

# MEMORANDUM

**TO:** MUNICIPAL MANAGER  
THE EXECUTIVE MAYOR

**FROM:** MANAGER SCM

**RE:** Quarterly SCM Implementation Report 2016/17  
2<sup>nd</sup> Quarter

**REF.:** 5/27

**DATE:** 4 January 2017

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## Purpose of Report

The accounting officer must, within 10 days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the mayor. The purpose is to report to the Mayor in terms of section 6(3) of the Supply Chain Management Regulations on the implementation of the Supply Chain Management Policy for the second quarter from 1 October 2016 – 30 December 2016, in order to strengthen Council's oversight role.

## Implementation of Supply Chain Management Policy

The Supply Chain Management Policy was revised and adopted by Council in May 2016 to fully comply with the SCM Regulations. The SCM Policy has been reviewed by incorporating the legislative amendments and recommendations by the Auditor-General and Provincial Treasury to give effect to the compliance aspect.

This will enable the Supply Chain Management Unit (SCMU) to further streamline procedures and processes to promote more efficient and effective service delivery to all internal and external stakeholders.

## Committees

The bid committees are established and are fully functioning according to Council's SCM Policy and the SCM Regulations. The committees are listed below:

- Bid Specification Committee (BSC)
- Bid Evaluation Committee (BEC)
- Bid Adjudication Committee (BAC)

### 1. Bid Committee Meetings

The following table details the number of bid committee meetings held for the 2<sup>nd</sup> quarter of the 2016/17 financial year:

Bid Specification Committee	Bid Evaluation Committee	Bid Adjudication Committee
8	10	4

*Table 1.: Bid Committee Meetings*

The attendance figures of members of the bid specification committee are as follows:

Members	Percentage attendance
There are no permanent members on the Bid Specification Committee. Members are allocated dependent on the type of bid	100%

*Table 2.: Attendance of members of bid specification committee*

The attendance figures of members of the bid evaluation committee are as follows:

Member	Percentage attendance
There are no permanent members on the Bid Evaluation Committee. Members are allocated dependent on the type of bid	100%

*Table 3.: Attendance of members of bid evaluation committee*

The attendance figures of members of the bid adjudication committee are as follows:

Member	Percentage attendance
H Van Biljon (Director: Financial Services)	100%
N Kotze (Director: Technical Services)	75%
P Everson (Asst. Director: Electro-Mechanical Services)	75%
K Mrali (Director: Community Services)	100%
S Ngwevu (Director: Corporate Services)	100%

*Table 4.: Attendance of members of bid adjudication committee*

The percentages as indicated above include the attendance of those officials acting in the position of a bid committee member.

In terms of Part 12.1.9 of the SCMPOS, repeated failure to attend meetings without valid reasons for three consecutive meetings shall result in the matter being reported to the Accounting officer for action.

**2. Awards Made by the Bid Adjudication Committee (2<sup>nd</sup> quarter of the 2016/17 financial year)**

The following number of awards were made by the BAC.

1. 8 x Competitive Bids
2. 4 x Formal written Quotations
3. 0 x Deviation in terms of Part 18.6.3 of the SCMPOS
4. 0 x Sale of Erven
5. 4 x Extensions / Amendment of Contracts in terms of Part 20.14 of the SCMPOS

KWARTAAL VERSLAG IN TERME VAN SCM REGULASIE 5(4) – OKTOBER 2016 - DESEMBER 2016 / REPORT IN TERMS OF SCM REGULATION 5(4) - OCTOBER 2016 - DECEMBER 2016

TENDERS EN FORMEEL GESKREWE KWOTASIES TOEGEKEN AAN DIE TENDERAAR WIE DIE HOOGSTE PUNTE BEHAAL IN TERME VAN DIE VOORKEUR VERKRYINGS REGULASIES  
TENDERS & FORMAL WRITTEN QUOTATIONS AWARDED TO THE BIDDER SCORING THE HIGHEST POINTS IN TERMS OF THE SUPPLY CHAIN MANAGEMENT REGULATIONS

NO. TENDER NR VOTE NR DEPARTMENT DIVISION DESCRIPTION SUCCESSFUL TENDERER BEE POINTS AWARDED AMOUNT VAT NR RESOLUTION DATE OF AWARD BEE CONTRIBUTION LEVEL

TENDERS

NO.	TENDER NR	VOTE NR	DEPARTMENT	DIVISION	DESCRIPTION	SUCCESSFUL TENDERER	BEE POINTS AWARDED	AMOUNT	VAT NR	RESOLUTION	DATE OF AWARD	BEE CONTRIBUTION LEVEL
1	SCM5/2016/17	51522406000051	COMMUNITY SERVICES	PUBLIC SERVICES	CONSTRUCTION OF ABLUTION FACILITIES IN STRUISBAAI	QWAKA CONSTRUCTION	20/20	R 967 912,16	IN	T84/2016	2016-10-11	1
2	SCM7/2016/17	52511457200061	TECHNICAL SERVICES	WATER & SERWERAGE	SUPPLY & DELIVERY OF WATER METERS	ELSTER KENT METERING PTY LTD	16/20	R 200 070,00	IN	T92/2016	2016-12-02	3
3	SM8/2016/17	51521457200081 51521457200071	TECHNICAL SERVICES	WATER & SERWERAGE	PROFESSIONAL SERVICES FOR A NEW BOREHOLE IN NAPIER & BREDASDORP	SRK CONSULTING SA PTY LTD	18/20	R 103 330,00	IN	T93/2016	2016-12-02	2
4	SCM9/2016/17	52536406200041	COMMUNITY SERVICES	LIBRARY	EXTENSION OF THE BEDASDORP LIBRARY	QWAKA CONSTRUCTION	20/20	R 375 936,66	IN	T94/2016	2016-12-02	1
5	SCM13/2016/17	52531457800021 52531457800011	TECHNICAL SERVICES	ROADS & STORMWATER	UPGRADING OF GRAVEL ROADS TO SURFACED STANDARD IN BREDASDORP & WAENHUISKRANS	CAPE AGULHAS CIVILS CC	9/10	R 4 296 078,60	IN	T100/2016	2016-12-14	2
6	SCM12/2016/17	1303115000000	FINANCIAL SERVICES	INCOME	TRANSPORTATION OF CASH FOR A PERIOD OF 3 YEARS	QINISEKA SECURITY CC	9/10	R 731 667,69	IN	T101/2016	2016-12-14	2
7	SCM14/2016/17	51536354100121	CORPORATE SERVICES	ITC	SUPPLY & DELIVERY OF SERVER	DLK GROUP PTY LTD	20/20	R 174 719,56	IN	T103/2016	2016-12-14	1
8	SCM10/2016/17	51511508000051 52531508000021 52531508000031 52531508000041	ELECTRO-TECHNICAL SERVICES	ELECTRICAL	SUPPLY & DELIVERY OF STREETLIGHT OUTREACH ARMS 1000MM OUTREACH ARM (RATE PER ITEM) 250MM OUTREACH ARM (RATE PER ITEM)	ACTOM ELECTRICAL PRODUCTS	16/20	R 334,50	EX	T104/2016	2016-12-14	3
								R 134,55	EX			

