

Cape Agulhas Municipality



KAAP AGULHAS MUNISIPALITEIT
CAPE AGULHAS MUNICIPALITY
U MASIPALA WASECAPE AGULHAS

QUARTERLY REPORT: SUPPLY CHAIN MANAGEMENT

**2nd QUARTER: 1 OCTOBER 2017 - 31
DECEMBER 2017**

TABLE OF CONTENTS

1. Purpose of Report.....	3
2. Implementation of Supply Chain Management Policy.....	3
3. Committees.....	3 - 6
4. Awards made by the Accounting Officer.....	7
5. Deviations from normal Procurement Processes.....	7
6. Reporting on awards avbove R100 000.....	8
7. Logistics Management.....	8 - 9
8. Procurement Plan.....	9
9. Procurement Statistics.....	9
10. Awards to close family members.....	10
11. Monitoring of contracts & performance.....	10
12. Staffing issues.....	11
13. Training.....	11
14. Systems.....	11
15. Conclusion & Sign-off.....	12
16. Oversight Report.....	13 - 24

1. 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 2017 – 31 December 2017**, in order to strengthen Council's oversight role.

2. Implementation of Supply Chain Management Policy

The Supply Chain Management Policy was revised and adopted by Council in March 2017 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.

3. 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)

a. Bid Committee Meetings

The following table details the number of bid committee meetings held for the 2nd quarter of the 2017/18 financial year:

Bid Specification Committee	Bid Evaluation Committee	Bid Adjudication Committee
3	1	1

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: Finance & ITC Services)	100 %
S Stanley (Manager: Budget & Treasury Office)	50%

Member	Percentage attendance
K Mrali (Director: Management Services)	100%
N Mhlati-Musewe (Div Head: Human Resources)	100%
T Stone (Div Head: Strategic, Planning & Administration Services)	50%

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.

b. Awards Made by the Bid Adjudication Committee (2nd quarter of the 2017/18 financial year)

The following awards were made by the BAC.

AWARDS	2 nd Quarter 1 October – 31 December 2016		2 nd Quarter 1 October – 31 December 2017	
	Number	Amount	Number	Amount
Competitive Bids	8	R 7 018 012,87	4	R 2 256 559,58
Formal Written Quotations	4	R 237 617,42	3	R 344 980,00
Deviation In Terms Of Part 18.6.3 Of The SCMPOS	0	R 0,00	0	R 0,00
Sale Of Erven	0	R 0,00	0	R 0,00
Extentions / Amendment Of Contracts In Terms Of Part 20.14 Of The SCMPOS	4	R 570 340,60	0	R 0,00
Procurement In Terms Scm Regulation 32	0	R 0,00	0	R 0,00
Number of Disputes, Complaints, Enquiries and Objections Received	0		1	

Table 5.: Awards for the 2nd quarter of 2017/18

KWARTAAL VERSLAG IN TERME VAN SCM REGULASIE 5(4) OKTOBER - DESEMBER 2017 / REPORT IN TERMS OF SCM REGULATION 5(4) - OCTOBER - DECEMBER 2017

TENDERS EN FORMEEL GESKREWE KWOTASIES TOEGEKEN AAN DIE TENDERAAR WIE DIE HOOGSTE PUNTE BEHAAL IN TERME VAN DIE VOORKEUR VERKRYGINGS 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	CONTRACT AMOUNT	VAT	RESOLUTION NR	DATE OF AWARD	BEE CONTRIBUTION LEVEL	
TENDERS													
1	SCM2/2017/18	074041216005	MANAGEMENT SERVICES	PUBLIC SERVICES	SUPPLY & INSTALLATION OF AIRCONDITIONERS	JC REFRIGERATION CAPE	12/20	R 127 949,00	IN	T71/2017	2017-10-16	4	
		074042232003											
		072530116003											
		075060116014											
2	SCM5/2017/18	073060216002	FINANCE & ICT SERVICES	ICT SERVICES	SUPPLY & DELIVERY OF COMPUTER EQUIPMENT: GROUP 1 - <u>DESKTOPS, LED SCREENS & LAPTOPS</u>	DLK GROUP PTY LTD	20/20	R 215 541,24	EX	T75/2017	2017-10-25	1	
		073060216003											
		073060216021											
		073060116005											
		073060136022											
3	SCM7/2017/18	075020121010	INFRASTRUCTURE	WATER & SEWERAGE	SUPPLY & DELIVERY OF COMPUTER EQUIPMENT: GROUP 3 - <u>SERVER REPLACEMENT OF WATERMAIN IN VILJOENSTREET, BREDASDORP</u>	DLK GROUP PTY LTD	20/20	R 311 295,24	IN	T76/2017	2017-10-25	1	
		075050211020	INFRASTRUCTURE	ROADS & STORMWATER	UPGRADING OF INDUSTRIAL ROAD IN STRUISBAAI	AMS CIVILS PTY LTD	18/20	R 603 077,10	IN	T80/2017	2017-11-17	1	
4	SCM6/2017/18	075050211020	INFRASTRUCTURE	ROADS & STORMWATER	UPGRADING OF INDUSTRIAL ROAD IN STRUISBAAI	CAPE AGULHAS CIVILS CC	18/20	R 998 697,00	IN	T82/2017	2017-11-17	2	
								R 2 256 559,58					

