

MEMORANDUM

**TO: MUNICIPAL MANAGER
THE EXECUTIVE MAYOR**

FROM: MANAGER SCM

RE: SCM Implementation Report 2015/16

REF.: 5/27

DATE: 30 June 2016

Purpose of Report

The accounting officer must, within 30 days of the end of the financial year, 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(2)(a)(i) of the Supply Chain Management Regulations on the implementation of the Supply Chain Management Policy for the year ending 30 June 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 June 2015 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 fully 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 2015/16 financial year:

55	65	21
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Table 1.: Bid Committee Meetings

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

There are no permanent members on the Bid Specification Committee. Members are allocated dependent on the type of bid	100%
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Table 2.: Attendance of members of bid specification committee

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

There are no permanent members on the Bid Evaluation Committee. Members are allocated dependent on the type of bid	100%
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Table 3.: Attendance of members of bid evaluation committee

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

H Van Biljon (Director: Financial Services)	86%
N Kotze (Director: Technical Services)	86%
P Everson (Asst. Director: Electro-Mechanical Services)	91%
K Mrali (Director: Community Services)	86%
S Ngwevu (Director: Corporate Services)	91%

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

The following number of awards were made by the BAC.

1. 42 x Competitive Bids (R33 670 519.99)
2. 21 x Formal written Quotations (R2 267 652.81)
3. 1 x Extension of contract as per Part 23.14.20 of the SCMP&S & mfma circular 62 (Based on approved Housing Grant)
4. 2 x amendment of contract in terms of section 116(3) of the MFMA (R1 725 435.00)
5. 1 x Deviation in terms of Part 18.6.4 of the SCMPOS (Tariff of 18% of Debt collected and paid over to CAM)
6. 1 x procurement in terms scm regulation 32 (R391 786,08)

The bid adjudication committee awarded **42 bids 2016/17 (49: 2015/16)** with an estimated value of **R33 670 519.99 (R13 928 025: 2015/16)**.

The ten highest bids awarded by the bid adjudication committee are as follows:

Reference Number	Description of Bid	Category	Supplier Name	Value of Bid (R)
SCM9/2015/16	RAISING OF EXTERNAL LOANS	FINANCE	ABSA BANK LTD	R 7 940 202,50
SCM7/2015/16	DEVELOPMENT PROPOSALS FOR AFFORDABLE HOUSING (FLISP & GAP MARKET)	COMMUNITY SERVICES / HOUSING & HUMAN SETTLEMENTS	ELITE CONSULTING	R 4 409 541,66
SCM30/2015/16	CONSTRUCTION OF THUSONG CENTRE PHASE 2	COMMUNITY SERVICES / HUMAN DEVELOPMENT	ACTEBIS 172 CC T/A ELS BOUERS	R 3 901 348,42
SCM36/2015/16	SHORT-TERM INSURANCE PORTFOLIO FOR THE PERIOD 2016 TO 2019	FINANCE / INCOME MANAGEMENT	MARSH PTY LTD	R 1 940 991,80
SCM32/2015/16	UPGRADING OF OU MEULE ROAD SEWER PUMP STATION	TECHNICAL SERVICES / WATER & SEWERAGE	CAPE AGULHAS CIVILS CC	R1 823 190,60
SCM40/2015/16	FINANCIAL MANAGEMENT & ACCOUNTING SERVICES	FINANCE / BUDGET & TREASURY OFFICE	SIYANDA BUSINESS SOLUTIONS PTY LTD	R 1 681 143,00
SCM15/2015/16	CONSTRUCTION OF ABLUTION FACILITIES AT OLD NOSTRA PARKING AREA, STRUISBAAI	COMMUNITY SERVICES / PUBLIC SERVICES	ACTEBIS 172 CC T/A ELS BOUERS	R 1 252 054,08
SCM22/2015/16	GENERAL VALUATION FOR THE 2017 TO 2021 FINANCIAL YEAR	FINANCE / INCOME MANAGEMENT	DDP VALUES PTY LTD	R 1 151 404,56
SCM37/2015/16	DEVELOPMENT OF CAPE AGULHAS SPATIAL DEVELOPMENT FRAMEWORK TO MAKE IT COMPLIANT TO SPLUMA	CORPORATE SERVICES / TOWN PLANNING	JSA ARCHITECTS & URBAN PLANNERS	R 993 168,00
SCM13/2015/16	SUPPLY & DELIVERY OF 8000L VACUUM SEWERAGE TANKER	TECHNICAL SERVICES / WATER & SEWERAGE	AAD TRUCK & BUS	R 831 348,12

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:

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 2015/16 financial year:

22	R186 159.28
6	R367 380.35
5	R1 312 757.65

Table 6.: Summary of deviations

5. Logistics Management

The stock take took place on 29 June 2016. No surpluses or deficit were found during the stocktake.