NO.	TENDER NR	VOTE NR	DEPARTMENT	DIVISION	DESCRIPTION	SALE OF ERVEN	SUCCESSFUL TENDERER	BEE POINTS AWARDED	AMOUNT	VAT NR	RESOLUTION NR	DATE OF AWARD	BEE CONTRIBUTION LEVEL
						NONE							
tender in terme van scm regulasie 32 / procurement in terms scm regulation 32													
						NONE							
afwykings van die beleid, goedgekeur in terme van regulasie 36 (1) (scm regulasies) / deviations from the policy, approved in terms of SCM regulation 36(1)													
						NONE							
uitbreiding van kontrak in terme van SCMPPOS Part 20.14. & mima circular 62 / extension of contract in terms of SCMPPOS Part 20.14													
1	T11/2013	1457211100000	TECHNICAL	WATER & SEWERAGE	AMENDMENT OF EXISTING AGREEMENT and renew the service level agreement FOR THE WATER TREATMENT IN WAENHUISKRANS & SUIDERSTRAND		IKUSASA CHEMICALS		R7,00/KL	IN	T68/2016	15-Aug-16	
2	SCM16/2013/14	1303115000000	FINANCIAL SERVICES	INCOME	EXTENSION OF CONTRACT: TRANSPORTATION OF CASH UNTIL 31 JANUARY 2017		SUIDPUNT BESIGHEIDSTRUST		R 35 000,00	IN	T97/2016	02-Dec-16	
3	SCM5/2016/17	51522406000051	COMMUNITY SERVICES	PUBLIC SERVICES	EXTENSION OF CONTRACT: CONSTRUCTION OF ABLUTION FACILITIES STRUISBAAI - EXTENSION OF BOUNDARY WALL TO A HEIGHT OF 1,76M		QWAKA CONSTRUCTION	20/20	R 7 752,00	IN	T105/2016	14-Dec-16	1
4	SCM13/2016/17	52531457800021 52531457800011	TECHNICAL SERVICES	ROADS & STORMWATER	EXTENSION OF CONTRACT: UPGRADING OF GRAVEL ROADS TO SURFACED STANDARD IN BREDASDORP & WAENHUISKRANS - ADDITIONAL 370M ROADS		CAPE AGULHAS CIVILS CC	9/10	R 527 588,60	IN	T100/2016	2016-12-14	2

NO.	TENDER NR	VOTE NR	DEPARTMENT	DIVISION	DESCRIPTION	SUCCESSFUL TENDERER	BEE POINTS AWARDED	AMOUNT	VAT NR	RESOLUTION NR	DATE OF AWARD	BEE CONTRIBUTION LEVEL
<b>FORMEEL GESKREME KWOTASIES / FORMAL WRITTEN QUOTATIONS</b>												
1	Q8/2016/17	51516405200011	COMMUNITY SERVICES	TRAFFIC SERVICES	SUPPLY & INSTALLATION OF ZIPPLES - SAFE 1	PARKERSON THOMAS TECHNOLOGIES T/A OFFICE	20/20	R 61 560,00	IN	T85/2016	2016-10-11	1
2	Q8/2016/17	51516405200011	COMMUNITY SERVICES	TRAFFIC SERVICES	SUPPLY & INSTALLATION OF ZIPPLES - SAFE 2	ORGAFILE PTY LTD	0/20	R 41 750,22	IN	T86/2016	2016-10-11	0
3	Q10/2016/17	52531457200091	TECHNICAL SERVICES	WATER & SEWERAGE	EXTENTION OF 160MM WATERMAIN TO L'AGULHAS	CAPE AGULHAS CIVILS	18/20	R 96 307,20	IN	T87/2016	2016-10-11	2
4	Q12/2016/17	1251511440000	MUNICIPAL MANAGER	STRATEGIC SERVICES	PROFESSIONAL SERVICES: COUNCIL STRATEGIC PLANNING SESSION	GJD CONSULTING	0/20	R 38 000,00	IN	T90/2016	2016-10-31	0

### 3. Awards Made by the Accounting Officer

A bid awarded by the Accounting Officer in terms of Section 144 MFMA 56 of 2003 is as follows:

Bid number	Title of bid	Directorate and section	Value of bid awarded
n/a			

Table 5.: Awards made by Accounting Officer

### 4. Deviation from Normal Procurement Processes

The following table provides a summary of deviations approved for the 2<sup>nd</sup> quarter of the 2016/17 financial year:

Number of deviations	Value of deviations
<b>Deviations for amounts below R30 000:</b>	
14	R79 273.46
<b>Deviations for amounts above R30 000:</b>	
1	R47 246.25
<b>Deviations for amounts above R200 000:</b>	
2	R349 827.97