NO.	TENDER NR	VOTE NR	DEPARTMENT	DIVISION	DESCRIPTION	SUCCESSFUL TENDERER	BEE POINTS AWARDED	CONTRACT AMOUNT	VAT	RESOLUTION NR	DATE OF AWARD	BEE CONTRIBUTION LEVEL
SALE OF ERVEN												
1					none							
tender in terme van scm regulasie 32 / procurement in terms scm regulation 32												
					NONE			R 0,00				
afwykings van die beleid, goedgekeur in terme van regulasie 36 (1) (scm regulasies) / deviations from the policy, approved in terms of SCM regulation 36(f)												
1					NONE			R 0,00				
uitbreiding van kontrak in terme van SCMPOS Part 20.14 & mfma circular 62 / extension of contract in terms of SCMPOS Part 20.14												
								R 0,00				
FORMEEL GESKREWE KWOTASIES / FORMAL WRITTEN QUOTATIONS												
1	Q7/2017/18	07505023102	INFRASTRUCTURE SERVICES	ROADS & STORMWATER	PROVISION OF PROFESSIONAL SERVICES: SUPERVISION AND CONTRACT MANAGEMENT FOR ROADS IN BREDASDORP	ENGINEERING ADVICE & SERVICES WESTERN CAPE	0/20	R 93 000,00	NONE	T73/2017	2017-10-25	0
2	Q8/2017/18	075050231014	INFRASTRUCTURE SERVICES	ROADS & STORMWATER	PROVISION OF PROFESSIONAL SERVICES: SUPERVISION AND CONTRACT MANAGEMENT FOR ROADS IN NAPIER	ENGINEERING ADVICE & SERVICES WESTERN CAPE	0/20	R 93 000,00	NONE	T74/2017	2017-10-25	0
3	Q9/2017/18	074050136009	MANAGEMENT SERVICES	LIBRARY SERVICES	SUPPLY & ERECT FENCING AT ARNISTON LIBRARY	DC ZEEMAN T/A ALUMINIUM DESIGNS	20/20	R 158 980,00	NONE	T84/2017	2017-11-17	1
								R 344 980,00				

4. 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 6.: Awards made by Accounting Officer

5. Deviation from Normal Procurement Processes

The following table provides a summary of deviations approved for the 2nd quarter of the 2017/18 financial year:

Number of deviations	Value of deviations
Deviations for amounts below R30 000:	
17	R197 601.36
Deviations for amounts above R30 000:	
3	R213 569.26
Deviations for amounts above R200 000:	
0	R0.00

Table 7.: Summary of deviations for 2nd quarter

Deviations from Minor Breaches of the Supply Chain Management Policy (SCM Regulations 36 (1) (a), (i) (ii), (iii), (iv)&(v))	
Deviations below R30 000 1 October 2017 - 31 December 2017	
36 (1) (a) (i): Emergency	R 0,00
36 (1) (a) (ii): Sole Provider	R 67 527,90
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 130 073,36
	R 197 601,26
Deviations above R30 000 1 October 2017 - 31 December 2017	
36 (1) (a) (i): Emergency	R 0,00
36 (1) (a) (ii): Sole Provider	R 0,00
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 213 569,26
	R 213 569,26
Deviations above R200 000 1 October 2017 - 31 December 2017	
36 (1) (a) (i): Emergency	R 0,00
36 (1) (a) (ii): Sole Provider	R 0,00
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 0,00
ABOVE R200 000	R 0,00
TOTAL AMOUNT OF DEVIATIONS APPROVED	R 411 170,52
TOTAL SUMMARISED DEVIATIONS: 1 October 2017 - 31 December 2017	
36 (1) (a) (i): Emergency	R 0,00
36 (1) (a) (ii): Sole Provider	R 67 527,90
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 343 642,62
TOTAL	R 411 170,52

Table 8.: Breakdown of deviations – year to date

6. 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 2nd quarter of the 2017/18 financial year.