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 June 2016, the value of stock at the municipal stores amounted to

Store A – Bredasdorp Stores	<u>R1 207 330.05</u>
Store B – Struisbaai Stores	R -
Store C – Electrical Stores	<u>R 230 364.60</u>
Total value of stock	<u>R1 437 694.65</u>

6. 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

7. Systems

• Supplier Database

The database for suppliers is currently operated on a Excel spreadsheet. The number of new suppliers registered within the financial year amounts to **107**.

The total number of registered suppliers until 30 June 2016 amounts to **908**.



We have invited new prospective service providers to register on the CAM supplier database and the Western Cape Supplier Database and all current suppliers to update their details during July 2015 and May 2016. An email was also sent to suppliers of whom the tax clearances have expired.

The Cape Agulhas Municipality used the Western Cape Supplier Database as a secondary solution for the list of service providers which has been established and maintained by the Western Cape Provincial Treasury.

SCM Technology: Western Cape Supplier Database

The Cape Agulhas Municipality used the Western Cape Supplier Database as a secondary solution for the list of service providers which has been established and maintained by the Western Cape Provincial Treasury.

The supplier open took place on 17 July 2015 at the Bredasdorp Community Hall, to enable suppliers to register on the Western Cape supplier database. The implementation of the system was 01 August 2015.

• **Financial System**

On 1 July 2015 the electronic requisition system on SAMRAS was implemented.

8. External Relations

- The quarterly SCM Forum meeting took place on

- Quarter 1: District SCM Forum 3 June 2016

- The forum dates for the 2016/17 financial year:

- Quarter 2: District SCM Forum 12 August 2016
- Quarter 3: SCM Indaba & Forum 17 & 18 November 2016
- Quarter 4: SCM Provincial Forum 17 February 2017

9. 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.


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RJ SEFOOR

MANAGER SCM

Date: 8/7/16


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DGI O'NEILL

MUNICIPAL MANAGER

Date: 11/07/16


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PJ VAN BILJON

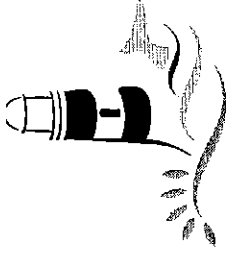
DIRECTOR: FINANCIAL SERVICES

Date: 11/07/2016


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RG MITCHELL

EXECUTIVE MAYOR

Date:



KAAP AGULHAS MUNISIPALITEIT
CAPE AGULHAS MUNICIPALITY
U MASIPALA 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 July 2015 – 30 June 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	IMPLEMENTED	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	
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	
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	reported to council on monthly basis
7(1)	Establish a supply chain management unit.	Municipal Council	Chief Financial Officer	YES	4 SCM officials, 2 stores 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 and also make use of the Western Cape Supplier Database

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	Accountant: Supply Chain Management		Reported on monthly base to CFO, MM and Council
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 designated official referred to in sub-regulation (1)(c).	Chief Financial Officer	Accountant: 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
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	Accountant: Supply Chain Management	YES	Standard Operating Procedures (SOP's) have been drafted reported monthly

REG. NO.	CRYPTIC DESCRIPTION OF POWER OF DUTY	POWER CURRENTLY RESIDING	DELEGATED	IMPLEMENTED	COMMENTS
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	Accountant: 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

REG. NO.	CRYPTIC DESCRIPTION OF POWER OF DUTY	POWER CURRENTLY RESIDING	DELEGATED	IMPLEMENTED	COMMENTS
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

REG. NO.	CRYPTIC DESCRIPTION OF POWER OF DUTY	POWER CURRENTLY RESIDING	DELEGATED	IMPLE- MENTED	COMMENTS
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 (ii) If the decision of the bid adjudication committee is rejected, refer the decision of the adjudication committee back to that committee for reconsideration.	Accounting Officer	Accounting Officer	YES	Reason are submitted in writing
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	Accountant: 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	IT Official	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	IT Official	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	IT Official	YES	IT Official is responsible