Table 6.: Summary of deviations

<b>Deviations from Minor Breaches of the Supply Chain Management Policy (SCM Regulations 36 (1) (a), (i) (ii), (iii), (iv)&amp;(v))</b>	
<b>Deviations below R30 000 1 July 2016 - 30 June 2017</b>	
36 (1) (a) (i): Emergency	R 32 852,71
36 (1) (a) (ii): Sole Provider	R 78 989,88
36 (1) (a) (iii): Special Works of art	R 0,00
36 (1) (a) (iv): Animals for zoos	R 0,00
36 (1) (a) (v): Impractical or Impossible	R 125 905,95
<b>BELOW R30 000</b>	<b>R 237 748,54</b>
<b>Deviations above R30 000 1 July 2016 - 30 June 2017</b>	
36 (1) (a) (i): Emergency	R 34 029,00
36 (1) (a) (ii): Sole Provider	R 49 863,60
36 (1) (a) (iii): Special Works of art	R 0,00
36 (1) (a) (iv): Animals for zoos	R 0,00
36 (1) (a) (v): Impractical or Impossible	R 47 246,25
<b>ABOVE R30 000</b>	<b>R 131 138,85</b>
<b>Deviations above R200 000 1 July 2016 - 30 June 2017</b>	
36 (1) (a) (i): Emergency	R 0,00
36 (1) (a) (ii): Sole Provider	R 226 005,00
36 (1) (a) (iii): Special Works of art	R 0,00
36 (1) (a) (iv): Animals for zoos	R 0,00
36 (1) (a) (v): Impractical or Impossible	R 398 403,37
<b>ABOVE R200 000</b>	<b>R 624 408,37</b>
<b>TOTAL AMOUNT OF DEVIATIONS APPROVED</b>	
36 (1) (a) (i): Emergency	R 66 881,71
36 (1) (a) (ii): Sole Provider	R 354 858,48
36 (1) (a) (iii): Special Works of art	R 0,00
36 (1) (a) (iv): Animals for zoos	R 0,00
36 (1) (a) (v): Impractical or Impossible	R 571 555,57
<b>TOTAL</b>	<b>R 993 295,76</b>

Table 7.: Breakdown of deviations

## 5. Reporting of Awards above R100 000

In terms of MFMA Circular 34, all awards above R100 000 must be reported to Provincial and National Treasury within 15 days of the end of each month. The following awards were reported during the 2<sup>nd</sup> quarter of the 2016/17 financial year.

Contract Identifier	Commodity Description	Supplier	BEE Status	Source Method	Contract Value	Lowest Acceptable Bid Value	Premium Paid Value	Expansion Value
T84/2016	CONSTRUCTION OF ABLUTION FACILITIES IN STRUISBAAL. (SCM5-2016-17)	QWAKA CONSTRUCTION CC	Non-compliant contributor	Competitive Bids	R 967 912,12	R 967 912,16	-	R 975 664,12
T87/2016	EXTENTION OF 160MM WATERMAIN TO L'AGULHAS (Q10-2016-17)	CAPE AGULHAS CIVILS CC	Level 2	Price Quotations	R 96 307,20	R 96 307,20	-	R 96 307,20
T94/2016	EXTENTION OF THE BREDASDORP LIBRARY (SCM9-2016-17)	QWAKA CONSTRUCTION CC	Level 1	Competitive Bids	R 375 936,66	R 375 936,66	-	R 375 936,66
T93/2016	PROFESSIONAL SERVICES FOR A NEW BOREHOLE IN NAPIER & SUIDERSTRAND (SCM8-2016-17)	SRK CONSULTING SA (PTY) LTD	Level 2	Competitive Bids	R 103 330,00	R 103 330,00	-	R 103 330,00
T103/2016	SUPPLY & DELIVERY OF SERVER (SCM14-2016-17)	DLK GROUP (PTY) LTD	Level 1	Competitive Bids	R 174 719,56	R 174 719,56	-	R 174 719,56
T104/2016	SUPPLY & DELIVERY OF STREETLIGHT OUTREACH ARMS. (SCM10-2016-17)	ACTOM ELECTRICAL PRODUCTS	Level 3	Competitive Bids	R 168 298,20	R 168 298,20	-	R 168 298,20
T92/2016	SUPPLY & DELIVERY OF WATER METERS (SCM7-2016-17)	ELSTER KENT METERING (PTY) LTD	Level 3	Competitive Bids	R 200 070,00	R 200 070,00	-	R 200 070,00
T85/2016	SUPPLY & INSTALLATION OF ZIPPLES - SAFE 1 (Q9-2016-17)	PARKERSON THOMAS TECHNOLOGIES CC	Level 1	Price Quotations	R 61 560,00	R 61 560,00	-	R 61 560,00
T86/2016	SUPPLY & INSTALLATION OF ZIPPLES - SAFE 2 (Q9-2016-17)	PARKERSON THOMAS TECHNOLOGIES CC	Level 1	Price Quotations	R 41 750,22	R 41 750,22	-	R 41 750,22
T86/2016	SUPPLY & INSTALLATION OF ZIPPLES - SAFE 2 (Q9-2016-17)	ORGAFILE PTY LTD	Non-compliant contributor	Price Quotations	R 41 750,22	R 41 750,22	-	R 41 750,22
T101/2016	TRANSPORTATION OF CASH FOR A PERIOD OF 3 YEARS (SCM12-2016-17)	QINSEKA SECURITY CC	Level 2	Competitive Bids	R 731 667,69	R 731 667,69	-	R 731 667,69
T100/2016	UPGRADING OF GRAVEL ROADS TO SURFACED STANDARD IN BREDASDORP & WAENHUISKRANS (SCM13-2016-17)	CAPE AGULHAS CIVILS CC	Level 2	Competitive Bids	R 4 296 078,60	R 4 296 078,60	-	R 4 823 667,20
<b>Total</b>					<b>R 7 259 380,47</b>	<b>R 7 259 380,51</b>	<b>-</b>	<b>R 7 794 721,07</b>