Contract Identifier	Commodity Description	Supplier	BEE Status	Source Method	Contract Value	Lowest Acceptable Bid Value	Premium Paid Value	Expansion Value
T80/2017	REPLACEMENT OF WATERMAIN IN VILJOEN STREET, BREDASDORP. (SCM7-2017-18)	AMS CIVILS (PTY) LTD	Level 1	Competitive Bids	R 603 077,10	R 602 478,60	R 598,50	R 603 077,10
T75/2017	SUPPLY & DELIVERY OF COMPUTER EQUIPMENT: GROUP 1 - DESKTOPS, LED SCREEN & LAPTOPS. (SCM5-2017-18)	DLK GROUP (PTY) LTD	Level 1	Competitive Bids	R 215 541,24	R 202 075,00	R 13 466,24	R 215 541,24
T76/2017	SUPPLY & DELIVERY OF COMPUTER EQUIPMENT: GROUP 3 - SERVER (SCM5-2017-18)	DLK GROUP (PTY) LTD	Level 1	Competitive Bids	R 311 295,24	R 311 295,24	-	R 311 295,24
T84/2017	SUPPLY & ERECT FENCING AT ARNISTON LIBRARY. (Q9-2017-18)	DC ZEEMAN T/A ALUMINIUM DESIGNS	Level 1	Price Quotations	R 158 980,00	R 158 980,00	-	R 158 980,00
T71/2017	SUPPLY & INSTALLATION OF AIR CONDITIONERS (SCM2-2017-18)	JC REFRIGERATION CAPE	Level 4	Competitive Bids	R 127 949,00	R 127 949,00	-	R 127 949,00
T82/2017	UPGRADING OF INDUSTRIAL ROADS IN STRUISBAAI. (SCM6-2017-18)	CAPE AGULHAS CIVILS CC	Level 2	Competitive Bids	R 998 697,00	R 998 697,00	-	R 998 697,00
Total					R 2 415 539,58	R 2 401 474,84	R 14 064,74	R 2 415 539,58

Table 9.: 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 1 288 893,58	R 1 274 828,84	R 14 064,74
Level 2	1	R 998 697,00	R 998 697,00	-
Level 4	1	R 127 949,00	R 127 949,00	-
Total	6	R 2 415 539,58	R 2 401 474,84	R 14 064,74

Table 10.: Summary of BBBEE spending on bids

Table 11.:

7. 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.

During December, the Struisbaai Stores became active again. All stock purchases will be done via the Main Stores in Bredasdorp and transferred to the sub-store in Struisbaai.

As at **31 December 2017**, the value of stock at the municipal stores amounted to:

Store Location	OPENING VALUE	PURCHASES VALUE	ISSUES VALUE	BALANCE VALUE
Store A – Bredasdorp Stores	R 1 233 225,15	R354 679,64	-R179 200,60	R 1 408 704,19
Store B – Struisbaai Stores	R0,00	R0,00	R0,00	R0,00
Store C – Electrical Stores	R 122 850,00	R 0,00	R 0,00	R 122 850,00
Total value of stock	R 1 356 075,15	R354 679,64	-R179 200,60	R1 531 554,19

8. 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 plan is updated on a regular basis and distributed to the user departments in order to ensure that they spend their budgets effectively, efficiently and economically.

9. Procurement Statistics

The following is a summary of the procurement statistics below R30 000 for the 2017/18 financial year.

REQUESTS BELOW R30 000	JULY - SEPTEMBER 2017 1 st quarter		OCTOBER - DECEMBER 2017 2 nd quarter	
	Total No	value	Total No	value
Requests processed	801	R7 768 441,08	1069	R19 008 533,32
Orders processed	816	R 7 773 550,41	1115	R 18 987 801,17
Request/ orders cancelled	15	R555 958,31	46	R559 373,77
Outstanding orders	409	R 4 774 924,94	552	R 10 153 914,00
Paid orders	407	R 2 998 625,47	911	R 13 712 976,46

Table 12.: Summary of Procurement Stats below R30 000

10. Awards to close family members of persons in the service of the state

In terms of Supply Chain Management Regulation 45, awards to close family members of persons in the service of the state must disclose particulars of awards of more than R2000 in the Annual Financial Statements. The following bids were awarded to a person who is family members of a person in the services of the state:

NO.	SCM PROCESS FOLLOWED	BESKRYWING/ DESCRIPTION	AWARDED TO	RELATIONSHIP	AMOUNT PAID AS AT 31 DECEMBER 2017 / BEDRAE UITBETAAL SOOS OP 31 DESEMBER 2017
1	DIRECT TRANSACTION	ARMLASTIGE BEGRAFNISSIE	ADONAI FUNERAL HOME	BROTHER OF CAM OFFICIAL MR. D FREDERICKS	R 5 025,00
2	QUOTATIONS	CATERING & REFRESHMENTS	EE SPANDIEL	PARENT OF CAM OFFICIAL MR. H SPANDIEL	R 8 583,00
3	QUOTATIONS	VARIOUS TRANSPORT	M WAXA T/A TAMTURA WAXA TAXI SERVICES	BROTHER OF CAM OFFICIALS MR. X WAXA AND MR. T WAXA	R 3 200,00
TOTAL					R 16 808,00

Table 13.: Direct: Awards to Close family members in service of the state - CAM

NO.	SCM PROCESS FOLLOWED	BESKRYWING/ DESCRIPTION	AWARDED TO	RELATIONSHIP	AMOUNT PAID AS AT 31 DECEMBER 2017 / BEDRAE UITBETAAL SOOS OP 31 DESEMBER 2017
1	TENDERS	PLANT HIRE FOR CONSTRUCTION PURPOSES, CONSTRUCTION OF OU MEULE PUMPSTATION, UPGRADING OF GRAVEL ROADS TO SURFACED STANDARD IN BREDASDORP & WAENHUISKRANS,	CAPE AGULHAS CIVILS	MS. TL DU TOIT SPOUSE OF DH DU TOIT, DIRECTOR IN CAPE AGULHAS CIVILS IS IN SERVICE OF THE DEPARTMENT OF HEALTH	R 2 269 267,81
2	TENDERS & QUOTATIONS	COMPUTER ACCESSORIES & STATIONERY	CANFRED COMPUTERS T/A PREMIUM COMPUTERS & STATIONERS SWELLENLAMD	MR. N EKSTEEN, PARENT OF BOTH SHAREHOLDERS/DIRECTORS OF PREMIUM COMPUTERS & STATIONERS SWELLENLAMD IS IN SERVICE OF DENEL OTR	R 33 741,00
3	TENDERS	ANNUAL STORES STOCK & SERVICES: ITEM 10 -14 PLUMBING WARE	IKAPA RETICULATION & FLOW	SPOUSE OF DIRECTOR IS EMPLOYED BY WESTERN CAPE EDUCATION DEPARTMENT (ATHLONE SCHOOL FOR THE BLIND)	R 92 271,59
4	TENDERS	PROFESSIONAL SERVICES: EXTERNAL AUDIT OF LANDFILLS AND ANNUAL REPORT	NCC ENVIRONMENTAL SERVICES	CHADRE RHODE (SPOUSE) OF DIRECTOR IS IN SERVICE OF THE STATE	R34 200,00
5	TENDERS	SUPPLY & INSTALLATION OF ALUMINIUM WINDOWS, TINTING AT THE COMMUNITY HALL (SPORT COMPLEX)	DC ZEEMAN T/A ALUMINIUM DESIGNS	V ZEEMAN (SPOUSE) OF OWNER IS IN SERVICE OF THE STATE (OVERBERG DISTRICT MUNICIPALITY	R190 325,00
TOTAL					R 2 585 605,40

Table 14.: Indirect: Awards to Close family members in service of the state – State Departments

11. 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.

12. 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: Buyer (2)
- Storekeeper
- Stores Clerk (x 2)

13. Training & Development

A training session on the NT Standard for Infrastructure Procurement and Delivery Management was held from 31 October - 1 November 2017 by CESA. Collaborator User group meeting was held 23- 24 November 2017. The SCM Contract management training which was scheduled for 25 -27 October 2017 was postponed until 19 – 21 February 2018.

14. Systems

• Supplier Database

The database for suppliers is currently operated on a Excel spreadsheet. The number of new suppliers registered within the first quarter amounts to **29**.

The total number of registred suppliers until 30 September 2017 amounts to **1029**.

• 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.

As from 1 July 2017, all suppliers are imported from the CSD into the Phoenix (Vesta) Financial system.

• 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 Municipaly advertise all formal written quotations above R30 000 as well.


• Financial System

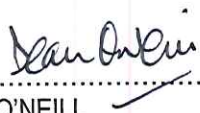
At the current stage, all orders and store requisitions are captured on the Phoniex (Vesta) financial system.


15. 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.

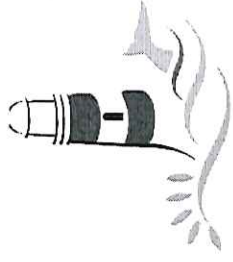
It is hereby certified that the above information is correct.