REG. NO.	CRYPTIC DESCRIPTION OF POWER OF DUTY	POWER CURRENTLY RESIDING	DELEGATED	IMPLE- MENTED	COMMENTS
32(1)	<p>To procure goods or services for the municipality under a contract secured by another organ of state, but only if –</p> <p>(a) the contract has been secured by that organ of state by means of a competitive bidding process applicable to that organ of state;</p> <p>(b) the municipality has no reason to believe that such contract was not validly procured;</p> <p>(c) there are demonstrable discounts or benefits for the municipality; and</p> <p>(d) that other organ of state and the provider have consented to such procurement in writing.</p>	Accounting Officer	Chief Financial Officer	YES	Contracts in terms of SCM regulation 32 were awarded during this year, after all the required processes and procedures have been followed.
35(1)	Procure consulting services above the value of R200 000 (VAT incl) provided that any Treasury guidelines in respect of consulting services are taken into account when such procurements are made.	Accounting Officer	Bid Adjudication Committee	YES	
35(4)	Ensure that copyright in any document produced, and the patent rights or ownership in any plant, machinery, thing, system or process designed or devised, by a consultant in the course of the consultancy service is vested in the municipality.	Municipal Council	Relevant Department	YES	
36(1)(a)	<p>Dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –</p> <p>(i) in an emergency;</p> <p>(ii) if such goods or services are produced or available from a single provider only;</p> <p>(iii) for the acquisition of special worker of art or historical objects where specifications are difficult to compile;</p> <p>(iv) acquisition of animals or zoos; or</p> <p>(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.</p>	Accounting Officer	Chief Financial Officer	YES	reported on monthly base

REG. NO.	CRYPTIC DESCRIPTION OF POWER OF DUTY	POWER CURRENTLY RESIDING	DELEGATED	IMPLE- MENTED	COMMENTS
36(1)(b)	Ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.	Accounting Officer	Chief Financial Officer	YES	
36(2)	Record the reasons for any deviations in terms of Regulations 36(1)(a) and (b); and Report them to the next meeting of the Council and include as a note to the annual financial statements. Decide to consider an unsolicited bid but only if –	Accounting Officer	Chief Financial Officer	YES	
37(2)	(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.	Municipal Council	Accounting Officer	YES	
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

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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 irregular practices or failure to comply with the supply chain management policy, and when justified – (i) take appropriate steps against such official or other role player, or report any alleged criminal conduct to the South African Police Service.	Accounting Officer	Chief Financial Officer	YES	n/a
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	Accountant: Supply Chain Management	YES	Checked as part of Evaluation process
38(1)(d)	Reject any bid from a bidder – (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; (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.	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

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38(1)(f)	<p>Cancel a contract awarded to a person if – 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	Accountant: Supply Chain Management	YES	n/a
38(1)(g)	<p>Reject the bid of any bidder if that bidder or any of its directors –</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	YES	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.

REG. NO.	CRYPTIC DESCRIPTION OF POWER OF DUTY	POWER CURRENTLY RESIDING	DELEGATED	IMPLE- MENTED	COMMENTS
40(2) a	<p>A Supply Chain management policy must specify the ways in which assets may be disposed of, including by –</p> <ul style="list-style-type: none"> (i) Transferring the asset to another organ of state in terms of a provision of the MFMA enabling the transfer of assets (ii) Transferring the asset to another organ of state at market related value or, when appropriate, free of charge (iii) Selling the asset (iv) Destroying the asset 	Municipal Council		YES	Refer to Land Disposal Policy
40(2) b	<p>Stipulate that –</p> <ul style="list-style-type: none"> (i) Immoveable property may be sold only at market related prices except when public interest or the plight of the poor demands otherwise (ii) movable assets may be sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous to the municipality (iii) 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 (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 	Municipal Council		YES	Refer to Land Disposal Policy
40(2) c	<p>Provide that –</p> <ul style="list-style-type: none"> (i) immovable property is let at market related rates except when the public interest or the plight of the poor demands otherwise (ii) all fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed 	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>Refer to Land Disposal Policy</p>



REG. NO.	CRYPTIC DESCRIPTION OF POWER OF DUTY	POWER CURRENTLY RESIDING	DELEGATED	IMPLEMENTED	COMMENTS
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
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	Accountant: Supply Chain Management	YES	Suppliers tax clearance certificates are continuously verified
45	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 – (a) the name of that person; (b) the capacity in which that person is in the service of the state; and (c) the amount of the award.	Municipal Council	Chief Financial Officer	YES	Details to be submitted to the CFO
44(3)(a)	Keep a register of all declarations in terms of Regulation 46(2)(d) and (e).	Accounting Officer	Accountant: 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	Accounting Officer	Accountant: Supply Chain Management	YES	Refer to amended SCMPS

REG. NO.	CRYPTIC DESCRIPTION OF POWER OF DUTY	POWER CURRENTLY RESIDING	DELEGATED	IMPLE- MENTED	COMMENTS
	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.				
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	