Table 8.: Reporting on bids above R100 000

Detailed Report				
BEE Level	Total Contracts	Total Current Contract Value	Total Lowest Acceptable Bid Value	Total Premium Paid Value
Level 1	4	R 653 966,44	R 653 966,44	-
Level 2	4	R 5 754 972,09	R 5 227 383,49	-
Level 3	2	R 368 368,20	R 368 368,20	-
Non-compliant contributor	2	R 1 017 414,34	R 1 009 662,38	-
<b>Total</b>	<b>12</b>	<b>R 7 794 721,07</b>	<b>R 7 259 380,51</b>	<b>-</b>

Table 9.: Summary of BBBEE spending on bids

## 6. Logistics Management

Inventory levels are set at the start of each financial year. These levels are set for normal operations. In the event that special projects are being launched by departments, such information is not communicated timely to the Stores section in order for them to gear them to order stock in excess of the normal levels.

Internal controls are in place to ensure that goods and service that are received are certified by the responsible person which is in line with the general conditions of contract.

Regular checking of the condition of stock is performed. Quarterly stock counts are performed at which surpluses, deficits, damaged and redundant stock items are identified and reported to Council.

As at 30 December 2016, the value of stock at the municipal stores amounted to

Store A – Bredasdorp Stores	R 980 734.14
Store B – Struisbaai Stores	R -
Store C – Electrical Stores	R 139 059.20
<b>Total value of stock</b>	<b><u>R1 119 793.34</u></b>

## 7. Procurement Plan

One of the functions of SCM is to ensure that goods, works or services are delivered to the right place, in the right quantity, with the right quality, at the right cost and the right time in a normal procurement environment.

In order to fulfill the above function the SCM unit, together with the end-user, must apply strategic sourcing principles to determine the optimum manner in which to acquire goods, works or services. Subsequent to this the unit held individual sessions with departments to complete their respective procurement plans for the procurement of all Capital Expenditure for the 2016/17 financial year in order to ensure that they spend their budgets effectively, efficiently and economically.

## 8. Procurement Statistics

The following is a summary of the procurement statistics below R30 000 for the 2<sup>nd</sup> quarter of the 2016/17 financial year.

REQUESTS BELOW R30 000		
Description	Total No	value
Requests processed	936	R 3 715 714,86
Orders processed	851	R 3 314 598,96
Request/ orders cancelled	85	R 401 115,90
Outstanding orders	245	R 988 897,79
Goods delivered not paid	85	R 515 300,70
Paid orders	512	R 1 810 400,47

Table 10.: Summary of Procurement Stats below R30 000



## 9. Monitoring of Contracts & Performance

The monitoring and performance of contracts are not done continuously and problems are not promptly addressed. However, the administration and management thereof will receive the necessary attention for improvement.

## 10. Staffing issues

The staff component of the Supply Chain Management unit is as follows:

- Manager Supply Chain Management
- Accountant Supply Chain Management
- Supply Chain Management Practitioner
- Supply Chain Management Clerk
- Storekeeper
- Stores Clerk

## 11. Training

A training session on the SCM Risk management and performance management Training was held on 27 - 28 October 2016 at the the University of Stellenbosch Business School in Worcester. The following officials attended the training:

- Mr WJ Swart (Blackie)
- Ms TJ Stone
- Ms NJ Mbanjwa
- Mr RJ Sefoor

## 12. Systems

### • **Supplier Database**

The database for suppliers is currently operated on a Excel spreadsheet. The number of new suppliers registered within the second quarter amounts to **25**.

The total number of registered suppliers until 30 December 2016 amounts to **957**.

### • **Web Based Central Supplier Database (CSD)**

With effect from 1 July 2016, Municipalities and Municipal Entities must use the CSD supplier number starting with (MAAA) which is auto generated by the Central Database System after successful registration and validation of the prospective provider as mandatory requirement as part of listing criteria for accrediting prospective provider in line with Section 14(1)(b) of the Municipal Supply Chain Management Regulations.

### • **E Tender Publication**

The advertisement of bids and publication of awards on the eTender Publication Portal is additional to the requirement specified in the SCM Regulation 22 (1) (a) which must be complied with by all municipalities and municipal entities. This initiative supports government's drive to improve access to government business opportunities, reduce red tape and duplication of administrative effort in doing business with the state designed to improve the use of technology across all spheres of government.

With effect from 1 July 2016, municipalities and municipal entities must advertise and publish all awards above R200 000, deviations and limited bids on the E-portal publication. The Cape Agulhas Municipality advertise all formal written quotations above R30 000 as well.

- **Financial System**

All requisitions from R200 up to R30 000 are processed electronically on the SAMRAS financial system.

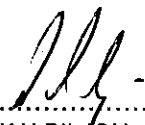
13. **External Relations**

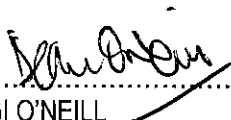
- The following meetings took place during the 2<sup>nd</sup> quarter of the 2016/17 financial year:
  - 21 October 2016 - Framework Contracts/ Agreements - Overberg District
  - 24 – 26 October 2016 - SCM Special Interest Group
  - 3 – 4 November 2016 - SCM Indaba
  - 25 November 2016 - National Treasury One-day Workshop (SIPDM)
- The forum dates for the 2016/17 financial year:
  - 17 February 2017 - Quarterly Provincial Treasury SCM Forum


14. **Conclusion**

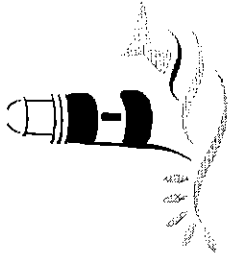
The Supply Chain Management Unit is continuously improving its processes and procedures in order to ensure that Council receive value for money in terms of demand and acquisition management.

