3-2018	UTS	28,06,2018	04,09,2018	DISMISSED
5	28/06/2018	8/3/10/2018	TIP TRANS	09/07/2018	2018-04-09	DISMISSED
6	15/08/2018	8/3/20/2018	SINERGY CIRCLE	19.10.2018	29/11/2018	Dismissed
7	22.10.2018	8/3/17/2018	TRF	30.10.2018	14.11.2018	UPHELD

11. LEGISLATIVE COMPLIANCE

Local government: Municipal Finance Management Act (Act 56 of 2003)
Supply Chain Management Regulations
Supply Chain Management Policy: Bergrivier Municipality
Preferential Procurement Regulation, 2017; and
All other relevant legislation, National Treasury Guidelines and circulars.

12. SDBIP AND OTHER REPORTABLE MATTERS

Reports are submitted to the Bergrivier Council by the CFO on a monthly basis. The Supply Chain Management personnel are still continuing attending the mandatory Minimum Competency training as prescribed by National Treasury. The filling of vacant positions is a "Work in

progress”, which is aimed to be finalized by the end of March 2019. The Unit has currently three vacant positions, due to staff that accepted other positions in Bergrivier Municipality.

13. **RECOMMENDATION**

The Executive Mayor considered and approved the report on the implementation of the Supply Chain Management Policy, and that Should the contents of the report be acceptable, they be made public in accordance with Section 21A of the Municipal Systems Act.

ATTACHMENTS

- A. *BIDS / FORMAL WRITTEN QUOTATIONS AWARDED*
- B. *DEVIATIONS AND MINOR BREACHES*
- C. *BID COMMITTEE SYSTEM MINUTES*
- D. *VERIMENTS REPORT*
- E. *MINOR BREACH REPORT*