.....
RJ SEFOOR
MANAGER SCM
Date: 16-1-18


.....
DGI O'NEILL
MUNICIPAL MANAGER
Date:


.....
PJ VAN BILJON
DIRECTOR: FINANCIAL SERVICES
Date: 16/01/2018


.....
PJ SWART
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 October 2017 – 31 December 2017

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 March 2017. Implementation date 1 July 2017.
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 March 2017.
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 March 2017. Implementation date effective 1 July 2017.
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 March 2017. Implementation date effective 1 July 2017.
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 March 2017. Implementation date effective 1 July 2017.
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	Reported to Executive mayoral committee 21 August 2017
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 Executive mayoral committee 21 August 2017
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 • 1 st quarter – October 2017
7(1)	Establish a supply chain management unit.	Municipal Council	Chief Financial Officer	YES	3 x Store officials, 5 SCM Officials & 4 Fleet & Workshop Officials
12(2)(a)	Allow the Accounting Officer to low, but not to increase, the different threshold values specified in subregulation(1). Direct that:	Accounting Officer	Chief Financial Officer	YES	
12(2)(b)	(i) written quotation be obtained for any specified procurement of a transaction value higher than R2000; (ii) formal written price quotation be obtained for any specific procurement of a transaction value higher than R30 000, or (iii) a competitive bidding process be followed for any specific procurement of a transaction value higher 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. Since 1 July 2016 we have started to utilize the Centralised Supplier

REG. NO.	CRYPTIC DESCRIPTION OF POWER OF DUTY	POWER CURRENTLY RESIDING	DELEGATED	IMPLEMENTED	COMMENTS
					database as a secondary supplier database and also to verify suppliers Advertising on the website
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	
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
14(2)	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

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
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	The municipality awarded Contract RT57-2016: SUPPLY AND DELIVERY OF MOTOR VEHICLES, LIGHT AND HEAVY COMMERCIAL VEHICLES, BUSES AND MOTOR CYCLES TO THE STATE: PERIOD 1 JULY 2016 TO 31 MARCH 2018. The contract has been secured by National Treasury.

REG. NO.	CRYPTIC DESCRIPTION OF POWER OF DUTY	POWER CURRENTLY RESIDING	DELEGATED	IMPLEMENTED	COMMENTS
	(c) there are demonstrable discounts or benefits for the municipality; and (d) that other organ of state and the provider have consented to such procurement in writing.				
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)	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 – (i) in an emergency; (ii) if such goods or services are produced or available from a single provider only; (iii) for the acquisition of special worker of art or historical objects where specifications are difficult to compile; (iv) acquisition of animals or zoos; or (v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.	Accounting Officer	Chief Financial Officer	YES	reported on monthly base
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)		Municipal Council	Accounting Officer	YES	

REG. NO.	CRYPTIC DESCRIPTION OF POWER OF DUTY	POWER CURRENTLY RESIDING	DELEGATED	IMPLEMENTED	COMMENTS
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	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	Refer to Land Disposal Policy
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

REG. NO.	CRYPTIC DESCRIPTION OF POWER OF DUTY	POWER CURRENTLY RESIDING	DELEGATED	IMPLEMENTED	COMMENTS
	<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>Refer to Land Disposal Policy</p>
40(2) d	<p>Ensure that where assets are traded in for other assets, the highest possible trade-in is negotiated</p>	Municipal Council		YES	Refer to Land Disposal Policy
41(1)	<p>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</p>	Accounting Officer	Chief Financial Officer	YES	
42	<p>Performance management</p>	Accounting Officer	Chief Financial Officer	YES	Monthly reporting
43(2)	<p>Check with SARS whether a person's tax matters are in order before making an award to such person.</p>	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

REG. NO.	CRYPTIC DESCRIPTION OF POWER OF DUTY	POWER CURRENTLY RESIDING	DELEGATED	IMPLEMENTED	COMMENTS
	(c) the amount of the award. Keep a register of all declarations in terms of Regulation 46(2)(d) and (e). Ensure that declarations from the accounting officer in terms of Regulation 46(2)(d) and (e) are recorded in the register.	Accounting Officer Mayor	Manager: Supply Chain Management Chief Financial Officer	YES YES	Declarations were completed by SCM officials as well as the user departments Declarations are kept electronically at SCM section
44(3)(a)	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
46(3)(b)	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	
46(5)	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
48	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). Responsible to assist the person appointed in terms of Regulation 50(1) to perform his or her functions effectively.	Accounting Officer	Bid Appeals Committee	YES	
50(1)		Accounting Officer	Accounting Officer	YES	
50(3)		Accounting Officer	Accounting Officer	YES	