  
.....  
RJ SEFOOR  
MANAGER SCM  
Date: 4/01/2017

  
.....  
PJ VAN BILJON  
DIRECTOR: FINANCIAL SERVICES  
Date: 09/01/2017

  
.....  
DGI O'NEILL  
MUNICIPAL MANAGER  
Date: 09/01/17

  
.....  
PJSWART  
EXECUTIVE MAYOR  
Date:



KAAP AGULHAS MUNISIPALITEIT  
 CAPE AGULHAS MUNICIPALITY  
 U MASIPALJA WASECAPE AGULHAS

**CAPE AGULHAS MUNICIPALITY**  
**IMPLEMENTATION OF SYSTEM – SUPPLY CHAIN MANAGEMENT**  
**SECTION 6 OF SCM POLICY: OVERSIGHT ROLE OF COUNCIL OVER THE IMPLEMENTATION OF**  
**SCM POLICY**

PERIOD: 1 October 2016 – 31 December 2016

5/27 Reports

REG. NO.	CRYPTIC DESCRIPTION OF POWER OF DUTY	POWER CURRENTLY RESIDING	DELEGATED	IMPLEMENTED	COMMENTS
3(1)(a)	Prepare and submit a draft supply chain management policy complying with regulation 2 to the council of the municipality for adoption.	Accounting Officer	Chief Financial Officer	YES	SCM policy & amendments adopted by council on 31 May 2016. Implementation date 1 July 2016.
3(1)(b)	Review at least annually the implementation of the policy.	Accounting Officer	Chief Financial Officer	YES	Policy was updated to comply with National Treasury norms & standards.
3(1)(c)	Submit when considered necessary, proposals of amendment of the policy of the council.	Accounting Officer	Chief Financial Officer	YES	The policy amendments discussed and adopted in council on 31 May 2016.
3(2)(a)	Make use of any Treasury guidelines determining standards for municipal supply chain management policies, and submit to the council that guidelines standard or modified version therefore, as a draft policy.	Accounting Officer	Chief Financial Officer	YES	SCM policy approved and adopted by council on 31 May 2016. Implementation date effective 1 July 2016.
3(2)(b)	Ensure that a draft policy submitted to council that differs from the guideline standard complies with Regulation 2.	Accounting Officer	Chief Financial Officer	YES	SCM policy approved and adopted by council on 31 May 2016. Implementation date effective 1 July 2016.
3(1)(c)	Report any deviation from the guideline standard to the National Treasury and relevant provincial treasury	Accounting Officer	Chief Financial Officer	YES	No deviations from National Treasury guidelines
3(4)	Must, in terms of section 62(1)(f)(iv) take all reasonable steps to ensure that the municipality has and implements a supply chain management policy as set out in Regulation 2.	Accounting Officer	Chief Financial Officer	YES	SCM policy approved and adopted by council on 31 May 2016. Implementation date effective 1 July 2016.
5(2)(a)	Make a final award above R10 million (VAT included).	Municipal Council	Accounting Officer (after considering recommendation Of Bid Adjudication Committee)	YES	May not be sub-delegated.
5(2)	Make a final award above R200 000(VAT included), but not exceeding R10 million (VAT included).	Municipal Council	Accounting Officer	YES	Bid Adjudication Committee meets every second week and/or as needed.
5(2)	Make a final award not exceeding R200 000(VAT included) including the appointment of consultants	Municipal Council	Accounting Officer	YES	Bid Adjudication Committee meets every second week and/or as needed.

REG. NO.	CRYPTIC DESCRIPTION OF POWER OF DUTY	POWER CURRENTLY RESIDING	DELEGATED	IMPLE- MENTED	COMMENTS
5(3)	Submit to the officials referred to in subsection (4) within five days of the end of each month a written report containing particulars of each final award, except procurements made out of petty cash, made during that month, including – (a) the amount of the award; (b) the name of the person to whom the award was made; (c) the reason why the award was made to that person; and		Chief Financial Officer	YES	Reported on monthly basis to CFO, MM & Council
6(1)	Maintain oversight over the implementation of the supply chain management policy	Municipal Council	Power By Council	YES	Reported to council on 26 September 2016
6(2)(a)(i)	Submit a report to council within 30 days of the end of each financial year on the implementation of the supply chain management policy of the municipality.	Accounting Officer	Chief Financial Officer	YES	Reported to council on 26 September 2016
6(3)	Submit a report to the mayor of the municipality within ten days of each quarter on the implementation of the supply chain management policy.	Accounting Officer	Chief Financial Officer	YES	Report to council
7(1)	Establish a supply chain management unit.	Municipal Council	Chief Financial Officer	YES	2 x Store officials, 4 SCM Officials
12(2)(a)	Allow the Accounting Officer to low, but not to increase, the different threshold values specified in subregulation(1).	Accounting Officer	Chief Financial Officer	YES	
12(2)(b)	Direct that: (i) written quotation be obtained for any specified procurement of a transaction value lower than R2000; (ii) formal written price quotation be obtained for any specific procurement of a transaction value lower than R30 000, or (iii) a competitive bidding process be followed for any specific procurement of a transaction value lower than R200 000.	Accounting Officer	Chief Financial Officer	YES	The SCM unit is responsible for procurement within these thresholds
14(1)(a)(i)	Keep a list of accredited prospective providers of goods and services that must be used for the procurement requirements of the municipality through written quotations and formal written price quotations.	Accounting Officer	Chief Financial Officer	YES	Cape Agulhas municipality maintains its own database of prospective suppliers

REG. NO.	CRYPTIC DESCRIPTION OF POWER OF DUTY	POWER CURRENTLY RESIDING	DELEGATED	IMPLEMENTED	COMMENTS
14(1)(a)	Invite prospective providers of goods and services at least once a year through newspaper commonly circulating locally, the website of the municipality	Accounting Officer	Chief Financial Officer	YES	Was advertised in newspaper and website: During June 2016.
14(1)(b)	Specify the listing criteria for accredited prospective providers.	Accounting Officer	Chief Financial Officer	YES	A list of criteria is on the municipal website
14(1)(c)	Disallow the listing of any prospective provider whose name appears on the National Treasury's database as a person prohibited from doing business with the public sector.	Municipal Council	Accounting Officer	YES	Check as part of tender evaluation process
Chief	Update the list of prospective providers at least quarterly to include any additional prospective providers and any new commodities or types of services.	Municipal Council	Chief Financial Officer	YES	Monthly Update of database.
16(c)	If it is not possible to obtain at least three written quotations, record and report quarterly to the accounting officer, or another official designated by the accounting officer, the reasons for this.	Accounting Officer	Chief Financial Officer	YES	
16(d)	Record the name of potential providers requested to provide written quotation with their quoted prices.	Accounting Officer	Chief Financial Officer		
17(1)(c)i	Record the reasons for not obtaining at least three formal written price quotations.	Accounting Officer	Chief Financial Officer		
17(1)(c)ii	Approve the recorded reasons for not obtaining at least three written price quotations.	Chief Financial Officer	Manager: Supply Chain Management		
17(1)(d)	Record the names of the potential formal written price quotation providers and their written quotations.	Accounting Officer	Chief Financial Officer		
17(2)	Report to the CFO within three days at the end of the month on any approvals given during that month by that the designed official referred to in sub-regulation (1)(c).	Chief Financial Officer	Manager: Supply Chain Management		
18(b)	Must promote ongoing competition amongst providers, including by inviting providers to submit quotations on a rotation basis, when using the list of accredited prospective providers.	Accounting Officer	Chief Financial Officer	YES	Rotation is done via Memorandum
18(c)	Must take all reasonable steps to ensure that the procurement of goods and services through written quotations or formal written price quotations is not abused.	Accounting Officer	Chief Financial Officer	YES	Has controls and procedures in place to combat abuse Standard Operating Procedures (SOP's) have been drafted

Reported on monthly base to CFO, MM and Council

REG. NO.	CRYPTIC DESCRIPTION OF POWER OF DUTY	POWER CURRENTLY RESIDING	DELEGATED	IMPLEMENTED	COMMENTS
18(d)	Notify the Accounting Officer or CFO in writing on a monthly basis of all written quotations and formal written price quotations accepted by the official acting in terms of a sub-delegation.	Chief Financial Officer	Manager: Supply Chain Management	YES	reported monthly
22(2)	Determine a closure date for submission of bids which is less than the 30 or 21 day requirement, but only if such shorter period can be justified on the grounds of urgency or emergency or any exceptional case where it is impractical or impossible to follow the official procurement process.	Accounting Officer	Relevant Department	YES	Closing date for submission of bids are 21 days, if shorter period is required, the relevant department must provide reasons in writing
23(c)	(i) record in a register all bids received in time; (ii) make the register available for public inspection (iii) publish the entries in the register and the bid results on the website of the municipality.	Accounting Officer	Manager: Supply Chain Management	YES	Has a tender register in place where received tenders are recorded in, as well as website.
24(1)	Negotiate the final terms of a contract with bidders identified through a competitive bidding process as preferred bidders, provided that such negotiation – (a) does not allow any preferred bidder a second or unfair opportunity; (b) is not to the detriment of any other bidder; and (c) does not lead to a higher price than the bid submitted. Minutes of such negotiations must be kept.	Accounting Officer	Relevant Department	YES	
26(b)	Appoint the members of the bid specification, evaluation and adjudication committees, taking into account Section 117 of the MFMA.	Accounting Officer		YES	Bid specification & evaluation committee per user department. Bid adjudication committee is fixed and chaired by CFO
26(1)(c)	Appoint a neutral or independent observer to a bid specification, evaluation or adjudication committee for an attendance and oversight process when this is appropriate for ensuring fairness and promoting transparency.	Accounting Officer		Yes	Accounting Officer appoints a second
26(3)	Apply the committee system to formal written price quotations.	Accounting Officer	Chief Financial Officer	YES	Above R30 000
27(1)	Compile specifications for the procurement of goods and services by the municipality.	Accounting Officer	Bid Specifications Committee	YES	Not to be sub-delegated
27(2)(g)	Approve specifications compiled by the bid specification committee prior to publication of the invitation for bids.	Accounting Officer	Accounting officer	YES	The specifications are accompanied with the minutes of the meeting. Meeting are held on an ad hoc basis

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28(1)(a)	Evaluate bids in accordance with – (i) the specifications for a specific procurement ; and (ii) the points system as must be set out in the supply chain management policy of the municipality in terms of Regulation 27(2)(f) and a prescribed in terms of the Preferential Procurement Policy Framework Act.	Bid Evaluation Committee	Bid Evaluation Committee	YES	Meeting are held on an ad hoc basis
28(1)(b)	Evaluate each bidder's ability to execute the contract.	Bid Evaluation Committee	Bid Evaluation Committee	YES	Not to be sub-delegated
28(1)(c)	Check in respect of the recommended bidder whether municipal rates and taxes and municipal service charges are not in arrears.	Bid Evaluation Committee	Bid Evaluation Committee	YES	Has a screening list that has to be completed
28(1)(d)	Submit to the adjudication committee a report and recommendations regarding the award of the bid or any other related matter.	Bid Evaluation Committee	Bid Evaluation Committee	YES	Not to be sub-delegated
29(1)(a)	Consider the report and recommendations of the bid evaluation committee where the award value exceeds R200 000 (VAT incl).	Accounting Officer	Bid Adjudication Committee	YES	Not to be sub-delegated.
29(1)(b)(i)	For bids above R10 million, the SCMBAC will make recommendation to the Municipal Manager to make the final award.	Accounting Officer		YES	Not to be sub-delegated
29(1)(b)(ii)	Make another recommendation to the accounting officer on how to proceed with the relevant procurement.	Bid Adjudication Committee	Bid Adjudication Committee	YES	Not to be sub-delegated
29(3)	Appoint the chairperson of the bid adjudication committee.	Accounting Officer	Chief Financial Officer	YES	In terms of paragraph 7.7.3 (CFO)
29(5)(a)	If a bid adjudication committee decides to award a bid other than the one recommended by the bid evaluation committee, the bid adjudication committee must prior to awarding the bid – (i) check in respect of the preferred bidder whether that bidder's municipal rates and taxes and municipal service charges are not in arrears; and (ii) notify the accounting officer.	Accounting Officer	Bid Adjudication Committee	YES	Not to be sub-delegated
29(5)(b)	(i) After due consideration of the reasons for the deviation, ratify or reject the decision of the bid adjudication committee referred to in Regulation 29(5)(a); and	Accounting Officer	Accounting Officer	YES	Reason are submitted in writing

REG. NO.	CRYPTIC DESCRIPTION OF POWER OF DUTY	POWER CURRENTLY RESIDING	DELEGATED	IMPLEMENTED	COMMENTS
	(ii) If the decision of the bid adjudication committee is rejected, refer the decision of the adjudication committee back to that committee for reconsideration.				
29(6)	Refer any recommendation made by the evaluation committee or adjudication committee back to that committee for reconsideration of the recommendation.	Accounting Officer	Accounting Officer	YES	n/a
29(7)	Comply with Section 114 of the MFMA within ten working days.	Accounting Officer	Accounting Officer	YES	No tender were awarded in terms of section 114 of the MFMA
31(1)	Request the State Information Technology Agency (SITA) to assist the municipality with the acquisition of IT related goods or services through a competitive bidding process.	Accounting Officer	Manager: Supply Chain Management	YES	IT section is responsible for the purchasing of IT equipment for the municipality
31(2)	Enter into a written agreement to regulate the services rendered by, and the payments made to, SITA.	Accounting Officer	Manager ITC Services.	YES	IT Official is responsible
31(3)	Notify SITA together with a motivation of the IT needs of the municipality if – (a) the transaction value of IT related goods or services required by the municipality in any financial year will exceed R50 million (VAT incl); or (b) the transaction value of a contract to be procured by the municipality whether for one or more years exceeds R50 million.	Accounting Officer	Manager ITC Services	YES	IT Official is responsible
31(4)	Submit to the Council, the National Treasury, the relevant provincial treasury and the Auditor General the SITA comments and the reasons for rejecting or not following such comments if the municipality disagrees with SITA's comments.	Accounting Officer	Manager ITC Services	YES	IT Official is responsible
32(1)	To procure goods or services for the municipality under a contract secured by another organ of state, but only if – (a) the contract has been secured by that organ of state by means of a competitive bidding process applicable to that organ of state; (b) the municipality has no reason to believe that such contract was not validly procured;	Accounting Officer	Chief Financial Officer	YES	No Contract in terms of SCM regulation 32 were awarded during this quarter.



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	(a) the product or service offered is a demonstrably or proven unique innovative concept; (b) the product or service will be exceptionally beneficially to, or have exceptional cost advantages for, the municipality; (c) the person who made the bid is the sole provider of the product or service; and (d) the reasons for not going through the normal bidding processes are found to be sound by the accounting officer.				
37(4)	Submit written comments received pursuant to Regulation 37(3), including any responses from the unsolicited bidder, to the National Treasury and the relevant provincial treasury for comment.	Municipal Council	Accounting Officer	YES	
37(5)	Consider the unsolicited bid.	Bid Adjudication Committee	Bid Adjudication Committee	YES	Not to be sub-delegated
37(5)	Award the bid or make recommendations to the accounting officer depending on the delegations to the adjudication committee.	Accounting Officer or Adjudication Committee	Bid Adjudication Committee for bids up to R10 million (VAT incl) and Accounting Officer for bids above R10 million (VAT incl) after consideration of recommendation of Bid Adjudication Committee	YES	Not to be sub-delegated
37(7)	Take into account where considering an unsolicited bid – (i) any comments submitted by the public; and any written comments and recommendations of the National Treasury or the relevant provincial treasury.	Bid Adjudication Committee	Bid Adjudication Committee	NO	No unsolicited bids was accepted
37(8)	Submit to the Auditor General, the relevant provincial treasury and the National Treasury the reasons for rejecting or not following any recommendations of the National Treasury or provincial treasury in regard to the unsolicited bid.	Accounting Officer	Chief Financial Officer	N/A	No unsolicited bids was accepted
38(1)(a)	Take all reasonable steps to prevent abuse of the supply chain management system.	Accounting Officer	Chief Financial Officer	YES	The National Treasury Code of Conduct has been educated to municipal staff at various formal and informal meetings
38(1)(b)	Investigate any allegations against an official or other role player of fraud, corruption, favouritism, unfair or	Accounting Officer	Chief Financial Officer	YES	n/a

REG. NO.	CRYPTIC DESCRIPTION OF POWER OF DUTY	POWER CURRENTLY RESIDING	DELEGATED	IMPLEMENTED	COMMENTS
	<p>irregular practices or failure to comply with the supply chain management policy, and when justified –</p> <p>(i) take appropriate steps against such official or other role player; or</p> <p>report any alleged criminal conduct to the South African Police Service.</p>				
38(1)(c)	Check the National Treasury's database prior to awarding any contract to ensure that no recommended bidder, or any of its directors, is listed as a person prohibited from doing business with the public sector.	Accounting Officer	Manager: Supply Chain Management	YES	Checked as part of Evaluation process
38(1)(d)	<p>Reject any bid from a bidder –</p> <p>(i) if any municipal rates and taxes or municipal service charges owed by that bidder or any directors to the municipality are in arrears for more than three months;</p> <p>(ii) who during the last five years has failed to perform satisfactorily on a previous contract with the municipality or any other organ of state after written notice was given to that bidder that performance was unsatisfactory.</p>	Accounting Officer	Chief Financial Officer	YES	Checked as part of Evaluation process
38(1)(e)	Reject a recommendation for the award of a contract if the recommended bidder, or any of its directors, has committed a corrupt or fraudulent act in competing for the particular contract.	Accounting Officer		YES	n/a
38(1)(f)	<p>Cancel a contract awarded to a person if –</p> <p>the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract; or</p> <p>(i) an official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of the contract that benefited that person.</p>	Accounting Officer	Manager: Supply Chain Management	YES	n/a

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38(1)(g)	<p><i>Reject the bid of any bidder if that bidder or any of its directors –</i></p> <p>(i) has abused the supply chain management system of the municipality or has committed any improper conduct in relation to such system;</p> <p>(ii) has been convicted for fraud or corruption during the last five years;</p> <p>(iii) has willfully neglected or reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or</p> <p>(iv) has been listed in the Register for Tender Defaulters in terms of Section 29 of the Prevention and Combating of Corrupt Activities Act (No. 12 of 2004).</p>	Accounting Officer	To all relevant delegates within the SCM unit	n/a	
40(1)	The Supply chain policy must provide for an effective system of disposal management for the disposal or letting of assets, including unserviceable, redundant or obsolete assets, subject to sections 14&90 of MFMA	Municipal Council		YES	Municipality has to follow the Asset Transfer Regulations published by National Treasury, with effective date of 1 September 2008 on local authorities Has amended the SCM policy.
40(2) a	<p>A Supply Chain management policy must specify the ways in which assets may be disposed of, including by –</p> <p>(i) Transferring the asset to another organ of state in terms of a provision of the MFMA enabling the transfer of assets</p> <p>(ii) Transferring the asset to another organ of state at market related value or, when appropriate, free of charge</p> <p>(iii) Selling the asset</p> <p>(iv) Destroying the asset</p>	Municipal Council		YES	Has amended the SCM policy. Refer to Land Disposal Policy was review and approved on 29 May 2013
40(2) b	<p>Stipulate that –</p> <p>(i) Immoveable property may be sold only at market related prices except when public interest or the plight of the poor demands otherwise</p> <p>(ii) movable assets may be sold either by way of written price quotations, a competitive bidding process, auction or at</p>	Municipal Council		YES	Refer to Land Disposal Policy was review and approved on 29 May 2013

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	<p>market related prices, whichever is the most advantageous to the municipality in the case of the free disposal of computer equipment, the Provincial Department of Education must first be approached to indicate within 30 days whether any of the local schools are interested in the equipment</p> <p>(iii)</p> <p>(iv) in the case of the disposal of firearms, the National Conventional Arms Control Committee has approved any sale or donation of firearms to any person or institution within or outside the Republic</p>				
40(2) c	<p>Provide that –</p> <p>(i) immovable property is let at market related rates except when the public interest or the plight of the poor demands otherwise</p> <p>(ii) all fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed</p>	Municipal Council		YES	<p>Municipality has to follow the Asset Transfer Regulations published by National Treasury, with effective date of 1 September 2008 on local authorities.</p> <p>Has amended the SCM policy. Refer to Land Disposal Policy was review and approved on 29 May 2013</p>
40(2) d	Ensure that where assets are traded in for other assets, the highest possible trade-in is negotiated	Municipal Council		YES	Refer to Land Disposal Policy was review and approved on 29 May 2013
41(1)	A Supply chain management policy must provide for an effective system of risk management for the identification, consideration and avoidance of potential risks in the supply chain management system	Accounting Officer	Chief Financial Officer	YES	
42	Performance management	Accounting Officer	Chief Financial Officer	YES	Monthly reporting
43(2)	Check with SARS whether a person's tax matters are in order before making an award to such person.	Municipal Council	Manager: Supply Chain Management	YES	Suppliers tax clearance certificates are continuously verified
45	<p>Disclose in the notes to the annual financial statements of the municipality particulars of any award of more than R2,000 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months, including –</p> <p>(a) the name of that person;</p> <p>(b) the capacity in which that person is in the service of the state; and</p>	Municipal Council	Chief Financial Officer	YES	Details to be submitted to the CFO

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	(c) the amount of the award.				
44(3)(a)	Keep a register of all declarations in terms of Regulation 46(2)(d) and (e).	Accounting Officer	Manager: Supply Chain Management	YES	Declarations were completed by SCM officials as well as the user departments
46(3)(b)	Ensure that declarations from the accounting officer in terms of Regulation 46(2)(d) and (e) are recorded in the register.	Mayor	Chief Financial Officer	YES	Declarations are kept electronically at SCM section
46(5)	Adopt the National Treasury's code of conduct for supply chain management practitioners and other role players involved in supply chain management.	Municipal Council	Accounting Officer	YES	Code of conduct was issued to all user departments as well as SCM officials
47(2)	Report any alleged contravention of Regulation 47(1) to the National Treasury for considering whether the offending person, and any representative or intermediate through which such person is alleged to have acted, should be listed in the National Treasury's database of persons prohibited from doing business with the public sector.	Accounting Officer	Chief Financial Officer	YES	
48	Disclose to the National Treasury and the relevant provincial treasury any sponsorship promised, offered or granted to the municipality whether directly or through a representative or intermediate, by any person who is – (a) a provider or prospective provider of goods or services to the municipality; or (b) a recipient or prospective recipient of goods disposed or to be disposed, of by the municipality.	Accounting Officer	Manager: Supply Chain Management	YES	Refer to amended SCMPs
50(1)	Appoint an independent and impartial person to assist in the resolution of disputes and to deal with objections, complaints or queries as described more fully in Regulation 50(1).	Accounting Officer	Bid Appeals Committee	YES	
50(3)	Responsible to assist the person appointed in terms of Regulation 50(1) to perform his or her functions effectively.	Accounting Officer	Accounting Officer	YES	